



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 14 December 2010

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

17th Meeting 2010, Session 3

CONVENER

Irene Oldfather (Cunninghame South) (Lab)

DEPUTY CONVENER

*Sandra White (Glasgow) (SNP)

COMMITTEE MEMBERS

*Ted Brocklebank (Mid Scotland and Fife) (Con)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

Jim Hume (South of Scotland) (LD)

*Bill Kidd (Glasgow) (SNP)

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

*Bill Wilson (West of Scotland) (SNP)

COMMITTEE SUBSTITUTES

Jackson Carlaw (West of Scotland) (Con)

Ken Macintosh (Eastwood) (Lab)

Gil Paterson (West of Scotland) (SNP)

Iain Smith (North East Fife) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Lisa Bird (Scottish Government Culture, External Affairs and Tourism Directorate)

Fiona Hyslop (Minister for Culture and External Affairs)

Heather Jones (Scottish Government Culture, External Affairs and Tourism Directorate)

CLERK TO THE COMMITTEE

Lynn Tullis

Simon Watkins

LOCATION

Committee Room 4

Scottish Parliament

European and External Relations Committee

Tuesday 14 December 2010

[The Deputy Convener *opened the meeting at 10:35*]

Decision on Taking Business in Private

The Deputy Convener (Sandra White): Good morning, everyone, and welcome to the 17th meeting in 2010 of the European and External Relations Committee. I have apologies from Jim Hume, and Irene Oldfather is not able to come to the meeting. I hope that her mother is feeling a bit better today. Frank McAveety will be late.

Agenda item 1 is to decide whether to take in private item 6, under which the committee will consider its report to the Finance Committee on scrutiny of the Scottish Government budget. Do members agree to take item 6 in private?

Members *indicated agreement.*

“Brussels Bulletin”

10:37

The Deputy Convener: Agenda item 2 is the “Brussels Bulletin”. Do members have any comments on it?

Bill Kidd (Glasgow) (SNP): I refer to page 3 of the bulletin and the elements of “An Agenda for new skills and jobs: A European contribution towards full employment” under the Europe 2020 strategy. The bulletin says:

“The Communication sets out four priorities”

and that it

“expands on these priorities with a series of actions.”

There are many important elements within those actions. I want to highlight actions 10 and 12, which are about reviewing the health and safety strategy and legislation. Those actions should be flagged up. This committee will not deal with them because of the timescales that are attached to them, but a future committee might look forward to dealing with them.

The Deputy Convener: That point about the Europe 2020 initiative is well made. I, too, considered that. Perhaps we can pass it on to Ian Duncan.

Simon Watkins (Clerk): We will have the cabinet secretary before us on 18 January. He is responsible for Europe 2020, so we will have a chance to make that point then as well.

The Deputy Convener: That is good. Thanks very much.

Ted Brocklebank (Mid Scotland and Fife) (Con): I again flag up the great difficulties that the Scottish fishing fleet is facing at the moment. Negotiations are under way today in Brussels, and a 50 per cent drop in fishing for cod stocks off the west coast of Scotland is among the proposals that are being made. If there is no improvement on that proposal, it will basically decimate that industry. Even worse, there is talk of a 100 per cent cut in fishing for cod off the west coast of Scotland and in the Irish Sea from next year. Therefore, there are major issues for the Scottish fleet.

I also draw attention to the fact that there is supposed to be consideration of punitive measures against Iceland and the Faroe Islands for what has been described as their illegal activity of overfishing mackerel in their waters. It should be noted that, despite all the propaganda that we are hearing, neither Iceland nor the Faroe Islands was invited to be party to the discussions on mackerel quotas. As they were not invited to take part in those discussions, it might be regarded as

a bit thick that they are now allegedly to be punished for overfishing stocks in their own territorial waters.

Amid all the propaganda about dreadful Iceland and the dreadful Faroe Islands, it should be remembered that since neither of those countries is a member of the European Union, neither was invited to be party to the discussion. It is perhaps not unreasonable, therefore, that they should go ahead and fish for mackerel in the numbers that they consider appropriate. Obviously, the matter will have to be sorted out, but, given the background to the dispute, we should not necessarily believe everything that we read about the dreadful Faroese and the dreadful Icelanders.

Bill Wilson (West of Scotland) (SNP): I do not quite agree with Ted Brocklebank. There is a long tradition of quotas being settled. My understanding is that although Iceland and the Faroes had not been invited to the quota meetings, the meetings had been intended to go ahead as normal. The Faroes fish regularly for mackerel in Norwegian waters under agreement, but long-standing agreements are now clearly being broken. There is a problem with the behaviour of Iceland and the Faroes.

Ted Brocklebank: That is not accurate because, strictly speaking, any deal that the Faroes does with Norway, which is not an EU member, is outwith the EU negotiations. Neither Iceland nor the Faroes is a member of the EU.

Over the past year, mackerel have moved north into colder waters, as we have seen with cod and other species. Large numbers of mackerel are now swimming in Icelandic and Faroese waters that were not there before. Given that Iceland and the Faroe Islands were not invited to take part in the unilateral discussions that are held under the International Council for the Exploration of the Sea, it is not unreasonable that they should come to their own view on the matter. I am arguing Bill Wilson's point now, but I have talked to some of our own mackerel fishermen up in the north-east of Scotland, who ask whether, if Scotland was in the same situation, we would not be doing exactly the same thing.

Bill Wilson: The evidence from Marine Scotland did not say that the mackerel had moved north. It said that because there had been successful conservation measures, the population was expanding outwards. That successful conservation measure is now at risk because of a unilateral decision to catch large numbers of fish that were not previously being caught.

Ted Brocklebank: It serves no useful purpose for us to carry on arguing. There is another side to the issue.

The Deputy Convener: It proves that fish do not know whether they are in EU waters. It is an interesting point.

Do we pass on our comments to the Rural Affairs and Environment Committee?

Simon Watkins: We can certainly do that.

The Deputy Convener: We should express the two viewpoints.

Page 1 of the "Brussels Bulletin" talks about the United Kingdom seeking a freeze on the EU budget. I would like Ian Duncan to keep an eye on that. Obviously, if there is a freeze on the budget, it will have an effect on Scotland.

European Commission Work Programme 2011-12

10:43

The Deputy Convener: Item 3 is the Commission work programme 2011-12. Our paper proposes that we highlight the CWP to subject committees, invite them to include the relevant sections from the European officer's analysis in their legacy papers and draw the attention of each committee to the availability of the Commission's considered opinion on subsidiarity. We are invited to endorse the EU's priorities for 2011, which are the same as those for 2010 but with the addition of the multi-annual financial framework; to agree that the European officer should continue to provide updates on the priority issues via the "Brussels Bulletin"; and to recommend that our successor committee considers a CWP paper early in the next session.

Do members have any comments?

Bill Kidd: If we are passing the issue on to our successor committee, we have no right to tie its hands on what it will do.

The Deputy Convener: Are you questioning the recommendation that the successor committee should consider a paper on the CWP?

Bill Kidd: No. It seems reasonable to me.

The Deputy Convener: Do we agree to the recommendations in the paper?

Members *indicated agreement.*

The Deputy Convener: I thank Ian Duncan for his work on the paper.

International Engagement Inquiry

10:45

The Deputy Convener: Agenda item 4 is consideration, as part of our international engagement inquiry, of a report on the recent Brussels study visit by Frank McAveety, who is not here yet, and Bill Wilson. The European officer, Ian Duncan, has produced the report, which will be included in the evidence for the inquiry and will contribute to our conclusions, which we will consider in the new year. Bill, do you want to make any comments on your visit?

Bill Wilson: No. I do not think that there is anything to add to the report. The visit was very useful. If someone has a specific question, I can try to answer it, but I think that the report pretty much provides all the necessary information.

The Deputy Convener: It is a very good report. I thank Bill Wilson and Frank McAveety for undertaking the visit and Ian Duncan for preparing the report. I have observations on a few items in the report. Page 1 states:

"the staff costs of Quebec and Bavaria in the case of policy officers were primarily met by the sponsoring home department."

That is an interesting point.

Page 2 states:

"For each state the relationship with their MEPs was considered to be critical. Only the Scottish Representation stressed the importance of engaging with MEPs from beyond the national delegation."

That is interesting, too.

Bill Wilson can maybe fill me in on the next point. Page 3 states that the Brussels office

"relies upon the advice of specialists in Edinburgh when it comes to the detailed analysis of particular policies".

Are the experts in Edinburgh within the Scottish Government, or are they experts from other fields? It is not clear.

Bill Wilson: From memory, I think that it refers to experts within the Scottish Government. If I remember correctly, the Brussels office has only six policy officers, so they obviously have a limited capacity to deal with very complex issues beyond saying, "We've got an issue here that we have to look at." If I recall correctly, the experts are from across the Scottish Government and the civil service.

The Deputy Convener: I just wanted that to be noted, because it was not clear from the report whether they were experts from particular fields or from the Scottish Government. Do members want to raise any other issues?

Bill Kidd: Under the heading “Office structure” on page 3, the report states:

“The office ... has six policy officers and six ancillary staff. The operating budget ... has remained”

fairly static over

“the past 5 years, despite a deteriorating exchange rate.”

We do not have any control over that. The report goes on to say that

“Donald Henderson, Director ... anticipates a cut of around 10% in the operating costs”

on top of the static budget. Was there any suggestion that they would or would not be able to continue with the functions that they currently perform?

Bill Wilson: They seemed to be fairly confident that they could continue to function, but obviously there was concern that their ability to operate might be reduced if further cuts hit them. As I said, there are six policy officers to cover all the legislation that comes out of the EU. They do not try to cover all areas—they have tightened it down to about four or five—but my impression is that they are close to the edge.

The Deputy Convener: I thank Bill for his comments. We will note the report.

For agenda item 5, we are to hear from the Minister for Culture and External Affairs, Fiona Hyslop, as part of the international engagement inquiry. We have got through our business fairly quickly, so I suspend the meeting until 11 o'clock, when the minister will come along.

10:49

Meeting suspended.

10:54

On resuming—

The Deputy Convener: The minister has arrived early, so we will reconvene. Item 5 is our international engagement inquiry. I welcome Fiona Hyslop, the Minister for Culture and External Affairs. I also welcome Lisa Bird and Heather Jones back to the committee. I will give the minister three to five minutes to make an opening statement.

Fiona Hyslop (Minister for Culture and External Affairs): Thank you. It feels a bit like groundhog day for those of us who managed to get on the Glasgow to Edinburgh train last week. I hope that we will be able to progress from what we discussed last week. I cancelled other arrangements to be here at the request of the committee, because I knew that you were keen to have me here.

I welcome the opportunity to discuss with you the policy side of our international engagement, which is important to Scotland. We have built on what was achieved in the first two sessions and we have developed a more strategic approach in doing so.

Our international framework, which was published in 2008, sets out clear objectives for international engagement: growing our economy, growing the population and enhancing our global reputation. Last week's evidence session on international spending quite rightly focused on the areas where we spend our money. However, it is also important that our engagement is not dependent on expenditure. International development and promoting trade and investment involves significant expenditure, but much of our international policy, as set out in the international framework and the suite of country plans that sit under it, can often be delivered by close working with our partners and by aligning our objectives with others.

We fund overseas offices in areas where we feel that there is most benefit to be had from such expenditure, but we also engage with other countries without a Scottish Government dedicated office. Although we have no India office, and it is only nine months since we published the India plan, we have built many strong and productive links with India across a range of sectors: government, education, health, culture and, of course, business.

On the Pakistan plan, we are working with the Pakistani community here in Scotland—the reverse diaspora that Ted Brocklebank mentioned last week—to help actions under the plan.

Ministerial visits have played a significant part in developing links. The First Minister's visit to China played a significant part in achieving the recent recognition of the geographical status of Scotch whisky, to the huge benefit of one of our biggest export markets. He also led trade missions as part of the China visit and his visit to Delhi for the Commonwealth games. That raised the profile of the mission within the host country, which led to significant benefits for the businesses involved. Between the two missions, nearly £5 million of business was achieved.

Jim Mather's recent participation in an international conference in Delhi on renewable energy has contributed to promoting Scotland's place as a key player in renewables, not just to the Indian audience but to international participants at the conference.

Our close working with Scottish Development International, VisitScotland, Scottish culture partners and British embassies and high commissions means that we can maximise the

benefits of our direct spend. Through SDI, we have created or safeguarded 2,000 high-value jobs in 2009-10 through inward investment.

By establishing the international touring fund, which supports our national performing companies, we have enabled Scottish culture to be toured through Europe, North America, China, India and beyond. In recognition of the Scottish Government's international priorities, next year's Edinburgh festivals will have a focus on Asia, demonstrating an outward focus to a truly international audience.

Our regular engagement with the consular core, through which we regularly meet visiting ambassadors, also provides the opportunity to build links with other countries.

All those activities demonstrate the value of diplomacy in its widest sense. Alongside funding overseas Scottish Government and SDI offices, we undertake a wide range of activities to help to grow our economy, grow our population and enhance our reputation.

International relations are fundamental if we are to establish and maintain an effective presence and identity within the global community. We continue our efforts on a smaller number of priority countries while capitalising on opportunities that arise elsewhere.

The committee has examined our North America and European plans recently. The European action plan sets out the rationale for focusing resources on tracking key EU legislation and developments that impact on Scotland, engaging in four areas in particular where we have a strategic interest—energy and climate change; the marine environment; research and creativity; and freedom, security and justice—and raising our profile in those areas.

Last month, you heard evidence from Robin Naysmith, who heads up the Scottish affairs office in Washington DC, and Danny Cusick, from SDI. As you heard, their work steers a path towards key sectors in Scotland that have much to offer and interest US partners: energy, life sciences, financial services, food and drink, creative industries and tourism. It is a two-way street. Those key sectors on which we choose to focus provide opportunities for external trade, inward investment and expansion by Scottish companies in US markets.

As you will be aware, our engagement with Asia is quite diverse. Perhaps it would be helpful if I clarified a few components. You are familiar with the China plan, which sets out our objectives for engagement with China, which I look forward to discussing with you in January. The south Asia development programme was launched in February, and sets out our development objectives

across south Asia, including India and Pakistan. Our India plan, which was published in March, sets out four priority areas for engagement with India. The Pakistan plan, which was published in September, focuses on engagement, with an emphasis on working with the Pakistani community in Scotland. The south Asia plan, which was published earlier this month, sets out the context for three areas of engagement activity in south Asia.

The Canada plan, which was published on St Andrew's day, focuses on engagement. The team Scotland office is being established to take forward the excellent model of integrated multi-agency working.

11:00

While we are doing everything that we can to sustain and grow our economy, we have a moral responsibility to tackle global poverty issues and ensure that economic opportunities are available to others. We had an extensive discussion on that area last week, but I confirm that we have maintained our financial contribution of £9 million for the international development fund in 2011-12 to strengthen our contribution to the achievement of the United Nations millennium development goals. As we touched on last week, we will continue to strengthen our engagement with Malawi through the commitment to ring fence a minimum of £3 million, although, as I explained last week, that is a minimum level, which we have exceeded each year.

We made a number of changes to our approach to international development in our refreshed policy in 2008. We have a sharper focus on our work in sub-Saharan Africa, we have delivered on our commitment to set up an international development programme for priority countries in south Asia and we stand by to respond to international humanitarian crises as they appear.

Those things make a real difference to the lives of people in developing countries. That is illustrated by the independent review of projects in Malawi. This Administration has strengthened the funding process and our monitoring and evaluation requirements, with a stronger focus on measuring outcomes against baseline data at project level. Our analysts are looking across projects and programmes to consider the broader impact of international development policy. I would be happy to share that information with the committee when it is available.

I am proud that Scotland has an outward focus through its international engagement and international development. We look to develop trade links, attract overseas investment, recruit overseas students and migrant workers, and

support vulnerable or less well-off people in communities in other countries. It bears repeating that all of that activity is directed by the international framework objectives: to grow our economy, to grow our population and to enhance our reputation.

After that overview, I am happy to take questions, although I will be guided by the convener about which questions are new territory rather than repeat questions from last week.

The Deputy Convener: I thank the minister for that full summary.

You have covered some of the issues that I was going to raise, particularly the geographical priorities regarding engaging at the national level or the regional level. You mentioned the new development policy in your submission. It would be handy for the committee to see the policy, because it would answer the question of whether the engagement is national or regional.

The international framework states:

"Scotland is a nation and we will continue to work to learn from the economic and educational successes of ... the Arc of Prosperity".

Considering the financial crisis and what has happened in the economic environment since the framework was set up in 2008, should the framework be updated and revised?

Fiona Hyslop: We continue to assess the framework within which we work. We have been more strategic in our work on that. Our country plans focus our attention, investment, time and effort on particular countries, but that does not preclude us from engaging with and learning from other countries. Norway is a good example of a country with which we have engaged on a number of issues. The First Minister visited Norway, and we have been considering energy issues.

Energy is an interesting area in relation to our engagement with other countries. Obviously, there is a business interest. Mitsubishi is a good example, because it has brought in £100 million of research and development. A lot of that is connected to the academic work that can be done in Scotland. We have to recognise where we are trying to provide a more coherent focus. We are trying to link much of our engagement with different countries to priority issues and key strategic advantages for our country. Renewable energy is one such area. It also has an impact on our universities and academic abilities in R and D. Jim Mather has made those connections with India. At the conference that he attended in India, there were opportunities to link up with universities there.

When I visited China, many of the connections that we made were about promoting our strengths

in life sciences and renewables, so there are parallels there. We also share key interests with some of the Baltic countries. For example, in relation to early years, Adam Ingram visited Norway—again—to examine certain outdoor education measures that we are pursuing, and Sweden has a key interest in early years and early engagement. Indeed, much of the Scottish Government's early years framework has been drawn from the Swedish experience.

We have also been invited to participate in a summit that the Prime Minister is about to hold with Baltic countries, because clearly, in a number of areas, we can learn a great deal and exchange information. Some of that will be Government-to-Government contact on policy, but some of it will involve the academic sector, and one of our challenges is to align our international engagement activities better with Universities Scotland and our universities. I do not think that I have discussed that area with the committee, but in recent years we have improved and enhanced our engagement with our universities on their international links in certain key areas such as social policy and energy.

The Deputy Convener: So although the framework refers to only Norway, Finland, Ireland and Denmark, you are looking at other countries in developing the Government's priorities.

Fiona Hyslop: I have not mentioned Ireland and Denmark, which are also areas of key interest where we can engage. I stand to be corrected, but I do not think that we have had any ministerial visits to Denmark. However, the approach to early years in that country—and, as I said, in Sweden—has certainly informed much of Adam Ingram's thinking in that area.

We are continually engaging with Ireland; indeed, only yesterday, I attended a meeting of the British-Irish Council. At the previous BIC, energy—particularly marine energy—was discussed, and one need only look at certain areas off the west coast of Ireland and the opportunities that we in Scotland have to realise that it is a matter of making links, exchanging ideas and sharing our thinking and research and development in marine energy. That is a practical and recent example of our engagement with Ireland.

The Deputy Convener: You mentioned international offices and, of course, you work with other consulates. Can you give us more precise details of the objectives of the overseas offices, particularly those in Beijing, Brussels and Washington?

Fiona Hyslop: They very much allow us to focus on the three key areas of creating the conditions for talented people to learn, visit, work and remain in Scotland; sharpening the economic

growth focus of what we are doing; and managing our reputation. In the key sectors, for example, they develop and provide opportunities for engagement, and the two China visits in which I have participated have very much been supported by our office in that country. We certainly need such support. The office is located in the British embassy and also carries out work with both the Foreign and Commonwealth Office and, in particular, the ambassador.

The Washington office supported Richard Lochhead's trip last week to New York to promote Scotland's food and drink, and there is also a diplomatic element through the very powerful, strong and influential caucuses that have been developed with the Senate and Congress. Although, as I say, those offices are very important in various diplomatic and economic respects, we also need to be a bit sharper in our work with SDI and VisitScotland, and to that end our Canada plan is very focused on getting all the different agencies to work together and using physical offices more effectively. For example, SDI has an important base in India that we can work with. We need to co-ordinate Government and agency staff in order to achieve the clearer focus that I know the committee has long called for, and I hope that you can see evidence that we are moving in that direction.

The Deputy Convener: I was about to ask about co-ordination and closer working, but you have just answered that question.

According to the financial scrutiny unit's report, Government spend on international offices has risen significantly—by 39 per cent between 2005 and 2010. Why have those costs risen so sharply? You have already mentioned the 2,000 high-value jobs that SDI has brought to Scotland, but has that extra expenditure brought any other benefits?

Fiona Hyslop: Their role is to ensure that we have economic impacts. We can see the benefits, for example, in the £5 million of business that was generated just from the two recent trade missions. There are a number of reasons for the increase that the FSU identified. Obviously, costs have increased generally across a number of areas. If we take the Washington office, for example, the value of the pound relative to the dollar has decreased by 30 per cent over the period, which has had an impact. The value of strengthening our support is in what we achieve by doing that. However, our providing that support has costs, which is what we see in the increase that was identified.

The Deputy Convener: Just to follow on from that, you said previously that the costs of the offices had not been reviewed. Is a review or evaluation of the overseas offices in the pipeline?

Fiona Hyslop: I expect a continuous review of what we get for our investment. For example, for our Brussels operation, we are looking at how we can work more effectively with Scotland Europa to ensure that we are getting better value and that there is no duplication, and that we can achieve as much as we can from the operation. The two committee members who recently visited the Brussels office might want to reflect on that. It is absolutely key that we have a strong presence in Brussels in key areas that have an impact on Scotland, and that we influence the key decision makers.

The Brussels office also works very closely with the UK Government representatives in Brussels. It is important that we have direct representation on, for example, the marine area, which is one of the four priority areas that I talked about. We must take very seriously our responsibilities and what we can offer in, for example, reform of the common agricultural policy and the common fisheries policy—there is the current mackerel issue—and it is essential that we have in place people who can influence matters and ensure that the Government's interests are pursued. It is far easier to do that from our location there than to try to do it remotely. I do not think that anyone is suggesting that we should withdraw from that position, but we must be very conscious of the public purse and the return that we get for our investment.

We had to look long and hard at our budgets for our North American operation. However, this would be the wrong time to withdraw support from there. For example, there are real opportunities for us in Canada from the diaspora interest: 30 per cent of Canadians claim a connection to Scotland. Rather than withdraw from the North American operation, we are trying to get better value from what we do. The Beijing operation, which is located in the embassy there, is fairly small. However, it is absolutely key that we have a direct presence there, because it has made a big difference to the value of our operations and connections.

The Deputy Convener: I understand that, and I think that the committee would agree that it is important to ensure that those operations continue. I know that they are monitored, but we wonder whether they are monitored regularly and whether papers are produced on outcomes. You referred in your opening remarks to outcomes.

Fiona Hyslop: I have had a 6.7 per cent cut in my budget, so I can reassure the committee that I am looking closely at expenditure on all the operations.

The Deputy Convener: Thank you, minister.

Ted Brocklebank: The convener has already referred to the FSU report. As you will know, in 2009-10 over a third of all our international spend was in the European Union; North America and the rest of the world both accounted for around a quarter each; and Asia accounted for the remaining 14 per cent. Given the likely increase in Asian influence, are you happy that that represents appropriate targeting of spend, in line with the Scottish Government's international priorities?

Fiona Hyslop: That is a difficult question; had I an expanding budget, it would be easier to make decisions. However, you are obviously implying that I must make decisions within a limited budget. As I said, I have had a 6.7 per cent budget cut, so we must make decisions based on that. On our European spend, you must remember that that includes VisitScotland, which does a lot of promotion in Europe. Reports on the key visitors to Scotland for the Edinburgh international festival show that large numbers come from Germany and France. A lot of our promotion and spend can be related to Europe. For the reasons that I have just outlined—our operations in the European Commission and the European Council—we have a far bigger operation in Brussels than we do in Washington DC and Beijing, for example.

11:15

In other areas, many of the activities are to do with SDI. We must consider the budget areas there. Most of that spend is in relation to Asia and North America. Rather than look at the inputs, we need to consider what is coming back from the spend. As I explained last week, not all of our relations are in the same development trajectory; for example, India is a more recent development. Most of our focus over the past year in terms of new territory and involvement has been in Asia, but it is not necessarily the spend that is followed through—a lot of that is about setting up the initial relationships. I worked for a company that started working in China about 20 years ago, where it is necessary to have a long presence before you are established and achieve results. In India in particular, we want to move quickly, but a lot of it is about relationships first and then spend. Therefore, most of the international spend in Asia is probably on SDI operations. It is not necessarily directly from my budget or the Government budget.

Europe is a developed market in relation to tourism and requires significant spend, so, for example, you will see more spend from VisitScotland.

However, you are right in asking whether we should consider what we are getting for our investment and whether we should be investing

more in Asia. I would like to say yes, but I would be reluctant to cut budgets elsewhere. If the committee's overview said, "Let's cut budgets in Europe", that would cause real concern to our hotels and to businesses in the tourism sector, which rely a great deal on the European market.

I hope that that explains the balance.

Ted Brocklebank: You mentioned SDI. Of the £13 million that was spent overseas by SDI in 2009-10, the majority seemed to relate to offices and other overheads, spending on which almost doubled over the period. While the number of international offices just increased from 20 to 22, the number of staff increased from 51 to more than 80, representing a 58 per cent increase. Is that the right way for spend to be going? Will we reap rewards from that increase in staff and offices?

Fiona Hyslop: Over that period, and given those figures, we are talking about 29 more people operating on the international market to build relationships and to help to encourage the international work of the Government. We need people on the ground to do that.

In terms of international work, we can help to promote inward investment—Mitsubishi is a good example of that. If you are asking whether our investment in SDI is being recouped by the amount of inward investment, I would say that it is. International studies of inward investment operations in different countries show that SDI is a very good performer in relation to other countries.

The real challenge for Scotland now is not just to concentrate on inward investment; it is also about globalisation of existing companies in Scotland. We have a large number of small and medium-sized enterprises in Scotland compared to the rest of the UK. If we want our small companies to become medium-sized companies and our medium-sized companies to become large companies, they need to be better at global connections. We have probably underperformed in terms of encouraging Scottish companies to exploit global markets.

SDI recently had a good conference about that. It is part of the Government's international policy. It is also about encouraging globalisation of Scottish companies elsewhere. To do that in a vacuum is challenging. It makes it more important, rather than less so, to have people on the ground to help to build relationships, to know the local markets and to help to connect. That is a way to go. You cannot on the one hand say to me that we should probably be investing more in Asia and then on the other hand criticise us for having staff employed there. There is a balance to be struck. The committee is right to challenge the returns on spend, but we need the people on the ground to

help us to develop those relationships. It is not just about attracting inward investment: just as important is support for Scottish companies when they want to go into other markets, which is a newer focus.

Ted Brocklebank: I come back to priorities. Should we have more people on the ground in south-east Asia and fewer people on the ground in places such as Brussels and North America?

Fiona Hyslop: They are different sorts of people. In Brussels, the people are Government officials working on legislation with the European Commission, the Council of the European Union and the European Parliament. Last week, we had a debate in Parliament on the Treaty of Lisbon. This committee has asked for tracking of initiatives in order to help it and the Parliament to identify points of intervention. We especially need the Brussels office to help us with such governmental and Council issues.

In Asia, however, the people are employees of SDI and are considering economic development, which requires a different set of skills. Mr Brocklebank is right to consider the balance. More economic development officials are probably needed in Asia, in places such as India, but I am not sure that I would cut one type of service in order to benefit the other.

I have to find better ways of working. The SDI operation is part and parcel of the financial growth agenda, so I work closely with John Swinney and Jim Mather. I agree that we need to expand in that area and do more with it. It would be very helpful if the committee's report recommended that.

Ted Brocklebank: I want to take you briefly back over some of the ground that we covered last week on Malawi. Will you repeat to the committee why we ring fenced the £3 million for Malawi in the previous budget but do not seem to be specifically ring fencing it for next year? I think that you assured us last week that that does not mean that you will in any way cut investment in Malawi. However, it is of some concern to those of us who take an interest in Malawi that the money is not ring fenced in the new budget.

Fiona Hyslop: I have just been handed a piece of information relating to the previous question, which I will pass on before answering the question on Malawi. We have 10 SDI offices in Asia, six in North America and six in the European Union. Therefore, for SDI, the balance currently lies with Asia.

In the international framework document, we have a commitment to ring fence at least £3 million for Malawi. We have spent more than that every year; last year, for example, we spent £4.5 million. I give you my guarantee that that is the minimum—which does not mean that we will

not spend more than that in 2011-12. You may have suspicions that a Government of a different colour—should there be one—may not honour that, but that is a different issue. However, I can give you reassurance from this Government that our commitment is to spend at least £3 million on Malawi. We do not think that there is necessarily a need to itemise that in the budget documents; we have included it as part of the £9 million. I hope that the committee will welcome the fact that we have managed to maintain £9 million for the international development budget. Our international development framework still stands, and that ring fences the £3 million.

Ted Brocklebank: Thank you.

The Deputy Convener: Bill, I think that you had some questions.

Bill Wilson: Me? Oh, I am sorry—wrong Bill. I thought that it was my turn a bit earlier than expected.

Bill Kidd: Thank you, convener.

I would like to go back to a question that was asked earlier, on ensuring that there is co-operation and interconnectedness in the way our offices and agencies work together. The committee received evidence from Fife Council and the City of Edinburgh Council suggesting the requirement for closer links between the Scottish Government and local authorities. Both those authorities suggested that, unfortunately, there was a lack of interconnectedness and that, on occasion, people may be reinventing the wheel if they make similar contributions. The City of Edinburgh Council felt that more value could be gained if key partners such as local authorities were alerted to high-profile visits to and from relevant countries. It was suggested that there could be more of a team Scotland approach. How does the Scottish Government work with Scottish local authorities in pursuing objectives across the international framework and the associated action plans?

Fiona Hyslop: That is a very good question. It is a genuine challenge, because there are 32 local authorities and many of them have built up individual links. For example, Angus Council has long and well-established relationships with parts of China. It is the same with our institutions and our universities: Edinburgh Napier University has very strong links in Shandong and other places. We could spend all our time micromanaging and monitoring what local government is doing and vice versa. The challenge is how we work out what the key priorities are so that we can have better relationships.

We have worked in particular on some of the incoming Chinese visits, and with India. I might ask Heather Jones to comment on that. We are

supportive and try to provide a joint approach to those visits, because it is important—given that there is a large and increasing number of delegations—that they are effectively supported and managed. Could we do it better? I suspect that we could, but what I warn against is a limited number of people micromanaging and monitoring local government: by and large, local government tends not to want that to happen, although it is a two-way street. Part of the task is to ensure that local authorities identify the key areas, countries and industries that they are particularly interested in, but our job is to serve Scotland—we are a national Government—and those are relationships that we should support and encourage.

I take your point in all seriousness that, just as we are doing more with VisitScotland on connectedness, more could probably be done to support local government. I ask Heather Jones to comment on some of the recent examples in which such an approach has worked.

Heather Jones (Scottish Government Culture, External Affairs and Tourism Directorate): Thank you, minister. A good example of close working between a local authority and the Scottish Government was the First Minister's visit to Delhi and the Commonwealth games. There was a great deal of communication among, and preparation by, Glasgow City Council, the Commonwealth games organising committee, ourselves, the Scottish Council for Development and Industry, SDI and others who were involved. That was an example of a team Scotland approach to preparing messages about Scotland being a place to have relationships with and to invest in, and we built Scotland's international reputation for the future.

A number of either ministerial or business delegations go to China each year. Through our links with SDI, we frequently introduce the delegations to either local authorities or companies based around Scotland who are interested in business-matching partnerships. We engage with companies and local authority partners throughout Scotland to try to provide a warm welcome to companies that might want to invest here.

Bill Kidd: I ask Heather Jones, or perhaps the minister, whether local authorities are encouraged to make approaches to the Scottish Government about the relationships that they have developed or are developing overseas, because the Scottish Government might be able to help and to provide extra partners, who had not been contacted previously because of separate development of such work.

Fiona Hyslop: Yes, it is. However, it would often tend to be done on a specific industry basis. My responsibilities in external relations and those

of the officials who work with me are primarily on the diplomatic side. A lot of the key relationships will be to do with particular sectors, whether it is whisky or tourism, and a lot of those relationships will be with the economic ministers in relation to either tourism or trade. I am aware of a number of these activities, but I do not necessarily need to be directly involved or spend all my time on such activities.

We are being more focused in the countries that we are working on. In particular, we have a good opportunity to identify with the new Canada plan some of the key interests across Scotland among the local authorities that want to work there. The China relationships are fairly developed. In terms of our operation, we have had the India plan for only nine months, but we are keen to identify the key interests and organisations there: we will make more of an impact if we do. The encouragement is there but I do not as a minister—if you are asking me personally—micromanage all those relationships.

Many of the relationships exist on an industry-to-industry basis—for example, in textiles. A lot comes through the focus on the seven key sectors in the economic strategy, of which food and drink is a prime example. Some parts of the country obviously have a keen interest in that sector and its produce, and local authorities can make connections through that important area.

11:30

Mr Frank McAveety (Glasgow Shettleston (Lab): From the responses that we have heard, the problem is not that work has not been done but that it is not co-ordinated enough. Two of the larger authorities—Fife Council and the City of Edinburgh Council—have identified ways in which the dialogue could be more effective. They are not apportioning blame, but recognising that local authorities have a role to play. You have conceded today that your office and those of other ministers have roles to play. It strikes me that with the big cities and one or two of the other larger authorities, along with the university towns that they cover, there is an opportunity to do things more directly.

I do not really see enough—everybody is responsible for this—of the councils and the Government working really closely in partnership, for example in sending big delegations to the areas that Ted Brocklebank identified as part of our new agenda for international activity. Is there a chance to reflect on that from today and to create a drive among local authorities, in particular? Would it be more appropriate to do that through the Convention of Scottish Local Authorities? My view is that it would be better to talk to key local authorities because they are on the ground doing

things. What are your observations on that? It strikes me that that is the most critical issue facing us in terms of how we explore new markets and get the economic growth that is our shared agenda.

Fiona Hyslop: Particularly in the cities, the economic development agenda is not only about inward investment but about building relationships. The relationships are already stronger with the larger local authorities, so the issue is the extent to which we embed, reinforce or develop better relationships with the big cities. In doing so, though, what message would we send to the smaller local authorities such as Angus Council, which is a very good example of a go-ahead council that has built up relationships with areas in China? Getting the balance right on where the added value would be is important. We want to avoid duplication, because everybody's resources are stretched, so we must focus on the strategic areas.

However, it is a two-way street, which means that local authorities must ensure that we are aware of what their interests are in particular areas so that we can build on that. The involvement of local authorities in international work is a very useful development. We have now gone beyond the position whereby we can criticise only the Scottish Government for international work, because we now expect local authorities to embed international work as well. The question is how we ensure that we are getting value from that and from the relationships that are being built.

I have been more connected with international visits, delegations and operations involving the big cities than I have with the smaller local authorities. Finding the balance between them is important. I would be very concerned if we got bogged down in just tracking what local government was doing. I do not think that authorities would appreciate that and I am not sure that it would add value. We must target specifically what the most important thing is that the most important countries are dealing with, and direct our work on that basis.

There is value in Frank McAveety's idea of cities doing the work collectively. Do not underestimate—you probably do not—the amount of international traffic and academic visitors that universities have. Much of the work that I have done in my previous role in education and in my current ministerial role has been done on the basis that it is very difficult for us, as a minority Government, to make international visits during parliamentary time, as members will appreciate. However, we have received a large number of international delegations, many of which were academic delegations. For example, I have worked very closely with the Royal Society of

Edinburgh when it has had key international visits on the academic side.

Frank McAveety is right that the issue is not just around local authorities. In Edinburgh, for example, Edinburgh Napier University is very strong in many different markets and the University of Edinburgh is also undoubtedly so. The challenge is not just about Government-to-Government relationships, but about how international relationships can best be pursued within the physical location of a city. The committee has produced a very interesting idea in that regard, and I would be very interested in its further thoughts on it. I await with interest the committee's report on its international engagement inquiry and its overview of the most effective links.

The Deputy Convener: I want to add to what Frank McAveety said about local authorities; we are keen to expand on that issue.

What links do you have with the UK Government in pursuing your objectives in the framework? Do you work closely with the UK Government on that? Do UK Government agencies actively promote the international framework?

Fiona Hyslop: We work closely with the UK Government. We are always looking for opportunities to do that. Most recently—just last week—Jim Mather was part of the official UK delegation at Cancún. That is a positive example of the improved relationship with that particular department in the UK Government and the contribution that we can make.

Our official in Beijing supported the UK Government's education delegation in its recent visit to China. We are connected and we look for opportunities for working together.

You will know from our international development work, which we covered last week, that we try to ensure that we work constructively with the Department for International Development and that there is not a duplication of effort. Obviously, the DFID has a far bigger budget anyway, but even so we have good co-ordination with it.

There are also close connections with some of the operations within the European Union. Unfortunately I did not get to the last joint ministerial committee on Europe because of the weather last Monday, but we are working together. One of the challenges for us in Europe 2020, in relation to the developing energy policy, is the importance of marine energy for Scotland. If the European budget develops in a way that puts great emphasis on research and development in energy, but it is all on solar issues, rather than on marine issues, that is an imbalance as far as we are concerned. Probably the strongest

connections that we have internationally are on energy and education.

Patricia Ferguson (Glasgow Maryhill) (Lab): I am slightly sidestepping the issue, but on a recent visit to Brussels with the Local Government and Communities Committee, it was suggested to us that the UK Government does not intend to follow a national reform programme through to 2020—it does not intend to set targets. Has the UK Government shared that information with the Scottish Government to date?

Fiona Hyslop: Yes. I recall answering a question on that issue from Irene Oldfather in the chamber. This is about the extent to which we agree that the European Commission should set and monitor targets and the basis on which it should do so. I discussed the issue directly with the European Commissioner for Education, Culture, Multilingualism and Youth. A good example of that is the targets on participation in higher education. The EU wants to set strong targets with regard to pursuing the Lisbon agenda on encouraging more people to enter higher education to help improve the economic lot of Europe as a whole. I will be corrected if I am wrong, but I think that the target is around 50 per cent, which Scotland already meets. The commissioner told me that the target that she wanted to set was to ensure that the average across Europe was 50 per cent. If that meant that certain countries were sitting at 20 or 30 per cent, Scotland and the rest of the UK would be expected to go to 60 per cent in order to help the rest of Europe reach the average of 50 per cent. I am not sure about that; we should be able to decide such things ourselves.

Germany is in a similar position, because the Länder are responsible for education, too. I discussed the matter recently with the German ambassador. There is an issue about whether it is some sort of mission creep for the European Union to set targets on education when the member state does not even have jurisdiction, given that education is devolved—to either the German Länder or the Scottish Parliament, for example. What criteria are used? We have the national performance framework and outputs. The outcomes are where we measure our success.

Another good example is employment and how countries in Europe might measure the number of young people not in education, employment or training. We look closely at the figure and we try to improve and tackle it, but the figures are measured differently in other European countries.

We are sympathetic to the UK Government's position. We want to achieve the outcomes that are set by the Lisbon treaty. We agree that the majority of the targets do not present a difficulty and we can agree to them. However, we are

concerned about some of the issues around the edges. One of our concerns is about the criteria that are being set. We are also concerned about the UK agreeing that targets should be set in areas such as education, for example, when the UK is not responsible for delivering education in Scotland. The situation is similar in Germany. The Local Government and Communities Committee is looking into that.

We support the agenda to improve economic growth that is set out in the Lisbon treaty. That, and the agenda for EU 2020, fits in with what we are doing so we do not have any difficulty with it, although we might have difficulty with some of the detail. I have been engaged with the issue and I will be interested to see the Local Government and Communities Committee's report.

I hope that that gives an overview of where the debate is.

Patricia Ferguson: It does, but I do not know that it tallies with what we were told in Europe. It was indicated to us that the UK is the only country that is not submitting targets and that countries such as Germany and Spain, where some of those competencies are devolved, are still setting targets, even if they are having close and careful consideration and discussion with the sub-state regions, for lack of a better expression. It is slightly odd that we do not want to take that opportunity to contribute and to influence what is being said by the UK in Europe.

Fiona Hyslop: I have taken an active interest and have had discussions with the UK commissioner and the UK Government. We think that we should be able to contribute to the targets, and we have offered two contributions. However, we recognise where the UK Government is with regard to the criticism of strict target setting and not looking at outputs as opposed to targets.

I am not sure that what you have said represents the UK Government's position, but it is not for me to try to interpret its position. I would therefore be happy to write to David Lidington, the UK Minister for Europe, and ask him to reply to me and to the committee to set out the UK Government's position on target setting.

Patricia Ferguson: I do not think that I have interpreted the UK Government's direction of travel; that was not what I implied or said. I said that the UK Government has not set targets and has indicated that, at the moment, it has no intention of doing so. That is a recorded fact, and I do not think that we need to have any interpretation of that.

I also understand from the visit to Brussels that the European Commission is seeking a response from Scotland on the Commission's consultation

on the future of EU cohesion policy. Has that been submitted?

Fiona Hyslop: We certainly intend to respond, if we have not done so already.

Patricia Ferguson: The Local Government and Communities Committee's report on its visit has been published and the information is in the Scottish Parliament information centre.

Another point that has been made to us ties back into the inquiry that the committee is undertaking. Recently, the Welsh Assembly Government and the National Assembly for Wales met the Commission to outline their views on the future of structural funds. The Commission—unprompted by anyone in the delegation—contrasted that

“with ... a comparative ‘lack of engagement’ by Scottish actors”.

Would the minister like to comment on that?

Fiona Hyslop: I do not recognise that. The European and External Relations Committee and I have had a full meeting on the European action plan and that would have been an opportunity for such points to be raised.

We have given our input on the structural funds appraisal. We are actively engaged in that process, and our views and opinions are quite clear and have been communicated.

I am concerned to hear that the Local Government and Communities Committee got that response, so it would be helpful if you were to identify who said those things so that we can respond to them directly and ensure that they are fully aware of the Scottish Government's views on the structural funds.

11:45

As you know, there is a debate about what will happen in the future. We are trying to influence the UK Government, which has taken an absolutist position: under reforms, some countries will not receive structural fund allocations at all, which is a brutal change. I reassure the committee that I have made representations to the UK Government to try to get it to think differently and to ameliorate the position. The indications that I have received so far are that the Government is moving away from the absolutist position; it acknowledges that there will still be a need for structural funds within countries. However, we have to consider the transitional period and the shape.

Our position has been made directly to the European Union and, in recent months, I have made it directly within the UK as well. I hope that the UK will adjust its position accordingly.

Patricia Ferguson: The Local Government and Communities Committee's report talks about that particular visit. Another interesting point is the comment—regardless of whether the actual situation has been reflected—that the Commission was very impressed by the fact that it was lobbied jointly by the Welsh Assembly Government and the Welsh Assembly. Would such an approach help Scotland's interests? Could discussions with the Commission involve the Scottish Government and the Scottish Parliament jointly?

Fiona Hyslop: Absolutely. I think that the Local Government and Communities Committee took evidence from John Swinney as part of its inquiry into European structural funds. Is that right?

Patricia Ferguson: Yes.

Fiona Hyslop: We are talking about another committee and another inquiry, although it related to European matters. The approach that you suggest is exactly the approach that we need—with the Parliament and the Government, and also with our MEPs. There can be common ground and common approaches in many areas. That point has been made in our response on structural funds. I am not sure whether the Local Government and Communities Committee made its position clear in time for a joint approach to be made. However, we should encourage that.

The new approach that was recommended by Irene Oldfather in last week's debate—about individuals within each committee taking responsibility for European issues—would allow the Parliament to be alerted more quickly on different subjects, whether on structural funds or other subjects. The committees, proactively, would be able to say to the Government, “Yes, we want to work with you on this.” It would also allow for a better relationship between Government and individual committees—not just this committee, but the Local Government and Communities Committee and others. If we identify a key issue, we could say, “We'll be making representations, but it would be helpful to work effectively with the committees.” This is an issue on which both the Government and Parliament could improve in the future.

Patricia Ferguson: That is certainly this committee's intention.

Fiona Hyslop: Good.

Bill Wilson: I want to ask a few questions about North America, but before I do so I would like to ask a slightly more general question. I know that the Scottish Government has been visiting China and has raised concerns on human rights issues, but how consistent are we across the board? The United States has a horrendous reputation on human rights: Guantanamo; the school of the Americas—renamed but still operating; rendition;

extrajudicial killings in Iraq; torture; and the death penalty. Have we raised with the United States our concerns about its breaches of human rights? If we wish to build a reputation for caring about human rights, it will be important to be consistent. We should raise issues across the board, and not only with China. How consistent are we?

Fiona Hyslop: You are correct to suggest that, in meetings with Chinese ministers, we have raised human rights issues. I personally raised the issue of Tibet with one of the ministers when I met her.

I cannot give you any information on whether such issues have been raised with the United States. That would depend on diplomatic opportunities for senior ministers. If the committee feels that such meetings should take place, you could recommend that. I am not aware of any human rights issues being raised by this Government with the United States.

Bill Wilson: I, personally, would like to recommend that the Government should adopt a consistent approach to the raising of human rights issues.

The Deputy Convener: Bill—

Bill Wilson: You want me to get on with the question.

The Deputy Convener: Apart from that, Patricia Ferguson wanted to come in. I will come back to you.

Patricia Ferguson: I am sorry, Bill—I did not mean to cut you off.

Minister, while Bill Wilson was speaking, it struck me that the approach to China is different from the approach to other countries. If memory serves, the China plan sets out that human rights is an issue that ministers will raise. Should such a plan not be replicated throughout the international framework, so that we can ensure, where abuses of human rights arise, that they are picked up on when representations are being made?

Fiona Hyslop: That approach would perhaps allow the consistency that members suggest, but we have to be careful. There are people who would say that even in the United Kingdom there are human rights issues that need to be addressed. There might be an issue about what we should be doing in relation to the UK Government on various areas.

We need to focus on the three key areas that I set out: the attraction of people to the country, economic growth and our profile. I appreciate that, within Scotland, there is a very strong value system that reflects and respects human rights across the country. On a variety of issues, particularly with regard to women internationally

but also on other issues, the Parliament has had a perspective on human rights issues. I will reflect on the comments that Bill Wilson and Patricia Ferguson have made.

Bill Wilson: It would not do us any harm to have other countries commenting on where they think there are problems in Scotland. It never does any harm to have a view from outside on how one's country is doing on human rights. We could be more consistent in raising the issue, and also welcome comments about our own situation.

I move on to the questions that I was supposed to ask. What have been the key achievements of the Scottish affairs office in Washington DC? I think that it has been there since 2001.

Fiona Hyslop: It has ensured that we have a far more established presence to support Government activity. The achievements of the caucuses that I mentioned, in both the House of Representatives and the Senate, have been very helpful.

A lot of activity has been concentrated on what was tartan day and has now evolved into Scotland week, which had previously been concentrated on New York. On the last visit in April, three ministers visited 10 cities and there were 80 events across those different areas. We are trying to look beyond activity around what was tartan day and is now Scotland week, which is one week within the 52 weeks in a year.

The major achievements have been the efforts to have far more co-ordinated work with SDI and VisitScotland. There must be more evidence on how that will achieve in the future. A more recent achievement has been expansion of the work from the US into Canada. Those are among the achievements.

Bill Wilson: There was a concern that Scotland week was concentrating too much on New York, but you seem to have answered that. What has been achieved by our attendance at Scotland week? Can you give us examples of some definite gains from our attendance?

Fiona Hyslop: In the areas that we are concentrating on, such as economic growth and attracting people to visit Scotland, the US market is still very strong. In fact, the US market in tourism has grown extensively. At a time of difficulty during the recession, the US market was reasonably buoyant.

On the economic aspect, a number of American financial companies are very interested in Scotland. During my visit in April, 30 of our 80 engagements were with key businesses that either currently invest and are interested in maintaining their investment, or want to develop investment in Scotland. A lot of the activity is business focused.

As you said, the Washington office has been open since 2001. However, this Government's focus in the past three years has been more on the economy than had previously been the case. That approach has built on the platform of relationships that have been developed within the Washington office.

As I said, we have changed tartan day to Scotland week and we have expanded the reach from New York into other areas. I had a successful visit to Nashville in Tennessee with regard to life sciences; this returns to the point that we made about the relationship with universities and key sectors. Nashville is the city in the States that has had the largest growth in life science and health care companies. A number of the companies had visited Scotland, including Little France and the University of Edinburgh, a month before my visit and I reinforced those relationships when I visited Nashville as part of Scotland week.

That snapshot compares and contrasts what we have done previously and our current focus on marrying the promotion of Scotland as an attractive place to visit, study and learn with reinforcement of some of the key industry sectors and the key relationships for the economic agenda.

Bill Wilson: It has been suggested in some quarters that Scotland week might have become a little tired and out of date, in terms of the events that are organised or the people who are involved, and that perhaps its general approach needs to be updated or refreshed. Is that a valid comment?

Fiona Hyslop: The expansion of the week over 10 cities has made a big difference, so perhaps some people have an outdated view that everything happens just in New York. Some of the events are still very strong. For example, the dressed to kilt event gets a lot of coverage internationally and has a strong profile of modern, creative and innovative activity. We also worked on Harris tweed and its anniversary; we probably built on previous success in that regard. However, it was absolutely right that when Harris tweed was celebrating its anniversary year we connected with the textile and fashion industries in New York to help promote fantastic new interior designers and fashion designers using a fabric that must be supported in the textile industry. The Scotland run event is also going from strength to strength; it takes over Central park and there are saltires everywhere. Again, that event has run for a number of years, but it is still very successful.

In the future, I would like Scotland week perhaps to have more of a cultural emphasis and to connect more with what we are trying to do in our diaspora support and with our touring companies. We have not yet touched on the cultural aspects of our work in this discussion. For

example, the Scottish Chamber Orchestra and the National Galleries of Scotland have been in Atlanta promoting their activities. I have pulled together our national companies and national collections so that we can see, for our international activity in the US and elsewhere, what we can do to promote one another and how we can connect cultural activity and influences with our economic interests. A good example of that work was the involvement of the Royal Scottish National Orchestra in the First Minister's visit to Paris for a meeting to promote energy interests—teaming up with the RSNO was very successful. I want to see more of that happening, and I think that the United States in particular provides real opportunities for that.

The next Scotland week will be a bit of a challenge because it will be right in the middle of an election campaign, so there will probably be limited ministerial involvement. However, regardless of that, I am developing some ideas with our United States office on what we can do to promote more of a cultural reach. I have said to the Presiding Officer that there should be better co-ordination between the Parliament and the Government on Scotland week. He acknowledged that there was far better connection between the programmes and the activity. However, there is a question over whether the Parliament continues to send four MSPs on a regular basis to Scotland week. The issue is whether Parliament can work more closely with Government to identify the key events and activities for Scotland week. As Patricia Ferguson said, we need to have better connections in relation to some of the issues in Europe. I think that doing that in relation to Scotland week would provide better value and have a greater impact.

Bill Wilson: On culture, perhaps the recently launched Kist o Riches might provide some nice material.

Fiona Hyslop: I am delighted to tell you that Canadian television is apparently very interested in that promotion. I think that it will be a very valuable asset for our cultural promotion, given that interest from North America.

The Deputy Convener: Do you want to come in, Frank?

Mr McAveety: If you are giving me the chance, yes.

I think that we have had mixed messages on Scotland week. From memory, I think that in the last discussion on the event the Government said that it wanted to move away from the cultural stuff and promote much more hard-driven economic activities. So, enlighten me if you can.

Fiona Hyslop: The activities are not mutually exclusive. I have just given you a good example of

a very hard-nosed economic initiative, led by the First Minister in Paris, on energy issues and promoting energy interests, which teamed up with the RSNO's performance—that worked extremely effectively. In addition, I insisted that all the ministers—there were three of us—who took part in Scotland week conduct business activity. However, that does not preclude us from working, particularly with the diaspora in the United States, to improve our cultural offering.

I reiterate that cultural and economic activities are not mutually exclusive; I just think that we could probably provide a more effective contribution by co-ordinating our cultural activity on a Scotland-wide basis.

12:00

The Deputy Convener: I hope that Frank was enlightened.

We have been talking about cultural and economic issues. Your idea of working with Government in America and Europe to find out what is happening is very good. Has the Scottish Government looked at how other regions undertake their international engagements? If so, have we learned any lessons in that regard?

Fiona Hyslop: The answer is yes. Indeed, when I was visiting Malawi we met representatives from Flanders and looked at what they were doing on international development and their connections. That was just in advance of the Belgian presidency of the European Union. I also met them when I visited Brussels to look at some of the lessons that can be learned. That is a recent practical example in which I was directly involved. Perhaps Heather Jones or Lisa Bird can talk about examples involving other countries. We look at other countries and regions within them, and we can always reflect on who does what effectively. Indeed, if the committee has views on which of the devolved Administrations across Europe have effective international engagement that you think we should consider, I would be happy to look at that.

Lisa Bird (Scottish Government Culture, External Affairs and Tourism Directorate): We have looked at what some other small countries, such as Sweden, and Flanders have done on international development, but we also had a look early on at the models that they use for their work. Our work is unique in terms of our partnership approach for international development. However, it has been useful to look at how others monitor and review their work.

The Deputy Convener: Thank you very much, minister. The session has been very useful.

Fiona Hyslop: Second time round.

The Deputy Convener: Yes. I look forward to meeting you again in the new year to discuss the progress of the China plan.

12:02

Meeting continued in private until 12:32.

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