



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 31 January 2012

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE
2nd Meeting 2012, Session 4

CONVENER

*Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

DEPUTY CONVENER

*Hanzala Malik (Glasgow) (Lab)

COMMITTEE MEMBERS

Helen Eadie (Cowdenbeath) (Lab)

*Annabelle Ewing (Mid Scotland and Fife) (SNP)

*Bill Kidd (Glasgow Anniesland) (SNP)

*Jamie McGrigor (Highlands and Islands) (Con)

*Aileen McLeod (South Scotland) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Dr Lloyd Anderson (British Council Scotland)

Amanda Catto (Creative Scotland)

Denise Hill (VisitScotland)

Anne MacColl (Scottish Development International)

Iain McIver (Scottish Parliament)

Serafin Pazos-Vidal (Convention of Scottish Local Authorities)

Dr Katherine Trebeck (Scottish Council for Voluntary Organisations)

Gillian Wilson (Scottish Council for Voluntary Organisations and Network of International Development Organisations in Scotland)

CLERK TO THE COMMITTEE

Ian Duncan

LOCATION

Committee Room 1

Scottish Parliament
European and External Relations
Committee

Tuesday 31 January 2012

[The Convener *opened the meeting at 14:01*]

Decision on Taking Business in
Private

The Convener (Christina McKelvie): I welcome everyone to the second meeting in 2012 of the European and External Relations Committee. I remind members to switch off their mobile phones and other electronic equipment. We have received apologies from Helen Eadie, who cannot be with us today. Hanzala Malik is undertaking business at the Standards, Procedures and Public Appointments Committee and will join us soon.

Item 1 is a decision on taking items 5 and 6 in private. Item 5 is our proposal for a conference on horizon 2020; item 6 is consideration of the evidence that we will have heard in today's round-table discussion. Are members content to take those items in private?

Members *indicated agreement.*

The Convener: Thank you.

International Representation and
Scottish Government Country
Plans

14:02

The Convener: Item 2 is a round-table discussion on Scottish representation abroad and the Scottish Government's country plans. I welcome all our guests. I hope that we can make the discussion as informal as possible, but I ask people to channel their points through me—if people catch my eye, I will ensure that everyone gets a chance to have their say and to cross-question people. I hope that we can generate a good discussion. I am looking forward to the oral evidence; the written evidence that we received from the participants has been extremely helpful in guiding us.

I will open with a bit of a stock question—*[Interruption.]* The clerk is suggesting that we introduce ourselves first. It is good to have clerks when the convener has the cold and is not working at 100 per cent. We will work our way round the table. I am Christina McKelvie, the committee convener.

Denise Hill (VisitScotland): I am head of international marketing at VisitScotland.

Anne MacColl (Scottish Development International): I am chief executive of Scottish Development International.

Amanda Catto (Creative Scotland): I am a portfolio manager for international, cultural export and visual arts at Creative Scotland.

Annabelle Ewing (Mid Scotland and Fife) (SNP): I am a member of the committee.

Dr Lloyd Anderson (British Council Scotland): I am director of the British Council Scotland.

Dr Katherine Trebeck (Scottish Council for Voluntary Organisations): I am from Oxfam Scotland, but I am here to represent the Scottish Council for Voluntary Organisations policy committee.

Aileen McLeod (South Scotland) (SNP): I am a member of the committee.

Gillian Wilson (Scottish Council for Voluntary Organisations and Network of International Development Organisations in Scotland): I am the co-ordinator of the Network of International Development Organisations in Scotland and I am also a representative of the SCVO policy committee.

Serafin Pazos-Vidal (Convention of Scottish Local Authorities): I am the European policy manager at the Convention of Scottish Local Authorities and head of its Brussels office.

Jamie McGrigor (Highlands and Islands) (Con): I am a member of the committee.

Bill Kidd (Glasgow Anniesland) (SNP): I am a member of the committee. I was keen to see whether you had started without me but, fortunately, you had not.

The Convener: We had not started without you, Bill—we waited for you specially.

I have a general question to open up the discussion. The written evidence that we received was helpful. The purpose of taking Scotland forward is one issue that the committee considers. I ask our witnesses to give a synopsis of how their organisations can take Scotland forward in relation to country plans and developing Scotland's place in the world.

Denise Hill: VisitScotland is the lead agency for the development and promotion of tourism. We support the Government's economic strategy and the ambition to have a major tourism industry in Scotland. Our focus is primarily on marketing. Tourism is often the front door to a nation. Therefore, although our activity is focused, it is nevertheless positive in its reach, as it touches not only tourism consumers but our partner agencies' consumers and it complements the message that those agencies want to get out about Scotland. We work together in that way to promote Scotland as a place to live, work, do business, study and visit. Our focus is very much on marketing—it is about consumer marketing and trade marketing to ensure that the benefit of that consumer marketing wins through so that we have an industry that can convert the interest into travel.

We seek to continue working in partnership with our fellow agencies and with the tourism industry in Scotland and internationally to achieve that. Insights and research are key to achieving that. We already work closely with our partner agencies on that, but we look to do more. We can learn and share a great deal together to help our partnership working and the team Scotland approach as we move forward.

Anne MacColl: Scottish Development International is a joint venture—we are the international trade and investment arm of the Government, Scottish Enterprise and Highlands and Islands Enterprise. In essence, our role is to cover international trade and investment opportunities throughout Scotland. We have two core missions. The first is to bring inward investment to Scotland. We particularly seek high-value inward investment in areas that are of strategic importance to Scotland and in our key

growth sectors, such as renewables and life sciences. Our second core mission is to help Scottish companies to internationalise and develop their international ambition. We link that closely to the Scottish Government's ambitious target to increase the value of exports in Scotland by 50 per cent by 2017.

Our approach to our business is very customer focused. We have a network of 22 offices overseas. The team Scotland approach is critical to what we do. We work closely with VisitScotland. For example, in Canada, we have a specific operation in which we work closely to ensure that our ambitions match VisitScotland's and that, overall, the approach is about growth for the Scottish economy.

Amanda Catto: Creative Scotland is a relatively new organisation that brought together the Scottish Arts Council and Scottish Screen. Our mandate is to invest in arts, creativity, film and culture. We have a co-ordinating role for the creative industries. International working, which we see as part of the DNA of arts and culture in Scotland, is one of our top priorities.

In our corporate plan, the mission is to invest in Scotland's creative future. We see our role as being to help develop Scotland's reputation internationally through the arts, and to develop our reputation as an excellence centre for the arts. We have an emerging international strategy. We have not formulated such a strategy yet, but we are preparing one that will look at all our partnerships and how our investment will work.

In the early days, we have invested in some key areas: enabling Scottish companies to present their work overseas; enabling Scottish companies to build up European partnerships and networks, thereby building up their capacity to operate with partners elsewhere; building up our intelligence, which, in the arts, the creative industries and the cultural sector, means building up our understanding of what is happening in other parts of the world and forging strong creative relationships; and looking to see how we can make a step change in that international activity over the next 10 years. We are quite ambitious. In fact, Scotland already has a reputation as a very creative nation, but we want to ensure that we can deliver that and ensure that there is excellence, as well as full access to the activities that we are involved in. We work very hard with partners in delivering that.

Dr Anderson: The British Council's mission is to build long-term international relationships and trust for Scotland, as a nation within the United Kingdom state. We do that through the exchange of ideas, knowledge and information, particularly in the arts and education. In short, our work is about connecting Scotland to the world.

In promoting mutually beneficial long-term relationships between the peoples of Scotland and other countries, the council is mindful of the international priorities of the Scottish Government but, as a non-departmental public body, we are independent of the Government. We have 220 offices in 110 countries, so we have global reach.

I will give an example of what we do. We have been working with the Edinburgh festivals to internationalise them by bringing over delegations from South Africa, India and Brazil. We have taken delegations in the arts, higher education, financial services and the creative industries to India and China. We have a big programme of connecting schools in Scotland with schools in the rest of the world, we run the Erasmus scholarships and we work as part of Education UK Scotland to promote higher education worldwide.

Dr Trebeck: Oxfam's mandate around the world and in the UK is to work with others to overcome poverty and suffering. As I said earlier, I am also here with my SCVO policy committee hat on, but I guess that, in acting as the umbrella body to represent the third sector in Scotland, SCVO does that as well.

Thinking about what has been discussed, I would say that the idea of learning and sharing is where the third sector can really come into play in Scotland's work overseas. The issue is how we do that work and how we can share Scotland's expertise. When it comes to the way in which we do things in Scotland, a lot of that is leading practice globally—perhaps we can talk about that later. There is a lot that Scotland can offer that does not seem to be captured by the current plans. We can do a lot more just by being a bit bolder about Scotland's contribution to our activities overseas.

Gillian Wilson: I am the co-ordinator of NIDOS. We are an umbrella body for just over 90 charitable international organisations. The main focus of our members' work is to do development work abroad and to tackle global poverty. As a network, our overall aim is to increase and improve the contribution of Scottish organisations to tackling global poverty.

Within that, we are interested—particularly in some of the discussions here and in our partnership work with other organisations in Scotland—in the fact that, in Scotland, the external relations remit has two major parts to it. The greater part of that remit, which will be heavily focused on today and which many of the partners here are involved in, is the commercial one. In addition, the remit includes a very small aid programme. We are increasingly interested in how those two aspects can be more cohesive so that the commercial work of growing Scotland's economy and influence in the world can add value

to the aid programme, and certainly does not detract from it.

14:15

In supporting Scottish business, much more joined-up thinking is needed about what kind of business is supported and about the mutual benefits for Scotland and in achieving aid impact in some of the poorest countries in the world. As Katherine Trebeck said, we must have an interest in what we can learn from the world as well as what we can offer. There should be not only commercial benefits but aid and development benefits. The way that we work as regards country plans should add value to both those elements. If we want to be a responsible nation in the world, much more joined-up thinking is needed. The aid programme is very good and we are very positive about it, but it is not integrating in any way with the wider picture of our external relations, and there are so many opportunities to make it more joined up.

Serafin Pazos-Vidal: I assure members that we do not intend to make our presence a constant feature in this committee; it just so happened that today's subject matter suggested my attendance. Nevertheless, we are happy to facilitate, through COSLA, the attendance of local government colleagues when appropriate.

As members know, COSLA is the umbrella organisation of local government—its arm's-length body. We are a political analysis and lobbying organisation, so our role is essentially to try to understand how certain regulatory aspects of international legislation will affect local authorities and to make a case for something that they can live with. Our main focus is on the European Union, although we also work at an official and a political level with the Council of Europe, which covers countries from Portugal to Kazakhstan. We also do some work with the United Nations on the local government global agenda. Our three key areas of work are analysis and policy development—trying to make sense of what is happening in the world outside and how it will affect local authorities—building a case with local government; and using the team Scotland approach to engage with the Scottish Government to try to find a way in which Scottish local government interests can best be represented. We complement that with engagement with Scottish MEPs and the UK Government.

Another closely related aspect of our work is the exchanges that we undertake with our opposite numbers from other countries. Scotland has the big advantage of operating on an equal, bilateral basis with national associations of local government from across the EU. That gives us a wide-ranging way of understanding what is going

on in our area of work—local government—which is helpful in understanding the views in other countries and ensuring that Scottish views can be understood elsewhere, and in forming partnerships. We have developed a rich set of partnerships with colleagues from across the EU and even beyond.

The Convener: We will move on to open questions. Aileen McLeod will start.

Aileen McLeod: Thank you, convener. I thank everybody for coming along to our discussion.

In the written evidence that we have received and during the first round of discussions, much has been said about the importance of developing and applying a joined-up, team Scotland approach to ensure that there is effective representation and promotion of Scotland's interests, whether in our trade links, the creative arts, tourism, humanitarian aid, education, or EU policy and legislation. How do our stakeholders think that the team Scotland approach is working so far in practice? Are there any areas where the bodies represented here could collaborate more than they do at the moment?

Gillian Wilson: I think so. I am not as experienced as the major stakeholders in terms of the commercial side of the issue, but there has certainly been some movement within the external relations department, and Fiona Hyslop's staff in the aid programme have been considering where business and charities can work more collaboratively together.

A recent event brought together stakeholders from business, universities and our membership to consider what opportunities there might be for direct collaboration within programmes and in terms of the country plans and the strategy that is coming up. Renewable energy is one of the areas that seem to be emerging. For example, if Scotland wants to promote its renewables opportunities abroad, it could do it in a way that involves a big, multinational company doing the development work abroad, extracting value from that country and providing energy in a general way, or it could work in a way that involves a business operating with small and medium-sized businesses in that country and in Scotland, which would create the potential for greater local capacity development in that country—say, Malawi or India. The latter approach would be beneficial to Scottish business and would also have a much longer-term development impact on the ground.

There are lots of opportunities for looking at how benefit to both sides can be delivered, rather than taking a simple approach that is based on gross domestic product and a consideration of how much economic value can be added to Scotland's economy. It is important to consider not only the

long-term benefit to Scotland but how much local value can be retained in the country in which the development work is being carried out. It would be great to have more discussions about that.

Dr Trebeck: I have a small practical example of that. Last week, Oxfam launched the small enterprise impact investment fund—that is not a very useful name, and we call it SEIIF, for obvious reasons. It involves working with investors who are based here, with Oxfam acting as an impact adviser to check whether the enterprises that they are investing in deliver, first, social impact and, secondly, economic impact. We know that, around the world, smallhold farmers feed almost 2 billion a year. Those small enterprises could very much do with the support and expertise of our colleagues around the table today as well as of the Scottish corporate bodies and businesses that are investing overseas. The small enterprise impact investment fund is a perfect example of how we can combine an emphasis on social impact and our need for economic returns.

Dr Anderson: That relates to the point about the team Scotland approach.

Publishing an international strategy that sets out a broad framework of priorities is the right thing for the Government to do, but it is difficult to try to corral all the activities.

When I was director of science for the British Council in London, a lot of people were involved in the internationalisation of science, and we decided to set up committees, under the banner of joined-up government, to co-ordinate their efforts. However, it was difficult to do that because people had different objectives and ways of measuring their achievements and impact. Publishing a strategy that sets out the overarching framework is sufficient, as that starts to channel the activities towards the areas that you want to get to.

It would help if there were common ways of measuring what you are trying to achieve—in other words, having indicators or some means of evaluation—so that we are not trying to compare apples and pears and can all measure something useful in the same way. However, I rather dislike the top-down, joined-up committee approach to international promotion.

Anne MacColl: It is clear from what is being said round the table that this forum is an interesting way of uncovering some of the collaboration on which we are working. For example, we are doing some work with the International Development Bank through the aid-funded business programme. I am sure that Gillian Wilson will know a lot about that. I also spoke earlier about the team Scotland approach with VisitScotland, which works well.

We have many pockets of examples that demonstrate that there is an absolute intention for all the parties round the table to join up. The tough bit is the mechanics of how we make that work.

The international framework provides a great opportunity for people to understand and collaborate on a common purpose, as does the Government's economic strategy, which is really important. It has specific, value-based indicators.

SDI, which is essentially a sales and marketing organisation for Scotland, must be driven by economic growth indicators. We must be able to measure what we do by the number of high value-added jobs that we bring in each year—last year, that was more than 2,000—and the benefit that that brings to the Scottish economy. We know that for every £1 that SDI spends, there is a return of £11 to the Scottish economy in inward investment.

Some of those drivers are important to help us to quantify our work, but we understand and appreciate that they are not the same as the value bases that some of the other organisations round the table have. We have to accept that fact and work out how best to use the existing mechanics to make collaboration happen further and deeper.

Jamie McGrigor: My questions are for Denise Hill of VisitScotland.

You point out that

“VisitScotland does not have any offices overseas”

but utilises

“specialist in-country support provided by VisitBritain”,

which

“operates offices in 21 countries and 25 cities”.

How important is that input and what would you do if it was not there?

Do you consider it essential for VisitScotland's operators to speak languages other than English?

I imagine that a webinar is a seminar on the web. Is that correct or is it something else?

Denise Hill: On your last point, a webinar is indeed a seminar over the web. We are increasingly using that approach so that the travel trade experts who are based in our team in Edinburgh can go online and speak face to face with the 200 SCOTS—specialist counsellor on travel to Scotland—agents that we have in Canada or the 500 that we have in China, for instance. It is an easy way for us to keep our finger on the pulse and to convey information to them face to face.

Languages are very important for my team. I head up the international marketing team and at least half of the staff in that team are foreign nationals. However, it is not always only the

language that is important; what comes with their being nationals is cultural empathy, which is critical.

We have Scots who have trained up in foreign languages and spent a lot of time overseas, which allows them to have a better understanding of the consumers whom we target. It is down to the idea of insight that I mentioned earlier. Cultural empathy and experience of a market bring a deepened insight of what is most likely to motivate a particular individual or set of individuals and the best way to approach them.

VisitBritain's 25 offices overseas are unquestionably an important resource for us. They complement the work that we do at VisitScotland. We have specialists in consumer marketing, trade marketing, public relations, insights and research. VisitBritain's work does not replace that, but it complements it.

If that resource did not exist, we would need to consider what to do. We might not look to replicate it in every market in which VisitBritain is currently present, but it is important to have a foothold overseas to a certain degree. However, digital is important in achieving that and would play a big part in deciding what was or was not necessary.

The specialist resource that VisitBritain represents for us is important, but we have other options for the additionality that we can generate overseas. Members have already heard about how we are working with SDI, which has offices overseas, and a number of other partners. We have options overseas to work with other agencies, and we need to decide in due course whether specialist resources need to be brought in in all those markets or just in those that we would want to focus on.

14:30

Jamie McGrigor: Later, your submission says:

“There are more than 5,000 SCOTS agents worldwide promoting Scotland as a leading destination”.

Just for clarification, who employs those agents? Are they employed by lots of companies? Is it right that the education programme is a Government programme to train people?

Denise Hill: VisitScotland created the SCOTS—specialist counsellor on travel to Scotland—education programme many years ago. The programme used to be in paper format, but it is now online, as all good things are. We operate it, and it is basically an education in how to sell Scotland. It gives an understanding of the Scottish tourism product and how best to sell Scotland, which is important, and moves on to advanced levels. At the end of the day, we are about sales and yield. The retail travel agents who work for

larger tour-operating companies tend to be involved. Sometimes the sales agents of major airlines are targeted to participate. We work with retail agents' paymasters—the airlines or the tour operators—to encourage as many retail agents as possible to go through the programme and become better at selling Scotland and making sales for those tour operators. They are ultimately the guys on the ground who sell.

Jamie McGrigor: Is there an opportunity to get a qualification for that?

Denise Hill: People do. They have to study and pass a number of modules in order to become a SCOTS agent.

Bill Kidd: On VisitScotland's strategic partnership relationship with VisitBritain, VisitScotland obviously does not have the infrastructure abroad that VisitBritain has, so it makes sense to piggyback to some extent on offices and links overseas. Is there any statistical information on how much we benefit from that? If people go to a VisitBritain office somewhere overseas and book holidays over here, can we be sure that we are benefiting from that? Perhaps they will visit London and then come to Scotland, or perhaps they will—I hope—come to Scotland first and want to travel on after that. Is there a way of proving how things develop?

Denise Hill: We seek to ensure that that happens through the strategic nature of our partnership with VisitBritain. We are its strategic partner. We sit down with it and strategically plan with it every year to ensure that its work supports the brand Scotland that we want to convey and that we are happy with how brand Scotland is represented within the Britain brand for tourism. We discuss our key priorities for the year with VisitBritain. For instance, this is the year of creative Scotland, and that is one of the major stories that we are telling. We sit down and plan with VisitBritain how it will deliver on that brand for us through its activity plan and pick up on specific things that we want to see represented.

There are very few walk-in offices for consumers to go into as inquirers nowadays, so the website is very much the front door. Therefore, we have a great deal of input into the VisitBritain website to ensure that the key things for brand Scotland are present on it and in VisitBritain's e-communications, public relations and trade activities. For instance, we ensure that appropriate links are in place from the VisitBritain website to the VisitScotland website so that, as soon as somebody goes into the VisitBritain website, they will have the opportunity to choose Scotland, they will be enthused—I hope—by the product that we have put forward, and they will be moved quickly on to the VisitScotland website so that we can convert them there.

Bill Kidd: Working on a team Scotland basis involves a lot of cross-fertilisation. Is there much crossover with SDI in planning visits from people overseas who come to Scotland not only for holidays but to plan investments?

Denise Hill: We work closely with SDI, increasingly to target business tourism. The area of associations and conferences is a good example of where we are working together.

One of the key things that we are seeking with the collaborative post that we are trialling in Canada is to develop additionality. Our member of staff will use SDI's contacts from the business as usual that it conducts in Canada while seeking opportunities for business tourism. Rather than simply conducting business by discussing oil and gas, for instance, the member of staff may well end the conversation with, "Do you happen to send people on incentive trips overseas? Do you have associations related to your business or an annual conference? Have you ever thought of taking that to Scotland?" It is about eking out that additionality, which may not originally have been considered. It is a great opportunity—we hope—to get people thinking about tourism in the business sense and not just about the industry aspect.

The Convener: That leads us on to the next point. SDI discussed in its written evidence—Anne MacColl mentioned it, too—the team Scotland extranet, which sounds similar. In answering Bill Kidd's points, can you explain what the extranet is doing and what your aspirations are for it?

Anne MacColl: Certainly. The extranet is one way of joining up a number of the agencies that are all working towards the same thing, which is economic growth for Scotland in its many shapes and forms. That can involve tourism, business investment or Scottish companies winning more trade and development overseas.

The extranet is a tool that allows us to share our propositions and all the materials that we work with in relation to the different growth sectors. For example, we can share Scotland's key strengths in life sciences, which could be useful for VisitScotland if it is talking to an agency that is considering bringing a conference to Scotland and wants to know a bit more about that.

The extranet helps to join up the value propositions that we have devised for Scotland with the other agencies that would be interested in looking at them. In essence, we are joining our objectives together and ensuring that the pieces of our various responsibilities that meet in the middle are much clearer and are able to be explored much more fully than they were in the past. It is a good step forward.

The Convener: Can you go into a wee bit of detail about some of the other networks? The

extranet is an online network, but you use other networks—such as people networks—to take Scotland's message out to the world and to bring things back in.

Anne MacColl: Absolutely. The key one that springs to mind is the globalscot network, on which—again—we work closely with VisitScotland. We are seeking to build up the number of globalscots in Canada, because we know that there is a significant population of expatriate Scots in that part of the world.

We have approximately 450 globalscots overseas at present, many of whom are extremely active and high value in bringing back business opportunities to Scotland. Last year, a globalscot brought back a research conference with 500 delegates to Scotland because he was able to persuade his business that Scotland was the place to go. That type of business is very precious to us, and the network is high value for us. We share our objectives with the globalscots, which helps them to understand what they can bring back. It is totally voluntary: we do not pay those individuals to do anything. They are people who want to give something back to Scotland.

The Convener: Thank you. Perhaps Serafin Pazos-Vidal can tell us about the work of local authorities in that regard. Hanzala Malik is always good at reminding us that local authorities do a huge amount of international development work, which we sometimes do not recognise at parliamentary level.

Perhaps, Mr Pazos-Vidal, you can tell us about your experience in your role with COSLA and where your aspirations for the team Scotland approach are taking you.

Serafin Pazos-Vidal: That is a local government role that is not well known. We promote and engage abroad not just on familiar EU matters, but on global issues. For example, COSLA is part of United Cities and Local Governments, which is the local government arm of the United Nations. Through that, we engage on issues such as sustainable development or development co-operation on a broad scale. Similarly, individual local authorities have engaged and continue to engage in international development projects. In addition, COSLA has assisted in the local government administration of Jamaica to improve the quality of public service delivery there.

Another important aspect of exchange is the sharing of ideas. In that regard, the umbrella organisation of COSLA and individual local authorities are members of wider networks in Europe. For example, there has been engagement from the Scottish side in a network called Platforma, which is about international

development and co-operation. Such engagement is important for exchanging experience and sharing best practice. An issue on which we worked at both European and global level was how the Climate Change (Scotland) Act 2009 could be used by other countries, particularly developing countries, to improve the role of local authorities in helping to adapt to climate change. Obviously that has benefits for other countries, but it also benefits Scotland's reputation as a dynamic, innovative country on such issues.

There is already a good basis of international co-operation that, from the point of view of local authorities, should perhaps be expanded. However, it is true that we are keen to expand the team Scotland approach. We have heard today of the level of engagement and the vast number of organisations that are working with one another in different areas. I work on a daily basis with my opposite numbers from other countries, so I am in a good position to make comparisons. I do not think that there is such a joined-up approach as ours in many other European countries.

For the future, it is necessary to make that a bit more systematic and joined up. We know that there is huge capital there, but we are not necessarily able to see the connections. Although there is some engagement on a bilateral or multilateral basis, which is sometimes inspired by the Government—for example, action on Scotland's international framework—we believe that there should be an ideal approach in that regard. For example, some colleagues around the table deal with inward investment or investing abroad. As some of the papers note, local businesses need to be aware of the wider international dimension of inward and external investment. However, because of the competences that local authorities have, they already do work to make their communities more attractive for setting up or expanding a business.

Recently, we have been dealing with the impact of the new European service directive on local authorities. We are very much involved with that. Perhaps in the future we could use such occasions to try to have wider dialogue with experts in inward investment and in business agencies to ensure that the role of local authorities is more widely and better understood and that there is a more joined-up approach with other organisations in the country for the promotion of local businesses.

14:45

Hanzala Malik (Glasgow) (Lab): Local authorities engage with something like 30 countries and 27 or 28 cities. There is no joined-up strategy on how authorities engage through the links that they have established over the years.

What is COSLA doing about that? Whether authorities are engaging with cities through twinning arrangements or memoranda of understanding, and whether they are doing so for historic reasons or for social or business purposes, the approach should be joined up. We cannot have so many agreements with cities around the world without putting them to proper use.

Perhaps the Scottish Parliament or the Scottish Government can assist in the process. However, initially councils need to make a strategic decision about the direction that they want to take and the support that they need. VisitBritain and VisitScotland are stand-alone organisations and, to the best of my knowledge, do not engage in the arena, so we do not have the benefit of their involvement.

Could city councils and authorities come up with a strategy, working through COSLA, or would they need the Parliament's assistance to do that?

Serafin Pazos-Vidal: You ask a valid question. I happen to be the Scottish co-ordinator on twinning partnerships. The simple reason for that is that the twinning partnerships of which you are aware are managed by the Council of European Municipalities and Regions, which is the European umbrella organisation for Europe's COSLAs—so to speak. That is why I am co-ordinator on that front with regard to Scottish local authorities.

It is important to ensure that there is a more joined-up approach and that partnerships are exploited. COSLA has been undertaking work on precisely that issue for a number of years. As you know, there are 32 local authorities. That is not many, compared with some countries, which have hundreds of local authorities. However, there is a vast set of relationships. A few years ago, when we tried to bring in a more joined-up approach, I remember that it was difficult to find out how many links and partnerships there were. In some cases, there were gaps and there was not necessarily proper co-ordination.

For that reason, about two years ago the leaders of the 32 local authorities agreed that COSLA's European strategy would include the Scottish locally elected European representatives forum. That is a small forum in which representatives from local authorities, from political and officer level, meet to try to co-ordinate action on twinning, projects, strategic alliances and so on. COSLA is keen to promote that approach, because we think that part of our role is to try to ensure that everyone in the local government family can work together and identify potential synergies.

The approach depends on the willingness of local authorities to engage. For example, we have

been very much involved in the covenant of mayors, which offers an innovative way of looking at sustainable development across Europe and beyond. We have been encouraging local authorities to engage with the initiative. Some have done so and some are thinking about it, which illustrates how much depends on the willingness of local authorities and the partnerships that they have developed to work with us to achieve a more joined-up approach.

Hanzala Malik: There is a similar wing or cell for cities, through which Lord Provosts and leaders of authorities across Europe are invited to engage, but the approach is quite limited.

We in Scotland have relationships around the world and we need to have a strategy, but we do not have one. Are you in a position to develop that? If so, what is the timeframe for that? If you cannot do that, something will need to be done to make a strategy happen. The Government might have to take up that challenge.

Can you do what I suggest? If so, what is the timescale? If you need the Scottish Government's support, you must tell us that.

Serafin Pazos-Vidal: Perhaps my meaning was not clear towards the end of my answer. Such work can be done; we look forward to doing it and we are slowly making progress towards it. As I said, the key issue is ensuring that we carry local authorities along with us; otherwise, it will not work. If we organise a meeting and prepare a strategy from the top down, that will not work. We need to bring the local authorities with us.

Some authorities have very old and robust relationships of their own, so they might feel that the national organisation is trying to get a hold of that. A lot of the work that we are doing involves reassuring people that the aim is just to ensure a joined-up approach.

We are keen to have such an approach and we are making progress towards it. I cannot say how far and how fast we will achieve it. There is a role for the Parliament and the Government, particularly on issues and in partnerships that go beyond the specific local government remit, such as those in sustainable development, energy and public services.

As I said, we will see how far we can proceed. We will have elections in three months. The committee can be sure that trying to move forward on that approach will be one issue that is on the agenda then.

Annabelle Ewing: The debate has been interesting. I have a question about tourism in a broad sense. This is the year of creative Scotland. Next year is the year of natural Scotland, which will be followed by the year of homecoming plus

the Commonwealth games, the Ryder cup and the not small matter of the independence referendum. The next years are full of activity for people who work in your sectors—they are the highlights, and the opportunity for Scotland is fantastic.

What action is being taken to create a Scotland-wide awareness of what is out there? I live in Comrie in Perthshire, where a number of things happen, including the summer gala, which lasts not just one day or one week but two weeks—it is called the Comrie fortnight. Various things also happen at the old Ministry of Defence Army camp at Cultybraggan. I have named but two of the many things that happen in Comrie. Such events are replicated in all the small communities, villages, towns and cities throughout Scotland. Who in Scotland knows what is happening, what can happen, what the capacity is, how to match up interests and so on?

Many of the items on the agenda are big-ticket items. SDI has an opportunity to hook up its activities with some of the very-large-ticket items. What could be better than an opportunity to come to the Ryder cup and discuss where to put a fantastic investment in Scotland?

The UK will host the Olympics this summer. Concern has been expressed about how we get people who come to London to journey a wee bit further and come north to Scotland. Hundreds of thousands of people will be there, and we would—naturally—like them to come to Scotland, where they would get a very good welcome.

I have raised broad-brush issues, but I think that the witnesses have got my general direction of travel.

Denise Hill: As many of you will have heard, we have coined and are very much using the term “the winning years” for the next three to four years, including the many events that the member mentioned. How do people know about the initiative? First and foremost, we have a focus on addressing the Scottish tourism industry and its wider partnerships to ensure that they are aware of it. It will not be the winning years if businesses do not engage with the opportunity that is ahead of us.

A programme of events and communications is going on through VisitScotland and some of our partners. There is a big conference coming up in March, but the chairman’s visits are on-going and we will be going out round the regions and encouraging tourism businesses to ensure that they engage and spot opportunities, whether they can engage with the year of natural Scotland, the year of creative Scotland, the homecoming in 2014, or golf and the Ryder cup. We want to ensure that everybody engages so that we can truly make them the winning years.

On how consumers will know what is going to happen, marketing plans will be rolled out for each of the events. A key part of ensuring that everybody is aware of what is happening, whether it is the big events or smaller, local events in the community, will be digital. We have a new events engine that is coming out on our website, the aim of which is to make it easier for communities and event owners to engage and put in information on their events. Through the communications programme that I mentioned, we will encourage event organisers throughout Scotland to ensure that they are aware of that and that they take up the opportunity. The partnerships team will ensure that those who organise even the smallest of events are involved. If people want to attract a bigger audience, here is one channel, at the very least, for them to participate in.

I am happy to say that the Ryder cup is already very much a team Scotland affair. The handover will take place at Medinah in October this year, and we are working closely with the Scottish Government team in the States, but also with our SDI colleagues. Delivery of the Ryder cup is absolutely a team Scotland effort. We are ensuring that we will get the additionality, whether it is in terms of business and industry or tourism.

On the Olympics, a plan is in place. Although it might be difficult to get large numbers of sports fans to consider adding on extra days or a week to come up to Scotland after they have been to London, nonetheless, we will target them and see whether we can get them to come. The bigger opportunity is to target what we are calling the getaways. A plan is in place to target those who live in London and the south-east who might want to get away during the heat of the games. That area is one of our biggest markets in any case, and we have seen the power of the staycation in the past year. The figures for staycations are particularly strong, so we are keeping up the pressure in that area.

On international visitors, the work that we do on international airlines is key. We have always positioned Scotland as a stand-alone destination, or a destination in its own right, and the figures bear that out. People will come solely to Scotland on holiday. We will continue to flag up that people can fly direct to Scotland and that they do not have to come via Heathrow and suffer the problems and challenges that will exist there this summer. They can fly direct to Scotland and avoid all that.

The biggest opportunity that arises from the Olympics is the media opportunity. We have a particular focus on working with the accredited broadcasters to ensure that they cover Scotland when they finish talking about Usain Bolt or whoever, turn to the camera and do a contextual piece about the UK as a destination. We are

creating a lot of footage for National Broadcasting Company, China Central Television and the other companies to use to ensure that Scotland is up there on the screens, and we are working hard with our partners to ensure that we make the most of the accredited and unaccredited media centres in London.

The Convener: Do you want to tell us about the rest of the team approach, Anne?

Anne MacColl: I will pick out a couple of examples, which I hope will be relevant and complement what Denise Hill said.

On joining up our trade programme, we run an annual trade exhibitions and missions programme. We run about 50 overseas missions every year. They are focused on particular sectors and we know what we want to achieve before we take the companies out there. We work closely to ensure that VisitScotland and all our partners know and understand what the programme looks like and how they can fit into it and benefit from it.

Denise Hill mentioned airlines and the importance of air connectivity. This month, we will take a mission to the Gulfood event in Dubai to showcase Scottish food and drink. The committee might be aware that Emirates has announced a new air route from Glasgow to Dubai, which will begin in June this year. That is a good step for Scotland.

On our links with Creative Scotland, the chief executive of Creative Scotland will go to Hong Kong shortly and will link up with a number of globalscots there. That makes use of our resource on the ground and delivers value back to Scotland from those relationships. Those are some broad comments on the trade programme.

I will not go over all the good material that Denise Hill provided on the Ryder cup, but the event has a number of benefits. One economic benefit from the event in Wales was the inward investment relationships that we built up, which resulted in Mitsubishi delivering a £100 million investment in Scotland and in a collaborative arrangement with an Edinburgh company to deliver research and development in Scotland for the renewable energy space.

We think carefully about how we build relationships and how we work with our partner organisations to get the absolute max from everything that we deliver and do.

15:00

Annabelle Ewing: I meant to say earlier that the upshot of a survey that I heard about this morning was that top of people's list when they consider coming to Scotland is the fantastic

welcome that they receive. I was heartened to hear that.

The programme of activities that has been outlined and the joined-up way in which SDI works with Creative Scotland, VisitScotland and others are good examples of what can be done. I look forward to the winning years ahead and to seeing what we can do in Scotland to create more of a buzz for our industry.

The Convener: I think that the committee quite likes the term "the winning years".

Dr Anderson: I want to pick up on the point about the Olympics. There is a clear cultural continuum taking us from the Commonwealth games in India through to the games in Glasgow and then on to Rio. The British Council, Creative Scotland and Festivals Edinburgh have been working to put a thread through that. Indian delegations have come here to consider cultural activities that they might do around the Commonwealth games in Glasgow in 2014. Similarly, Brazilians have come across to the festivals to talk about a possible connection there. On the cultural side, we will keep the focus on Scotland with a continuum of activity and cultural wraparound in relation to the big set-piece events.

Bill Kidd: I am glad to hear all the positive statements that have been made about the benefits for Scotland—that is fantastic and it is the reason behind team Scotland. However, I ask Dr Katherine Trebeck and perhaps Gillian Wilson whether that can help us to be taken seriously and to be known in countries where we might have a positive impact by delivering things such as civic governance measures. Countries to which we can bring something will know more about us and trust us a bit more because of all the things that we have heard about.

Dr Trebeck: I guess that the work is helpful in that it increases Scotland's profile, so there will be more awareness that Scotland is out there and active.

To return to what Serafin Pazos-Vidal said earlier about COSLA's work on climate change targets, that is a great example of using Scotland's expertise for social good in other countries where Scotland works. However, I worry that it is just a one-off and that it is not systematically embedded in the activities that we undertake.

As Serafin asked, how do we see the connections? If we are using only the metrics of economic development, sales and yields, although those are important, it is not enough. If Scotland really wants to see a world without poverty and suffering and wants to be at the forefront of creating that world, then we need to start asking some pretty tough questions about the sort of economic growth we are part of and the sort of

businesses that we support. That includes looking at the quality and, particularly, the distribution of that growth. We need to think about how far gender is considered and whether women are included in economic decisions. We need to think strategically about how we engage with businesses, including small and medium-sized enterprises, overseas and ask whether they cause pollution and whether they meet Scotland's standards for labour and fair trade. We need to start asking those questions to ensure that we are having a qualitative impact in delivering social change through the skilful economic development programmes that we provide.

Scotland has a lot to offer in this respect. Next week, Oxfam's programme leaders from its activities around the world are meeting in Mexico to talk about issues of social protection and economic development. The UK's representative at that meeting called our office yesterday to speak to us about what is going on in Scotland so that they can discuss that at the internal Oxfam conversation. That is a good example of other countries seeing what Scotland is bringing to bear on social progress, social justice and inclusive economic growth. There are many activities in which we can take an ambassadorial, leadership role that benefits people, such as procurement, community empowerment, use of collective ownership and measures of prosperity. We have a great opportunity to ask the tough questions and harness the activities that are already taking place.

We can do a lot more to help, particularly through how our country plans and strategic initiatives play out. We must see our cousins overseas not only as potential consumers, students and visitors but as partners and friends in a journey to a better world, and then recognise that Scotland has a very special contribution to make on that journey.

The Convener: To expand on that point, does the same apply to the creative industries? Are we taking Scotland's culture to the world, as well as learning from some of the creative cultures of other lands and bringing them back here?

Amanda Catto: Yes. A large part of what we do has an economic impact. We have just held Showcase Scotland and Celtic Connections, with fantastic success. Our musicians, artists and choreographers are recognised worldwide—we have that degree of excellence. We must realise when we take that work into the world that there is so much that we can learn about the world that we are in and that by bringing the world back here, we can expand people's horizons. Things can get very interesting when we can exchange skills and knowledge. Artists are very mobile, and a lot of artists from Scotland work around the globe; however, sometimes we are not such good hosts.

That can be because of practical issues to do with the legislation on people coming to this country who wish to work and be resident. We must act as good hosts to artists from elsewhere, and respect and acknowledge cultural difference as we bring audiences to their work. Creative Scotland's international strategy operates across a number of levels and in many different ways, in relation to talent development, economic growth and social impact.

We trade on our arts and culture. One of the first things that people recognise about Scotland is our distinct arts and cultural scene. People are very warm towards that, whether it is Gaelic song or whatever. We can capitalise on that through projects such as Scotland and Venice. We have an international reputation, but we could do much more. We need to build on our capacities and our intelligence so that we engage meaningfully over time. We talked earlier about how we can operate more effectively with longer planning horizons and better sharing of intelligence. Those things will certainly make us more effective.

Money matters, but what is critical is the ability to plan long term and consider the opportunity of the Commonwealth games in the context of what happens next and where we will be four years later. Our having that ability will allow us to take a more holistic view of what we do, so that rather than have a single focus we can be much more rounded in our activities.

The year of creative Scotland and the year of natural Scotland, which will build up to homecoming and the Commonwealth games, offer great potential, which we are starting to develop. It is very exciting.

The Convener: Can you tell us a wee bit about the lessons that were learned from how "Black Watch" grew, almost on its own, and went global?

Amanda Catto: "Black Watch" would make an interesting case study. When the work was being developed, the motive was not to make it a worldwide success but to tell a certain story, so there was authenticity in the work. Our job always starts at that point: what are the authentic stories that the artists are telling? The work was incredibly well made and its themes had an international, global resonance. The company is also in a position to build and has the capacity to do so—but there was a steep learning curve.

The investment that an arts company needs if it is to internationalise is the same as any company needs—it needs to be able to build and to develop its ability. A lot of our arts companies are on the cusp of being able to take that step and internationalise; we need to work with them strategically. There is a tremendous opportunity

and appetite to take work onto the world stage, and we have the talent to do that.

The Convener: Taking Scotland forward is not just about economics. That is my honest opinion. We will move on to education.

Hanzala Malik: What does the British Council think about the current figures on students who come to Scotland for further education? Are there plans in the pipeline to revise your approach?

Dr Anderson: In 2008-09, 35,000 overseas students came to Scotland, of whom about 3,800 came from India and about 3,800 from China. The figure went up to just over 37,000 in 2010-11, which represents about 1.2 per cent of the world share of overseas students. That is a figure to be proud of. In the UK context, Scotland is holding its own at about 11 to 12 per cent of the UK share, which is about right.

Scotland is doing better than any other country in the world on knowledge production in the higher education sector—we have 0.1 per cent of the world population but we produce 1 per cent of new knowledge.

As you know, the British Council is involved in the education UK Scotland initiative, which promotes Scotland as a destination for students. We also bring in higher education missions from other countries. This week, for example, a mission of vice-chancellors from Pakistan is in Glasgow. The vice-chancellors are here to attend a leadership course and to find out more about quality assurance, university administration and finance systems and so on. Just before Christmas, we had a mission of vice-chancellors from Morocco and Saudi Arabia. We are bringing in high-level policy missions, as well as trying to encourage more students to come to Scotland.

15:15

Hanzala Malik: Frankly, I find the figures a little disappointing—I am not happy with them. I am also a little concerned that there is nothing new and innovative in the pipeline to bring people to Scotland to study. I would like the British Council to show me some light at the end of the tunnel. What else are you going to do? What is in the pipeline to encourage the student population in Scotland to grow? I am keen to know how we can assist you in that process. Our universities and colleges are haemorrhaging students and we desperately need more. I am not trying to get at any particular department; I am saying that the figures are not particularly encouraging—they are on the decline again—and I am keen to see what you have up your sleeve to encourage students to come to Scotland.

Dr Anderson: As I say, we have had several inward missions. We have also pursued a lot of higher education missions abroad. In the past year, we have had groups of university vice-chancellors and, in particular, international officers going to India, China and Brazil. You say that the numbers are disappointing, but they are actually very good.

Hanzala Malik: That depends on where one is sitting.

Dr Anderson: The numbers of students who are coming here are good. Scotland is now linking with 52 higher education institutions in China, 47 in India, 26 in the United States, 15 in Canada, 14 in Pakistan and 13 in Russia. Those are good figures and a measure of success. We are happy to take more missions abroad to enable people to explore the opportunities, but the universities have very sophisticated international offices that are making links for themselves. Where we can help, we will help and where we can promote Scotland as a destination for higher education, we will.

There is also a good story to tell about schools. We are now linking about 26 per cent of Scotland's schools with schools abroad. At the secondary level, there is an intention to increase the international outlook and global skills of young people.

Annabelle Ewing: I know of at least one activity that the British Council carries out in Scotland, as I have had some involvement with it—the young climate challenge advocates programme, which has been running for a couple of years. Students from other European countries are brought over and the focus is on climate challenges. It takes us back to a point that Gillian Wilson and Serafin Pazos-Vidal made about ways of bringing people in even in narrow policy areas, such as climate change or the story that we have to tell about our aid development work in Malawi. That is one thing that I know of, which happens once a year. I do not know whether it has stopped or whether it continues to happen, but it is a good example of what can be done. Perhaps more could be done and the British Council in Scotland could expand its activities in that area.

Dr Anderson: Yes. The idea behind the international climate champions programme was to provide young people with leadership skills, particularly around the issues of sustainability and global warming, and that programme is on-going.

I will give another couple of examples. There is a programme called international inspirations, which is linked to the Olympics. Through physical education and sport, it tries to provide young people—particularly the more disadvantaged children—in schools abroad and in the UK with a sense of leadership and purpose. It also links

schools abroad and in the UK to enable children to get leadership skills and become ambassadors.

There was also a programme that selected young people from schools throughout Glasgow to become ambassadors for Scotland. They went to India during the Commonwealth games and worked with kids there.

Having young leaders and young ambassadors for Scotland is a good thing. The more that we can have, the better.

Dr Trebeck: Scotland is talking quite a bit about the importance of an international climate adaptation fund, but some brilliant examples of climate adaptation are already happening here.

We are doing some work in South Uist to build a land barrier to stop the tide coming in and covering the machair land. We are doing that with local communities, using old fishing nets and old tyres. It is fantastic. You are all welcome to come and visit it at any time. There is also a wonderful showreel online that you can look at to see what is happening.

We are speaking about young people and one of the junior crofters, Megan MacDonald, was named Scottish young person of the year last year. She would be a wonderful person to be a climate champion overseas and combine education with what Scotland is doing on climate adaptation—it is incredibly innovative and practical. She could take overseas some of the examples that have been funded through the climate adaptation fund and the climate challenge fund. She could share what we are doing, because it is happening already.

The Convener: That is a great idea.

We are quickly running out of time, and I want to ensure that Jamie McGrigor gets in.

Jamie McGrigor: I have two questions: one on the arts and one on food security.

The Convener: As I have left you to the end, you can have the two of them.

Jamie McGrigor: I am well aware of the input that the British Council has had since 1946. One of the most important things for this country was the formation of the Edinburgh international festival, which the British Council—along with Glyndebourne opera, which also played an important part—was involved in founding.

How about a visual arts festival for Glasgow, based on something like the Venice biennale? I am sure that the central belt could manage that, with Glasgow and Edinburgh being so closely linked—not culturally, but by train. Such a festival could really help to lift up Glasgow and Scotland. Festivals always seem to do well in Scotland. Would the British Council look into that possibility?

Dr Anderson: Yes.

Jamie McGrigor: Okay, I will stop on that point. I am also delighted to hear you say that you are confident that, whatever happens, the British Council will maintain its presence in Scotland.

Dr Anderson: Thank you.

There is the Glasgow art fair, of course, and we support international participation in that. Looking at it the other way around, we helped to set up the Scottish pavilion in Venice. As you know, two important Glasgow artists—Karla Black and Martin Boyce—have shown their work in the Scottish and UK pavilions in Venice that the British Council manages.

I promise to look into the possibility of an art festival in Glasgow.

As for whether the British Council will be in Scotland whatever happens, I hope that it will.

Amanda Catto: On the point about the potential for a visual arts festival along the lines of the Venice biennale, Creative Scotland's predecessor, the Scottish Arts Council, initiated our presence in Venice and, because the visual arts are one of the key strengths in our international profile, we have been considering what can happen.

A little while back, Richard Demarco helped to establish the art festival in Edinburgh. Of course the festivals in Edinburgh are really important. We added the art festival into the mix, and it has gone from strength to strength. It does not operate on the same model as the Venice biennale, but it opens up found spaces in the city and presents a real opportunity for the audience to see a range of work, from national collections to quite grass-roots work.

In Glasgow, we are in our fourth or fifth edition of something called Glasgow international, which is a major international festival for the visual arts. It happens in Glasgow over a short period; it is not a five-month biennale type of event, but happens over a three-week period. It is recognised internationally and has hit the mark by offering newly commissioned work from Scotland, showcasing some of the best Scottish artists. We will have Karla Black this year and Richard Wright, and many of the best talents in Scotland. We will also bring in some recognised international figures.

We are always interested in strengthening such activities. Glasgow knows that it has a real opportunity. It has a great cultural scene, and the visual arts are a large part of that. We will continue to have conversations with partners about what can happen.

The Convener: I will bring in Hanzala Malik and Annabelle Ewing on this topic, and then come back to Jamie McGrigor on food security.

Hanzala Malik: VisitScotland might consider another opportunity that we sometimes overlook—the opportunity for Scottish companies to engage in the Olympic games as well as the Commonwealth games. Memorabilia must be developed, and we must ensure that Scottish companies are involved. Big multiples will come in from America and other places to supply the bigger items, and the far east will supply the smaller items, while the Scots in between might be squeezed out altogether. We have to consider opportunities for Scottish companies to produce memorabilia of which we approve. You might wish to speak to the Glasgow City Marketing Bureau, and to the team with the Olympic contract.

Glasgow has the Commonwealth games, but all the cities in Scotland should be involved in contracts, and we should explore the possibilities. We should engage with industry to find ways of supporting it in this.

Denise Hill: VisitScotland does not have an active role in that area. However, one of the Government groups is the flourishing group for 2014, which, I believe, takes an interest in the question.

Annabelle Ewing: On the issue of potential further activities for the British Council in Scotland, as mentioned by Jamie McGrigor, the people of Scotland will decide what they want to do in the 2014 referendum on independence, and consequences will flow from that.

The British Council in Scotland has provided a helpful position paper, but the paper does not tell us what budget it has at its disposal. The British Council in Scotland receives part of a block grant from the Foreign and Commonwealth Office. What percentage of the grant filters down to the Edinburgh office? I do not want to put Dr Anderson on the spot today, but if he is not quite sure of the figure, perhaps the convener could invite him to write to the committee with the information.

Dr Anderson: I have the figures. The direct spend on the office here in Edinburgh is just over £1 million—for our running costs and premises, staff costs and operational issues. There is not a huge amount left for operational issues once costs for premises, staff and so on have been taken away.

Many of our global programmes have a Scottish component, and it is difficult to get a handle on how much is being spent on them in Scotland and to estimate the relevant percentage of the grant, particularly because much of the budget is devolved through the overseas offices, which will then spend some of it on bringing to or

undertaking activities in Scotland. The money flows overseas and back again. However, I can supply you with those figures and more.

Annabelle Ewing: Thank you.

15:30

The Convener: Yes, we like numbers. Finally, would you like to comment, Jamie?

Jamie McGrigor: Thank you; I will try to be as brief as I can. Dr Trebeck, you talked about building a new system of global governance to avert food crises. I greatly admire Oxfam and strongly agree with that. The committee is currently monitoring the common agricultural policy and trying, if possible, to get the best deal for Scotland out of it. In your written evidence, you talk about

“putting an end to trade-distorting agricultural subsidies.”

Are you suggesting that such subsidies should not be paid to Scotland?

Dr Trebeck: I will have to take that question on notice. I do not run the GROW campaign, by any means—my focus is on domestic poverty—but I would be happy to speak to colleagues, who will probably be in head office down in Oxford, and get back to you about what is being envisaged for Scotland. The general point is that subsidies distort the markets to the extent that a lot of agricultural land is diverted into growing biofuels that go into sport utility vehicles in America. A colleague who works in statistics told me the other day that, in effect, one tank of biofuels for an SUV could feed a family for a year. If we are diverting valuable agricultural land towards creating biofuels for cars in America and people are starving as a result—as you will have seen in our submission, last year 44 million people were pushed into poverty and hunger because of changes in food prices—then something is going wrong with the subsidy system because it is working in the interests not of people but of big cars. If it is okay, I will speak to the experts among my colleagues and get back to you on the specific point about agricultural subsidies to Scotland.

Jamie McGrigor: I am sorry to put you on the spot about that, but thank you very much.

The Convener: We would appreciate it, Dr Trebeck, if you directed that evidence to the committee, because that would be helpful in resolving our discussions on another topic—food speculation and how the market sometimes drives the price up. The question is not just whether subsidies do that; there is also a market of speculators out there pushing up food prices to make money out of people who are hungry. That is a matter of interest to all committee members.

I think that we have covered everything that we needed to cover unless there is any burning issue that we have not picked up from committee members or from our panel. I thank all our panel members for their contributions, which we have found very interesting. We have discovered a few avenues that we will continue down, and we will no doubt look for your help and expertise again.

15:33

Meeting suspended.

15:41

On resuming—

“Brussels Bulletin”

The Convener: Agenda item 3 is the “Brussels Bulletin”. Do members have any comments?

Bill Kidd: On the financial transaction tax, which is mentioned on page 5, what level of taxation is being talked about? I have not been keeping up well enough on the issue, so I do not know. If the UK did not implement the tax, would it lose out or would it benefit because it would gain financial business?

Ian Duncan (Clerk): That is a difficult question to answer because there are two strongly held but diametrically opposed sides to the argument. The UK position is that, were it to adopt a tax, it would lose out. The UK’s desire to be outside the tax means that, potentially, it could benefit from others who wish to avoid the tax. The flipside, which is mentioned in the bulletin, is the situation in which the UK is outside the tax but still subject to the restrictions of it. The UK would have no voice in the European Council meetings that would determine and drive the tax, but it would be subject to it. The views on the issue are diametrically opposed and it is not yet clear how that will be resolved.

On the rate, the discussions are centring on the nature of the financial transactions that would be subject to the tax. That is the first step. The second step, which is probably some way away, is to consider the rate at which the tax would be levied. The speculation on that is wide and goes from minimal to maximal rates. As yet, there is no consensus on the rate or on what transactions would be liable for the tax, and nor is there consensus that the tax would be levied on all member states. The UK appears to be vehemently against it.

Bill Kidd: The bulletin contains a great deal about the circumstances, but I want to get an idea of the general feeling among those who are in the know. There is a huge difference between the two views. Is there a precedent for the introduction of such a tax? Would it cover every country in the EU as—the bulletin points this out—has been suggested by a commissioner?

Ian Duncan: That is yet to be resolved. When the EU has sought to introduce levies in the past, they have not been country specific and they have not excluded particular countries, but have been pan-European levies. I could be wrong, but I know of no precedent in which a group of member states applied a tax or levy and others did not. I do not know of any examples of that, although that is

not to say that there is not one. It would be peculiar to have a system that did not involve everybody. That would be difficult, especially with financial transactions. It is not as though a man pops in with a fiver and hands it over the counter—it is all done remotely and electronically.

15:45

Bill Kidd: I have a quick follow-up. VAT is a European tax—I believe that it was set up originally under a European directive—but I think that I am right in saying that the rate varies among countries, although it is not the case that there is no VAT in some countries in Europe.

Ian Duncan: That is right, but the amount of money that goes to the EU from VAT is fixed. In other words, the variation is domestic, but the contribution is fixed.

Bill Kidd: Okay—thank you for that.

Annabelle Ewing: It is very early days for the financial transaction tax. France has started the ball rolling, but if the euro zone plus countries decide to go ahead with the proposal, it is difficult to see how, in practice—not least, for the reasons that Ian Duncan raises—the UK banks could avoid it in their dealings with their continental counterparts. It could be suggested that they would not necessarily need to deal with their European counterparts, but that would be rather ridiculous because, of course, they would have to. It is difficult to see where the proposal is going and how the UK could have a carve-out.

It is extremely important that the UK be involved in the discussions. If it is excusing itself from the new configuration, it is difficult to see how, as a member state, it will have the necessary influence if it is not part of the discussions but is just in the room as an observer, as if it were a third party and not a member of the EU. It is a debate that will grow arms and legs, particularly now that France has set the ball rolling through its unilateral action.

Ian Duncan: The position of the UK Government is not that it is against the tax per se but that it is against its non-global introduction. Its argument is that there would be commensurate impacts on the major global centres of London and Edinburgh.

It is difficult to see how things will pan out. It is hard to speculate on a second veto. *[Interruption.]* Bless you. *[Interruption.]* To sneeze three times is lucky, apparently. As a taxation issue, the financial transaction tax fits into the category of a measure on which unanimity is sought, as far as possible. It is early days and there is a French presidential election coming along, so there is no doubt that we will hear a lot of political rhetoric on the issue in the next few months. When we get down to the

detail, the FTT will be something to keep an eye on because, as yet, it is unclear how it will unfold and what the outcome will look like.

You might remember that, when the Commission was talking about ways of raising funds for the EU, the transaction tax was one of its preferred options. It thought that it would be a good way of getting money in in a transparent fashion, but things have moved on slightly since then.

Jamie McGrigor: On page 8 of the bulletin, you talk about the common organisation of market reform—the CMO. You say that

“Struan Stevenson MEP, rapporteur on the reform of the CMO ... has produced a report”

and that he

“is inviting comments on the document, with information to reach him before 16 February”.

Is this committee making a submission?

Ian Duncan: I suggest that we draw the matter to the attention of the Rural Affairs, Climate Change and Environment Committee. I have already informally drawn it to the attention of the clerks to that committee. If it has an appetite to respond, I imagine that it can do so.

Jamie McGrigor: I suppose, also, that individuals can respond as they wish.

Ian Duncan: Absolutely. The purpose of Struan Stevenson’s request for information is to inform his deliberations as rapporteur.

The Convener: We will ask the clerks to the Rural Affairs, Climate Change and Environment Committee to have a look at the matter, because it may represent an opportunity for it to offer early input.

Annabelle Ewing: Sticking with page 8 and on fish, further to a press release from the Scottish Fishermen’s Federation in the past few days, I am aware that the most recent discussions on mackerel—the “mackerel wars”—have broken down. I think that there is to be a meeting between the Scottish Government and the sector this week or in the very near future. The bottom line is that they are now looking to the EU’s sanction being available. I wonder whether Ian Duncan has any further intelligence on that issue, which seems to be live at this point.

Ian Duncan: I was in Brussels last week. Unfortunately, I wrote the bulletin at the beginning of the week in order to meet the deadline and had the meetings afterwards, so none of that information is in the bulletin. At that point, the prediction was that the talks were definitely going to break down, because there had been no meeting of minds and nor was there any possibility of a meeting of minds. Positions are so

entrenched that there seems to be no prospect of common ground being found, and the EU is now determined to proceed with its trade sanction as quickly as it can. People were talking about that happening within a matter of weeks rather than months. At first, the sanction had been put on the table as a threat to encourage the talks to move towards a resolution, but that has not worked; therefore, the EU is now bound to introduce the trade sanction as a matter of urgency.

Hanzala Malik: I predicted that we would arrive at this situation. The Icelanders are simply playing for time. At the previous meeting at which we discussed the matter, I felt that we needed to move on it sooner rather than later because the talks were going in that direction. The next meeting of the agriculture and fisheries council will be on 23 February. Is nothing going to happen between now and then?

Ian Duncan: The next meeting of the agriculture and fisheries council will be on that date, but we are talking about a trade sanction. It will certainly be discussed at that council meeting, but I think that the EU will proceed with it before that.

We wrote to the Scottish Government to ask it what is going on, but it has not yet got back to us. We will try to require that as a matter of urgency, to see what part the Scottish Government is playing in this and what its prognosis is on an outcome. The mackerel season is advancing.

Hanzala Malik: I wonder whether there would be any mileage in requesting that the Scottish Government speed up the process. Rather than respond to us, it could simply try to activate the action against Iceland, so that we are not spending time talking to each other when we could be doing something.

Ian Duncan: From my informal discussions with the Scottish Government, I know that that is at the top of its list in this area and that that is what it is trying to do. The Scottish Government is doing all that it can to make the trade sanction happen.

Hanzala Malik: The European Union is supportive of the idea, but how keen would it be to assist us in that process? Is there anything else that we should be doing to support such action?

Ian Duncan: The trade sanction would be the EU's trade sanction and the EU is not only supportive, but is leading on that. It had hoped that the negotiations would have reached a resolution by now, which is why it has not moved down that route. It used the sanction as a threat, but that has not worked; therefore, I do not see any impediment to the EU's moving relatively swiftly—in European terms, admittedly—to resolve the matter. The Scottish Government, the UK Government and the EU are now all keen to move ahead with the sanction in order to achieve a

sustainable resolution, as are the international bodies that are looking at this.

The Convener: I suggest that we follow up our letter to the Scottish Government in writing.

Hanzala Malik: Yes—we are not really waiting for a response now. The Scottish Government has not responded in a positive way, and we made a prediction that has come true. Now, we simply want the Government to exercise its influence to get the sanction introduced as a matter of urgency. We could leave it at that.

Ian Duncan: Yes—that is fine.

The Convener: Okay. I thank Ian Duncan for putting together the bulletin. We know how much of a movable feast the euro zone crisis is. Perhaps we could have a wee update on what happened yesterday with the fiscal compact, which was supported by 25 out of 27 member states, and how you envisage that moving forward—if you have a crystal ball.

Ian Duncan: If I had a crystal ball, I would be much in demand.

The Convener: You could give us the lottery numbers for Saturday, thank you.

Ian Duncan: That is right.

Although the discussions led to 25 member states agreeing to sign up to the fiscal compact, two—the Czech Republic and the UK—do not wish to move in that direction. The political leaders in the Czech Republic at the moment are very Eurosceptic, which is one reason why they did not sign up. The current ambition is for the document to be completed in draft form and discussed and agreed at the March council.

A number of smaller issues are still unclear or as yet unresolved, some of which concern observer status for states that are signed up to the compact but which are not members of the euro zone. At present, in order to gain observer status a country would have to have agreed to the compact even though it was not in the euro zone. That would exclude the UK from having observer status, which would be quite controversial, so a number of negotiations are going on around that. The sherpas—a fantastic term—are currently working on that to find common ground.

On a related matter, which is the bigger issue of the Greek sovereign debt and the attempts to resolve that situation, the Greek Prime Minister Lucas Papademos has said that he expects an outcome by the end of this week. Whether it will be to everyone's liking remains to be seen and the situation remains an impediment to payment of the next instalment of the €130 billion bail-out money.

The next step will involve bringing together finance ministers to discuss the detail of the fiscal

compact. It seems to be quite clear that the UK will not be part of it; there is no indication that it will. The UK would like to have observer status, but that is a sticking point and it is one of the big issues about which President Sarkozy is insistent.

All that is taking place against the backdrop of the French presidential elections, which means that politics will play a greater role than might otherwise have been the case. Much of the rhetoric in Brussels last week was schoolboyish: the French foreign minister was saying things like, "You should have been downgraded, UK. I don't know why you weren't". There were bizarre conversations: "Our industrial base is bigger than yours." "Oh, no it isn't." "Oh, yes it is".

Some quite high-level discussions were unfolding at the beginning of the week. There is a great deal of politics still to unfold, a lot of which is not particularly nice and not very elevated either. That is the broader picture.

Another curious thing is that yesterday—30 January—there was a general strike in Brussels, so the whole city ground to a halt. The only things that were moving were EU limousines taking people to their meetings.

The Convener: I noticed that the Prime Minister of Denmark was very strong in her statement a few days ago about her expectations for the next six months. I wonder whether—given Denmark's EU presidency—she would have to go in and referee some of the antics that you see going on.

Ian Duncan: That role is sometimes a bit like being a referee; one aspect is trying to manage the rhetoric as well as the reality. The rhetoric is all very interesting when one reads it in the papers, but the truth is that the issues will be resolved in a very closed environment in which the participants will try to bring together a workable resolution.

I suspect that all participants—including the UK—want a workable resolution. They do not want the compact to fall apart because that will raise issues that are far greater than the potential loss of face from joining in. However, that is just my speculation.

Annabelle Ewing: On that subject, I understand—although, as the convener said, the crisis is very much a moveable feast—that there will be a role for the European Court of Justice in the new compact.

It would be helpful for committee members if the Scottish Parliament information centre were to look at the potential implications of a system in which the court of the entire EU also provides a function to a smaller subset of member states in relation to specific items of jurisdiction that are not part of the EU body of law. That is a first since the establishment of what was then the European

Economic Community, and it has potentially significant implications for the EU body of law.

Ian Duncan: I am looking to my left to see whether Iain McIver is nodding. Can we get SPICe to put together a briefing on that?

Iain McIver (Scottish Parliament): Someone in SPICe will do that.

Annabelle Ewing: Thank you very much.

Ian Duncan: That was a ringing endorsement, if ever I heard one.

I note that that is the one area of give from the UK Government. Initially, it had said vehemently that no EU institutions could be used for a subset—for the euro zone plus, if you like. There seems to have been movement on that, although the UK Government has still expressed reservations about what the arrangements would mean. I suspect that greater movement will take place on that and that the question of the use of the institutions might yet be resolved.

The Convener: Are we content to send the "Brussels Bulletin" to committees?

Members indicated agreement.

European Chairs—UK (Meeting)

16:00

The Convener: Under item 4, I will give a wee report on the European chairs—UK meeting that was held in the Parliament a week ago Monday. Bill Cash missed his flight, so we had him on the speakerphone, which worked relatively well. Representatives from Wales, Ireland and the House of Lords all came along. The meeting was positive and specific questions were asked. Issues that we targeted included the euro zone crisis, the direction of travel—Bill Cash suggested that we deal with that—the multi-annual financial framework and the Commission's work programme.

There was an interesting discussion, which links to the question that Annabelle Ewing just asked, about opt-ins, opt-outs, the European Court of Justice and how all that will impact on the future of Europe. We are well aware of what is going on. All the UK Assemblies' Europe committees are undertaking similar inquiries in relation to the euro zone crisis. We shared a lot of common ground, knowledge and intelligence on that across the table.

I had been given the impression that the Scottish contingent might get a bit of a hard time because of the referendum, but the attitude from every other country around the table was positive and respectful. People were interested in what independence would mean for them and for relationships. We left the meeting with the realisation that we would probably be in a much stronger and more equal position. Whether or not the other countries agree with Scotland having its independence, they certainly investigated the issue.

I would describe the attitude by the end of the meeting as convivial. Bill Cash was like a voice from God, and he made his points in a constructive and respectful manner. I had felt that I might be put under attack, but I was not. The meeting was helpful.

The other Europe committees are continuing their inquiries, which mirror ours. We have agreed to take a more joined-up attitude to how we communicate with one another. The European chairs meeting happens only once a year, in general, but we gained such a lot from the meeting that we thought we might meet more often. We might not all go to places; we might use videoconferencing or telephone conferences—or perhaps even a webinar, Jamie.

Jamie McGrigor: That is a good idea.

The Convener: Because things are moving quickly, more meetings might be worth while. I was invited to meet the other chairs in London.

Hanzala Malik: Will you need a passport for that?

The Convener: I will not need a passport. You have been reading the *Daily Record* again.

The experience was positive. I look forward to repeating it and to not having to host the meeting, which was a bit nerve-wracking.

Hanzala Malik: I agree that you should have more regular meetings, which are important. However, I do not agree with phone meetings. Meeting one to one is essential. Networking is becoming more and more important for us in Scotland, and a presence is important. Such meetings need to be a physical get-together rather than just communicating with people.

Because of its historical position, Scotland really needs to do a proper selling job and not just something on the phone, which might even be discourteous at the level that we are discussing. I suggest that meetings should take place in person.

The Convener: We will not dispense with face-to-face meetings but, in interim periods, we might use videoconferencing or have telephone meetings. If people are in Scotland or I am in London for something else, we could tie up with that.

At the meeting, we discussed mainstreaming European affairs—the National Assembly for Wales is also doing that. I explained our rapporteur system, in which there was a lot of interest. Northern Ireland and Wales gave a lot of input on the impact of subsidiarity. We will carry that over for discussion.

We will not dispense with face-to-face meetings, but we might have more meetings in intervening periods, given that things are changing quickly.

Hanzala Malik: We are the new kid on the block, so we have to market ourselves a lot more than others do—hence the point that I made.

Annabelle Ewing: It sounds as though the exercise was useful. What other Parliaments are doing on the EU front is always of interest. The EU is a vast subject to cover and it is always interesting to see how other legislatures approach it. You are participating in a useful forum for gathering intelligence and explaining what we are doing, convener.

The Convener: We agreed at the beginning of the meeting to take items 5 and 6 in private, so I close the public part of the meeting and thank the public for coming along.

16:06

Meeting continued in private until 16:34.

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