



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Thursday 26 June 2014



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**EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**

**16<sup>th</sup> Meeting 2014, Session 4**

**CONVENER**

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

**DEPUTY CONVENER**

Hanzala Malik (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*Clare Adamson (Central Scotland) (SNP)

Roderick Campbell (North East Fife) (SNP)

\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

\*Jamie McGrigor (Highlands and Islands) (Con)

\*Alex Rowley (Cowdenbeath) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

David Torrance (Kirkcaldy) (SNP) (Committee Substitute)

Humza Yousaf (Minister for External Affairs and International Development)

**CLERK TO THE COMMITTEE**

Katy Orr

**LOCATION**

Committee Room 6



## Scottish Parliament

### European and External Relations Committee

*Thursday 26 June 2014*

[The Convener *opened the meeting at 09:30*]

#### Interests

**The Convener (Christina McKelvie):** Good morning and welcome to the 16th meeting in 2014 of the European and External Relations Committee. I make the usual request for mobile phones to be switched off.

We have received two apologies. One is from Hanzala Malik, who is recuperating—I am sure that the committee would want to extend get-well wishes to him. I am sure that we would also like to extend our condolences to Rod Campbell, who has had a bereavement.

I am delighted to welcome David Torrance MSP, who is substituting for Rod Campbell. Do you have any interests to declare in relation to the committee?

**David Torrance (Kirkcaldy) (SNP):** I have nothing to declare.

**The Convener:** Thank you very much.

## Committee of the Regions

09:31

**The Convener:** Agenda item 1 is the very detailed report from the Committee of the Regions that was put together by Stewart Maxwell. I seek comments, questions or clarifications.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** Stewart Maxwell's report is extensive. I am taken aback by the breadth and depth of the subjects that it covers. I looked through the report to see whether mention is made of broadband infrastructure, which is a subject that has featured regularly at the committee. Does the Committee of the Regions engage with that subject? If it does, could we perhaps have a wee look at its deliberations on that? I have asked about the subject a number of times.

**The Convener:** We could definitely pick that up, and I am sure that we are content to do so.

**Clare Adamson (Central Scotland) (SNP):** The report is exceptionally detailed and very helpful. I appreciate how busy the members of the Committee of the Regions are on our behalf and the amount of travel that they have to do. The report is great, but maybe at some point we could have a round-table discussion with the members of the Committee of the Regions to get a better feel for how it operates and their experience of the year.

**The Convener:** That is a good idea. We can do something in the autumn; we can look at our work programme when we come back after recess. Given the changes across Europe following the elections, the setting up of the new Commission, the decision on the Commission presidency and the fact that the establishment of the political groupings seems to have been a fraught exercise, the autumn may be an opportune time to get an understanding of what has happened and where things will go from there.

**Willie Coffey:** That would be great.

**The Convener:** As colleagues have no further comments, on behalf of the committee I thank Stewart Maxwell and all our members of the Committee of the Regions for their work. We thank Stewart, in particular, for his report. Patricia Ferguson did the last report and they take turn about, so we will get a report from Patricia at a later date.

I seek the committee's agreement to our circulating the report to all the relevant subject committees.

**Members indicated agreement.**

## Scottish Government Reports

09:34

**The Convener:** Agenda item 2 is our reports from the Scottish Government, which form another detailed and hefty document. There are reports from a number of cabinet secretaries on European Union structural funds, horizon 2020, foreign language learning in primary schools and the transposition of EU directives. Are there any comments, questions or clarifications?

**Jamie McGrigor (Highlands and Islands) (Con):** Is this the “Brussels Bulletin”?

**The Convener:** No. It is the reports from the Scottish Government.

**Jamie McGrigor:** Yes—sorry.

**The Convener:** Paper 2 briefs members on the reports.

**Willie Coffey:** On the first item that is noted in the paper—the structural and investment funds—members will recall the youth employment initiative and see the item relating to that on page 5 of the paper.

I hope that that will make an impact in the south-west of Scotland and Ayrshire, which I represent, and that we will be able to keep a close eye on developments there if it is appropriate for that to come to the committee. Members were interested in what the work might entail. I would be interested in exactly what happens from a European perspective to tackle youth unemployment in my constituency. I would appreciate any update on progress on that work, if that can be brought to the committee.

**The Convener:** Yes. Our autumn schedule is already shaping up to be busy.

**Alex Rowley (Cowdenbeath) (Lab):** I agree entirely with Willie Coffey on that. Employers and third sector organisations often talk about the bureaucracy that can be involved in most European initiatives. Fife Council has a youth contract scheme. Employers say that one of the strengths of that scheme is its lack of bureaucracy, which allows them to get on with it. As I understand it, many employers are put off by what is involved in some of the schemes, so it would be good to get a better understanding of how the youth employment initiative operates, what it means and what bureaucracy is attached to it.

**The Convener:** I agree. I used to run a European social funded project many years ago. That was before computers, so everything was done on paperwork.

We have leaned on the wise counsel of Fife Enterprise in the past. Helen Eadie was a great champion of that body, which was always good at consulting the committee and providing it with great resolutions to problems. We should follow that up, too.

**Jamie McGrigor:** On foreign language learning in primary schools, the recommendation in paragraph 11 says:

“The Committee may also wish to suggest to the Scottish Government that all further updates are sent directly to the Education and Culture Committee rather than”

to us.

Because we spent so much time on our inquiry into that and because foreign languages are important to the committee, we should still get an update on what is happening rather than send it to another committee. We did a lot on—what was it called?—the Barcelona—

**The Convener:** Yes, the one-plus-two model. You are absolutely right; we did.

**Jamie McGrigor:** That needs watching, because we do not know whether it is working. It was an experimental model and the committee should keep an eye on it.

**The Convener:** Our colleague Clare Adamson is the Europe rapporteur to the Education and Culture Committee. We can ask her what that committee is doing with the matter and see where we go from there.

**Clare Adamson:** I am happy to do that.

It was a bit of an anomaly that the matter came to this committee, even though it concerns European languages, because it sits very much within education delivery in schools. I am sure that we can ensure that the committee is kept fully up to date on progress.

**The Convener:** That is a sensible suggestion. We should follow it. Jamie McGrigor is right that it is basically our baby and we want to keep an eye on its growing up.

**Jamie McGrigor:** I thought so.

**The Convener:** I think that we should do that as well.

There are a number of recommendations on pages 1 and 2. Do members have any comments on them? They are basically about the committee considering whether to follow up the reports.

Horizon 2020 is another matter that we have kept a close eye on. On EU structural and investment funds, Willie Coffey has recommended that we take a detailed look at broadband and get some information on it. Are members content to keep an eye on that and keep the focus that we

have had on how the funding streams are operating and their success?

**Members** *indicated agreement.*

**The Convener:** It would be the same for horizon 2020. We would be keen to have regular updates on how that is operating, given that it is new and has the link with small business that Jamie McGrigor is keen on. We will also keep an eye on foreign languages and primary schools. The last section is about the transposition of EU directives.

**Willie Coffey:** We will also keep an eye on the youth employment initiative.

**The Convener:** Yes, of course.

**Clare Adamson:** Alex Rowley's point about bureaucracy was very well made. One of the aspects of horizon 2020, especially at the conference that we held, was about streamlining that bureaucracy. It would be really good to get some proper feedback on whether the aims of reducing the bureaucracy around horizon 2020 have been met.

**The Convener:** Okay. Are members happy to note all those reports, share them and follow up as suggested, and to forward them to the relevant subject committees for their perusal?

**Members** *indicated agreement.*

## “Brussels Bulletin”

09:40

**The Convener:** Agenda item 3 is the “Brussels Bulletin”.

**Jamie McGrigor:** Am I right in thinking that we have the Italian ambassador coming at some point?

**The Convener:** We have—the ambassador is coming on 9 October.

**Jamie McGrigor:** That struck me, because Italy is taking over the presidency of the Council of the EU from Greece. The priorities are economic growth, citizenship, justice, tourism and global engagement. We should perhaps prepare to question the ambassador on all those issues when he comes in October. That is the only thing that I drew out of that point in the bulletin.

**The Convener:** Yes. We have a business planning day in September, when we will plan business for the rest of the year, so we can have a more detailed conversation then about how we want to formulate that session. *[Interruption.]* I have just been reminded that the business planning day is in October. It is usually in September, but we have a slight change of business in September this year.

**Alex Rowley:** I do not want to create more work for the committee, so I am not quite sure how best to try to achieve this. It is on the question of ports and Scotland's links with Europe. I am not sure what we would do—perhaps we could get a briefing. In my constituency, we have the port of Rosyth and a regular daily ferry used to run to one of the European ports. That service has now ceased and it would be good to get a better understanding of which ports are operating in Scotland and what cargo and passenger links there are with Europe. Could we look at that? I am not sure whether the committee needs to do that piece of work, or whether it could be done for us.

**The Convener:** The Infrastructure and Capital Investment Committee has been looking at that issue in detail, so we could ask our clerks to co-ordinate with the clerks on that committee to ask whether we can have a briefing. We can decide where to go from there. If that committee has already done a big piece of work, we should not cross over that but there may be areas of it that we could pick up on from the EU point of view.

**Alex Rowley:** That would be great. Thank you.

**Willie Coffey:** The bulletin mentions access to finance for research and innovation. Members will see that, through the Commission and the European Investment Bank, there is a potential pot

of €24 billion for research and innovation for small and medium-sized enterprises. The question is how we ensure that companies in Scotland get sighted on that.

Members will notice the point on page 9, which says that the money is demand driven; if companies do not ask, they do not get. It is important that, when we see fantastic information like that—there are great opportunities there for Scottish companies—we think about how we can make companies aware of those opportunities. It comes under horizon 2020, but it would be great if there was a mechanism to alert companies in Scotland to the potential of that kind of thing because if they do not make any applications for funding, they will not get any funding. There are no prior regional or geographic allocations or anything like that. It is an important pot of research money that Scottish companies would love to hear about and to find out a little bit more about.

**The Convener:** That point is well made and we should look at it when we are looking at the structural funds in their entirety.

The report from the Government suggests that we did very well from the seventh framework programme—FP7—which was the predecessor of horizon 2020. Perhaps we should look at how we punched above our weight in that and ask how we maintain, sustain and grow that performance. Perhaps we should look at that in more detail, too.

The Scottish Government talked about an information portal, so we could perhaps ask for an update on how that is progressing.

09:45

**Willie Coffey:** A favourite issue of Helen Eadie was how to get hold of that type of information and make it easy to understand and easy to apply for funds. Helen always, quite rightly, raised the issue at committee of how Scotland gets access to available funds. That particular fund is entirely demand driven, so if companies do not ask for any of it, none of it will be allocated to them. It would be very helpful to follow up on that.

**The Convener:** Yes. We can definitely do that.

**Clare Adamson:** I was very interested in the biofuels section on page 7 of the bulletin. Obviously, that has been a contentious issue in some respects—when developing world countries have been used to grow palm oil, it has had an impact on food generation in those areas. I was also very interested this week to hear about a research project that is using a by-product from whisky to create biofuels.

It would be really interesting if, at some point, we could follow up how that research project is going, what the global impact is of the biofuels

directive, what happens in the case of biofuels that are grown outwith the EU and imported into the EU and what effect that has.

**The Convener:** That is another one for the list.

I wish to pick up on the directive on nuclear safety. Apparently, there is a strengthened regulatory framework; co-operation across borders is also mentioned. The bulletin states:

“The Directive ... strengthens transparency by ensuring the public has a right to participate in the decision-making process relating to nuclear installations.”

I think that that would be of interest to us all, given that energy is—pardon the pun—such a hot topic just now.

Again, we should perhaps seek some additional information on what that directive actually means, including what it means for existing power stations and what it means for proposed future nuclear power stations.

Are members happy to make the “Brussels Bulletin” available to the relevant committees and to highlight the points that we have discussed today?

**Members indicated agreement.**

**The Convener:** Thank you very much. Our next agenda item is our evidence session with the minister, Humza Yousaf. I suspend the meeting briefly until the minister arrives.

09:48

*Meeting suspended.*



09:56

*On resuming—*

## **Independence: External Affairs and International Development**

**The Convener:** Welcome back. Agenda item 4, which is the main item on our agenda, is an evidence session on the Scottish Government's proposals for an independent Scotland. Today, we will focus on external affairs and international development. We are delighted to welcome back to the committee the Minister for External Affairs and International Development, Humza Yousaf, and to welcome Russell Bain, who is the external affairs policy manager, and Nikola Plunkett, who is the head of migration.

I believe that you have some opening remarks, minister.

**The Minister for External Affairs and International Development (Humza Yousaf):** Yes, just a few. Thank you, convener. I am grateful for the committee's invitation and I look forward to answering members' extensive questions.

I thank the committee for conducting its three evidence sessions. The round-table discussions made a valuable contribution to the debate about an independent Scotland's role and place in the world. They demonstrated the important and influential role that Scotland already plays in global affairs, and the experts' collective evidence again showed how much more could be achieved following a yes vote in September.

That brings me to a point that I want to stress. Independence is not just about the size of aid budgets or the number of embassies, although they are important factors; it is about Scotland being able to represent itself on the world stage, to make its own decisions, and to be able to influence and interact with other international actors in its own way. That is in contrast to being represented—and, I would say, often underrepresented—by a Westminster Government that, understandably, often bases its actions on different international priorities.

As was highlighted in the committee's first evidence session, it is already acknowledged that Scotland makes a unique contribution and takes an innovative approach to certain aspects of international development, particularly in our reciprocal relationship and partnership with Malawi. We also have recognised expertise in climate justice, climate change, renewable energy, education, health improvement and academic research. That is an exceptionally strong starting position from which an independent Scotland could make a real difference internationally. We

would seek to share our knowledge, skills and technical expertise in, for example, water, sanitation, renewable energy and education.

Being a global leader in international development is not necessarily about a country's size in absolute monetary terms; it is about the impact that it can make. If we look at various indices that measure overall contribution to international development, we see that countries such as Denmark, Sweden and Norway—countries of similar size to Scotland—are ranked higher than the United Kingdom.

The committee's evidence session on citizenship and migration, which I read with great interest, made a thoroughly useful contribution to the debate. One of the topics covered was immigration, and I see a significant gain of independence being the power to develop our own controlled immigration system that will allow Scotland to flourish. Control over our own immigration system will give us the ability to look outside our nation and to attract talented individuals from around the world.

10:00

Of course, we need to continue to support those in our existing workforce to develop their ability to fill specialist roles in sectors such as engineering, science and the medical professions, but domestic recruitment is not always possible. In those cases, we need to be able to recruit international skilled workers. Scotland benefits when we encourage skilled migrants to move here and international students not just to study here but to stay on and work in Scotland after their studies. That is why we propose to reintroduce the post-study work visa. I was happy that, in your evidence session on 15 May, Professor Robert Wright noted the benefits of encouraging talented individuals to stay on in Scotland after their studies.

Control over citizenship will give an independent Scotland the chance to take a different approach. An independent Scotland will have an inclusive model of citizenship that will recognise the shared history of Scotland and the UK by offering dual citizenship. The UK already provides for dual citizenship with other countries, and we welcome the commonsense position—which has been confirmed by the UK Government's paper on borders and citizenship—that there will be no barriers to joint citizenship with an independent Scotland.

As the committee knows, policy on asylum is currently reserved to the UK Government. Although there is much that we can do on integration with the current devolved powers, the overall circumstance places limits on the real progress that we wish to make on the asylum

process. It also makes us vulnerable to the imposition of policies and initiatives that we do not like and which, frankly, are just plain wrong, such as the go home campaign.

In an independent Scotland, the Scottish Government would establish an asylum system that was separate from the immigration system. From day 1, the policy on asylum integration would continue. We would close Dungavel and would end the practice of dawn raids and the inhumane treatment of those who have exercised their legitimate right to seek asylum.

On the topic of the committee's final evidence session, international policy, it is important to note that our prospectus for independence does not rest on issues such as how many embassies we would have. Those are details that change for all states as their foreign policy develops. Rather, we want to focus on the opportunities that independence would offer and what Scotland could achieve in setting its own foreign policy. Our priorities for that are clearly set out in "Scotland's Future". They are based around a clear framework of participating in rules-based international co-operation, protecting Scotland's people and resources, and promoting sustainable economic growth. We believe that that framework would enable us to deliver a set of policies that are focused on our national interests and are in accordance with our priorities.

I was pleased to hear the experts' evidence from that session, which reinforced the view that small states have the ability to be influential and successful on the global stage and highlighted that it would be in the interests of all NATO member states for Scotland to continue to be a member of NATO after independence.

I am sure that members will have plenty of questions on a wide variety of issues. I thank you for the opportunity to make my remarks, and I will be happy to answer the committee's questions.

**The Convener:** Thank you, minister. You covered all the areas that we have covered. One of the things that jumped out for me was the role that Scotland would play internationally, which you see as developing in a very positive way.

How does that compare with the recent comments by Lord George Robertson that the safety of the world would be put at risk, that independence would be "cataclysmic" and that we would be welcoming "the forces of darkness"? That jars with the positive role of an independent Scotland that you have just talked about, which would involve international co-operation and partnership working. Will you give us your comments on that?

**Humza Yousaf:** I will try to be as diplomatic as I can be, because I will be in a debate with Lord

George Robertson tomorrow, so I will have to use all my best lines then.

Even those who are on the same side as Lord Robertson constitutionally have distanced themselves from such ridiculous remarks. They have not been repeated by the majority of those who support his position on the constitution. It is correct for them to distance themselves from such hyperbolic remarks and prophecies of doom and gloom, which were ridiculous.

In my role, I have the great pleasure and honour to travel across Scotland and to promote and speak about Scotland on every continent on earth. Wherever I travel, when I tell people that I am from the UK, I get a fairly warm reception, of course, but when I tell them that I am from Scotland, the smile gets even wider. I have never once received a negative or hostile reception when I have told somebody that I am from Scotland.

On Scotland's priorities and where we would be, we would certainly not be aligned with the dark forces by any stretch of the imagination. The approach that we have laid out in "Scotland's Future"—for example, our continuing to be a member of NATO—shows our co-operation and the fact that we take very seriously the responsibility to our neighbours, whether they are over the Atlantic, in the United States and Canada, or closer, such as on the European continent.

There will be many occasions when we will agree with the UK Government on foreign policy, and that will be a good thing for the international stage, because instead of having one voice, it will have two voices that agree. However, with independence, of course, when we have a different path, we will be able to have our voice heard on the international stage.

I do not want to dwell too much on Lord George Robertson. His remarks have been widely dismissed, and he has form in making predictions that often do not come true. Those who are on the same side as he is are right to distance themselves from his remarks.

**Jamie McGrigor:** On debt relief, I note that "Scotland's Future" says:

"The Scottish Government will give careful consideration to the question of 'unjust' debts ... and support moves to establish Scotland as an international centre for debt arbitration".

That is a fine idea, but where does that mostly take place currently? How will you start that off?

**Humza Yousaf:** I must commend the work on debt relief that the Jubilee Debt Campaign has done across the UK, and I certainly suggest that any member who is interested in debt relief should look at not only the proposals that we have put

forward, but those from the Jubilee Debt Campaign, which was at many of our discussions.

Norway is the prime example or exemplar when it comes to debt relief. It completed a debt audit at the end of the last year, I think—it has certainly done so in the past 12 months. It got outside auditors to come in to do a complete debt audit of the countries that were in debt to it. That debt audit will now provide a framework for relieving debt in the developing world. The UK Government, too, has made moves in that regard over previous years, so there is an example and a precedent, but our argument is that it has not gone nearly far enough.

We are carefully considering the issue of debt relief and are continuing to talk to stakeholders. The principle is one of absolute fairness and justice, as I think that Jamie McGrigor would recognise. Some of the debt has been racked up—by the way, the debt that is owed from the developing world far outweighs any of the contributions of aid—from military and defence equipment that has been sold to some of the most brutal dictators whom the world has seen, such as Saddam Hussein, Robert Mugabe, General Suharto and those in the Argentinian military junta, to name just a few.

We have carefully considered the Norwegian debt audit, and I would love to see Scotland play that role in debt arbitration. If we can, through looking at the Norwegian model of debt relief, ensure that a future export credit agency for an independent Scotland does not commit the developing world to unfair debt, I think that that would be a great exemplar for the world and that we would then have great standing on the international stage. Small states and small independent countries have to carve a unique niche for themselves in particular areas, in which they can look to be exemplars and leaders. Debt arbitration is perhaps one example of where that can happen.

**The Convener:** I want to follow on from the theme that Jamie McGrigor kicked off. Part of the Scottish Government's policy is the do no harm proposition. We heard from many witnesses that that is a very positive step, but they wanted a more proactive do good approach to be taken across all Scottish Government policy areas, particularly in relation to international development work. I hope that you can give us some insight into your thoughts on that.

**Humza Yousaf:** The work of the Network of International Development Organisations in Scotland has to be commended to the committee. Gillian Wilson made the point about having pro-poor policies, and I think that she is correct.

In some regards, some of that can be done within the devolved settlement, and we look to do that. We work very closely with education officials, and the Cabinet Secretary for Education and Lifelong Learning and I work closely on the agenda for international development. For example, £600,000 was made available to development education centres across Scotland to enable the education of Scots in our schools about the importance of international development. If we sow the seed of international development at a young age, when people grow older, they will not believe that international development should be sacrificed for domestic spending.

That point has been made to the committee, and it is one that we should reflect on. Perhaps there is a better term for it than “do no harm”. The other term that is often used is “policy coherence for development”, but it is not the sexiest title in the world. There is perhaps a need for us to think about a better term for our approach, but there is already joined-up intergovernmental working. I work closely with education and health officials and many others to see what more we can do. The visit here last year by the former President of Malawi, President Banda, showed that such working goes on. John Swinney, the Cabinet Secretary for Finance, Employment and Sustainable Growth, took part in a round-table discussion on investment in Malawi that considered how trade could help to lift people out of poverty.

Such cross-governmental work is being done but, with independence, we will have the full levers of trade, tax and the economy and full control over reserved areas such as defence and mitigation of the arms trade. We will be able to be a lot more holistic in our approach.

**Clare Adamson:** We have been taking evidence to inform the debate about Scottish independence and the two possible futures for Scotland. I am interested in picking up on two points from your opening remarks.

You expressed willingness to end dawn raids. That has been an important issue in Scotland and not least to the campaign of the seven young women from Glasgow—the Glasgow girls—who are now the subject of an award-winning musical from the National Theatre of Scotland. They campaigned against dawn raids in their communities. At that time, we had a Labour Government at Westminster and a Labour coalition Government in the Scottish Parliament. However, the First Minister of Scotland, Jack McConnell, could not secure the end of dawn raids.

The other issue is the fresh talent initiative. As leader of the Labour Party, Jack McConnell started that initiative, which was welcome. It was

recognised that Scotland was in a different position on post-education visas, because of our economy's needs. However, that initiative was taken away.

What does all that say about our position in the devolved settlement? What opportunities will independence bring in those two areas?

**Humza Yousaf:** The point is well made. I have huge respect for Lord McConnell. Since I became the minister with responsibility for external affairs, I have never been slow to give him credit for the work that he did in re-establishing our connection with Malawi. I often go to him for advice on that subject—in fact, I was on the phone with him yesterday.

Lord McConnell was sincere in his desire to end dawn raids, which he genuinely saw as a stain on the nation's conscience. I do not doubt his sincerity. It is even more tragic that a man who was incredibly sincere about his intention and desire could not end the horrific practice of six officers beating down someone's door at 4 in the morning and dragging children out to a detention centre. That is never justified, not even as a last resort, let alone a first resort.

10:15

You are absolutely correct. Regardless of his desire as First Minister of Scotland and the fact that his party was in government at Westminster, Jack McConnell could do nothing about dawn raids. Some words were spoken about a possible memorandum of understanding, but they were never fulfilled, and dawn raids continued. Some say that dawn raids continue even to this day. Some asylum seekers claim that they still happen, as do the Scottish Refugee Council and others.

That example does not bode well. Even if the two Governments in the Scottish Parliament and the Westminster Parliament are aligned, it does not mean that something that the Scottish Government has the political will to do will happen.

The fresh talent initiative is another instance of that. Credit is due to the previous Government for having the foresight to introduce it. It did not come without its problems, which should be tweaked for any future post-study work visa, but it was generally a good scheme.

I noticed the comments that Professor Robert Wright made on the policy in his evidence to the committee. He said that he could not understand why on earth we would not have a system that sought to retain those who study in Scotland. It makes no economic sense—it makes no sense whatever—to spend time and effort on attracting some of the best minds from across the world to

study and then to let them go back to their own countries or leave for new destinations.

Professor Wright mentioned in his evidence that other English-speaking countries are beating us on international students. I think that Australia and Canada in particular have experienced a dramatic increase in international students, whereas we have experienced a decrease in students from India, Pakistan and Nigeria.

You are right to refer to the fresh talent initiative and the relationship between the Scottish Government and the UK Government. As you know, the UK Government removed the initiative in 2010. I see no reason for its removal other than the arbitrary cap that the UK Government has set on immigration numbers, which, by its own admission, it will not achieve. Student numbers should not even be a consideration in that in the first place.

There are clear benefits to introducing a post-study work visa. As logical as I think that is as a member of the Government, as logical as the First Minister thinks it is, as logical as the Parliament thinks it is—we recently debated such matters and there was pretty much unanimous agreement across the Parliament that a post-study work visa would make a lot of sense—and regardless of how desirable Universities Scotland and the Institute of Directors consider it to be and of all the political, civic, educational and academic will that there is to have a post-study work visa, we can do absolutely nothing about it, because the UK Government is hellbent on reducing numbers of immigrants, including students.

I have no faith that, if there is a future Westminster Government of a different colour, that will change at all. I have been given no indication at all of that. The Labour Party's rhetoric on immigration is just the same as that of the Westminster Government. That is deeply sad but, of course, I hope and desire that, if the people of Scotland choose to vote yes on 18 September, we will reintroduce the post-study work visa, because it makes sense economically, educationally and socially.

**Clare Adamson:** We have many examples of how Scotland's attitude differs from that of the rest of the UK in some of those areas. Last year, the Home Office's go home campaign caused great concern in Scotland. Are you willing to comment on how, if there is a no vote, that policy might continue in the UK?

**Humza Yousaf:** I am deeply concerned by the rhetoric and the tone of the debate emanating from Westminster. I must be fair to the Liberal Democrats, who often challenge that rhetoric. However, the tone of the debate from the two main

parties that dominate Westminster politics is dreadful.

My plea has always been that we should not try to out-UKIP UKIP but that we should challenge the UK Independence Party's rhetoric. A general election is less than a year away, and people are nervous about how well UKIP might do. The response should be to challenge and confront its rhetoric, which the Scottish Government has done.

I was deeply disappointed that UKIP won a seat here in the European elections but, to put that in context, it came fourth here, with 10 per cent of the vote, whereas it came first in the rest of the UK, with almost 30 per cent of the vote. That is because you cannot out-UKIP UKIP. If people want to vote for UKIP because they want immigration to be slashed and they believe the negative rhetoric, they will vote for UKIP. They will not vote for a party that is a lighter shade of UKIP or a watered-down UKIP—they will not go for semi-skimmed when they can get the full-fat stuff.

My plea is that UKIP's rhetoric should be challenged, but I do not see it being challenged. Even the Liberal Democrats, whom I was being fair to, are part of a coalition Government that decided to have Home Office vans drive around parts of London emblazoned with the slogan, "Go home." Even Brand Street in Glasgow had posters that said, "Go home." That is the worst kind of insult. Members here might have faced racial or ethnic abuse. As someone who has faced that, I know that there is no worse insult than being told to go home, because people do not have another home. I have lived my whole life here and I have spent all my time here. I do not have another home and I could not go anywhere else. "Go home" has been shouted at me by members of the Scottish Defence League and others before that. The insult really grinds; it hurts deeply.

I am deeply worried about the tone of the debate and I do not see any way in which it could change. Scotland could change it if we were to choose an immigration policy that is to our economic and educational benefit and if we were to choose an asylum process that is fair, compassionate and humane. We could be a progressive beacon for not just these islands but the whole of Europe. In the European elections, we saw the rise of the Front National and other parties. We could be a leading light for the rest of the European continent by standing up against and challenging the negative rhetoric, and we would benefit from that economically, educationally and socially.

**Willie Coffey:** I would like to open up a little discussion about Scotland's role in the European Union as an independent nation and the influence that we might bring to bear as a small member state. You cannot have failed to read or hear

about the spat that involves the UK Prime Minister and Jean-Claude Juncker. In our committee's discussions over the past while, there has been a debate about whether Scotland can be influential enough as a small nation or whether we would be better off as part of a big nation state. I am just checking my notes. The news says that, on the matter of Mr Juncker, the UK has one ally among the 28 member states.

Generally, what would Scotland's role be as a small nation state? How would we influence our colleagues and partner countries in the EU, to represent Scotland as best we could, and how would we grow and develop our relations? Will you comment on the UK position, which appears to isolate Scotland much more than we would wish?

**Humza Yousaf:** We have commented publicly a number of times that the way to negotiate in the EU is not to hold a gun to the EU's head. That does not work as a negotiating tactic and is not how to negotiate. The in/out referendum on Europe that has been promised for 2017 takes exactly that approach, which is not winning the UK any friends by any stretch of the imagination.

Small states in the EU have been incredibly successful. I was just looking at a London School of Economics and Political Science article by Jonathan Golub that has evidence that suggests that France and Germany are among the least successful EU states at negotiating legislation and that smaller countries are much better at negotiating their positions in the EU. I commend that article to the committee.

Smaller states can have great success when negotiating their position. For example, as the First Minister said last week at the Royal Highland Show, if Scotland were an independent country, we would have had a €3.5 billion dividend—that is based on Ireland's negotiating position and its per hectare figures.

Scotland would have its own voice and would be an engaging member of the EU. I agree that the EU needs reform—I do not think that any of the 28 member states does not think that the EU needs some sort of reform. However, the way to go about that reform is by being a constructive partner, and Scotland's role in the EU would be that of a constructive, small, independent nation.

**Willie Coffey:** Do you see a danger that, if we stay in the UK, we might have to leave the EU on the back of a vote in the rest of the UK? As recently as yesterday, Danny Alexander warned in a speech in America that that could put at risk more than 3 million jobs in the UK. What impact might that have in Scotland?

**Humza Yousaf:** A door has been opened that cannot now be closed. The tactic is dangerous and risky. For precisely the reasons that you refer

to, many people—regardless of which side of the constitutional argument they are on—have expressed deep concern about the promise of an EU referendum in 2017.

We can easily see a situation in which Scotland, as a country within the United Kingdom, voted to remain in the EU, while the rest of the UK voted to leave, with the result that Scotland would by default have to leave. That would have a huge impact on jobs and education institutions and would have a huge social impact, as 160,000 EU citizens live in Scotland and make a valuable contribution to our country.

There is a huge risk for Scotland. The safest way to guarantee Scotland's continued membership of the EU is with a yes vote. Many people have publicly commented on the matter. Professor Peter Higgs, of Nobel prize-winning fame, and many others have commented on the dangers of negative anti-EU rhetoric and of leaving the EU. The more edgy the talk and the more hyperbolic the rhetoric, the more the chances of that exit increase. The Scottish people do not want that and the Scottish Government certainly does not want that.

**Willie Coffey:** On the potential of Scotland as a small member state within the EU, you mentioned earlier that what matters is not so much the number and size of embassies as the impact. How do you see Scotland developing relations with small member states and reaching out to potential new members of the EU? Before you answer, I should caution you that sitting behind you in the public gallery are guests from Serbia, Montenegro and Albania. I have met some of them before and I know that they have a warm relationship with Scotland.

**Humza Yousaf:** I welcome your guests from Serbia, Montenegro and Albania. If this is their first time in Scotland, I assure them that it is always this sunny, 365 days a year. That is the only lie that I will tell in the committee.

Scotland will be good at doing what you suggest. As Dr Juliet Kaarbo mentioned in her evidence, small nations are like small ships, and it is easier to steer a small ship than a big ship. They can be a lot more flexible about the areas that they wish to delve into in depth and those that they perhaps wish to go less far into. They can change tack and be nimble in negotiations.

We will look to build an alliance of smaller nations with other small nations in the EU and with those that are not yet in the EU. As I said, the report from the LSE and others shows that, by building such alliances, small countries have been more successful in negotiations. Ireland is a great example of that, and it has negotiated one of the better deals from the reform of the common

agricultural policy. With independence, we would look to have enormously close ties with that country—even closer ties than we have at the moment.

10:30

That is not to say that, if the rest of the UK continued to be in the EU, we would not work closely with it. Of course we would—it would be our closest ally. However, Scotland would be small and nimble enough to form and build alliances wherever its interests were. Small states have shown how effectively that can be done in the EU, and Scotland could be a useful addition in that respect.

Many would see an independent Scotland as a gateway to the rest of the UK through our relationship with it. As Scottish Government ministers have often said, our relationship with the rest of the UK will be one of equals. The phrase “Going from a surly lodger to a good neighbour” is often used, and nobody will have a closer relationship with the UK than an independent Scotland. Scotland would be a conduit for people who want to connect to the rest of the UK and its Government.

Our relationship with the rest of the UK is very important. As you said, developing alliances with smaller nations would benefit us and others, and we will be much better able to negotiate if we do that.

**Willie Coffey:** What strengths will we bring to the table? You have mentioned a few areas, such as climate justice and renewable energy. Are EU members aware of Scotland's strengths and of what we bring to the table in expertise, skills and so on? What are your plans to ensure that we make that offer to Europe?

I see Scotland as bringing more to the European table than we get from it, and I think that we can make a great contribution in Europe. What strengths will Scotland offer Europe if we became a member state?

**Humza Yousaf:** You are correct. We have a great Scottish EU office, which would look different if we continued our membership as an independent nation. It makes a great effort to bang the drum about all the good Scottish things and tries its best with the limited resource that it has. There is some awareness of what Scotland is good at, but there is not nearly enough awareness of the breadth and depth of what we do.

For example, a couple of weeks ago, I held a round-table event in Brussels on international development. It was attended by many representatives from other nations, non-governmental organisations and the European

Commission, among others, and they were blown away by how much we are doing on international development. They had no idea that this small country, as part of the UK but with its own Government and Parliament, is doing so much in Malawi, Rwanda, Tanzania and Zambia and across the subcontinent. They were fascinated by our work. The round-table discussion was about two hours long, but it could have lasted for 20 hours and we would still have been talking about that work.

As an independent nation, we will have an important role to play in international development. The EU development commission—EuropeAid—takes its obligations to the poorest in the world extremely seriously. It works closely with the United Nations on the UN's sustainable energy for all initiative, which is about ensuring that the whole world is connected and has access to clean energy.

Scotland is a world leader in renewables and clean energy, given our ambitious targets. Given our investment and our capability, we would be a leader in Europe on clean energy and in what we can bring to the work of the development commission in that regard.

On education, we can bring a lot to the table. One per cent of world-class research is either authored or co-authored by a Scot, which is not bad going for a country with 0.1 per cent of the global population. On research, we can bring a lot to the table in our own right.

We would be the largest oil producer in the EU, and we would have the largest coastal waters for fisheries.

There is a lot of mutual interest between Scotland and the EU on what our contribution would be. I see contributing to global humanity, even in a European context, as one of the key roles that we would seek to play. We can bring that to the table.

**Jamie McGrigor:** The minister will not be surprised to hear me say that I believe, as others do, that Scotland already contributes a great deal to the EU table through the UK.

I will go back, if I may, to the subject of immigration. On the specific Scottish Government proposals, some witnesses highlighted issues with regard to the proposed geographical incentive for immigrants to move to lesser-populated areas of Scotland. As a Highlands and Islands MSP, I think that that would be a very good thing, but there might be difficulties between geographic and skills-based criteria for immigrants. Would you like to comment on that and say how you plan to encourage people to move to less populated areas?

**Humza Yousaf:** I thank the member for the question. When I bumped into him in the canteen yesterday, he promised that he would be nice to me in committee today. I am pleased that he has lived up to his promise thus far.

**Jamie McGrigor:** I never promised anything.

**Humza Yousaf:** The question is an excellent one. I was pleased to read what the experts said about the issue, and I also note that, in a report that came out yesterday, local authorities welcomed migration as a positive thing.

In exploring the possibility of incentivisation particularly, but not exclusively, for rural areas, we would look to exploit immigration where there is a skills gap and perhaps where there is a demographic challenge. As has been highlighted in previous evidence sessions, Argyll and Bute as well as, I think, Inverclyde have seen a steep population decline.

**Jamie McGrigor:** That is correct.

**Humza Yousaf:** Migration can address that. We have a good relationship with the Convention of Scottish Local Authorities strategic migration partnership, which is being led by Councillor Jean Jones and involves many other councillors. We speak to that partnership on many issues, and any regional incentive that we might seek to put in place would have to be done hand in glove with the local authorities in the areas in question.

I should point out that although an incentive can be financial, that is not always the case; there are other incentives such as visas or sponsorship. In other systems across the world, regional flexibility has been based on a sponsorship model that allows an individual to work in but not outwith a particular area. We are exploring that approach at the moment, and COSLA's strategic migration partnership is an important partner in that discussion.

**Jamie McGrigor:** We have discussed with other witnesses how membership of the common travel area might affect immigration policy in an independent Scotland. Would you like to comment on that?

**Humza Yousaf:** Yes. The issue has been raised a few times in Parliament. As the member knows, the common travel area has existed for 90 years, and Scotland will continue to be a member. However, it is not impossible—in fact, it is very possible—for a country to have its own immigration system while being a part of the common travel area. Ireland, for example, does not have the same immigration structure or system as the UK; it has a green card system, whereas the UK has a points-based system. The system that Scotland would have would be a points-based system similar to that of the UK.

However, Ireland also works within the common travel area. In fact, an Irish department of justice spokesperson said on 24 January this year:

“The CTA in no way alters our control over immigration or visa matters and who can and cannot enter and reside in Ireland.”

In other words, the Irish Government has made it clear through its justice department that there is no pressure on it to alter its immigration system as a result of Ireland’s being part of the common travel area.

Our system would not be hugely different but it would be tailored to Scotland’s needs. When there is a skills, demographic or educational demand, we will open up tiers of immigration. That is the important thing at the moment. As a range of experts from the Institute of Directors through to Universities Scotland will tell you, the UK Government’s immigration system is deeply damaging to Scotland educationally and economically.

**Jamie McGrigor:** Can I ask a question about the Nordic Council at the moment, convener?

**The Convener:** I will take a couple of supplementary questions on this issue, Jamie, and then I will bring you back in.

**Jamie McGrigor:** Okay.

**The Convener:** On Jamie McGrigor’s point, we have heard evidence from witnesses who welcomed the introduction of a Scottish asylum agency. As the minister will know, I have for many years now advocated compassion for asylum seekers and have argued that any young children who are unaccompanied asylum seekers should be dealt with by our children’s hearings system and local authority child protection teams rather than any sort of borders agency.

I am sure that the minister knows Sarah Craig of the Glasgow refugee, asylum and migration network—or GRAMNet—very well, and in supplementary evidence that we have received from her, she has asked whether the Scottish Government intends to include an immigration and asylum chamber as part of the Scottish tribunals service. I might be putting you on the spot with that one, but it was a very interesting development from our conversations about how the asylum agency would operate.

**Humza Yousaf:** I have great respect for Sarah Craig and her work. I also know that the idea of an asylum agency has been of great personal interest to you, convener, and that you were campaigning on it before you were elected to the Parliament.

We have had discussions with Sarah Craig and GRAMNet, which I think does a fantastic job. The organisation was expected to reap only £50,000

for the University of Glasgow but it has now received a grant of millions of pounds. Its work speaks for itself, and I commend it to committee members.

Sarah Craig gave us her thoughts on tribunals very early on. After the production of the white paper, we held a session with a number of stakeholders with an interest in immigration and asylum at which Sarah Craig spoke about the tribunal system and how it should work. We are still having direct discussions with her and GRAMNet because she and the organisation have very good ideas.

We will have to work closely with our justice colleagues to ensure that Sarah Craig’s suggestion works in practice, but you are correct, convener, to suggest that the asylum system will be based on fairness, compassion and humanity. There is no justification at all for the current system’s treatment of asylum seekers, but another problem is the rhetoric. At the moment, we have roughly 3,000 asylum seekers, which is not even a tenth of the capacity of Hampden stadium, and it does not help when, as sometimes happens, people inflate the numbers of asylum seekers as part of their rhetoric.

Our asylum system will be fair but, of course, some people will be refused asylum, and we are in discussion with the Scottish Refugee Council and others about how such refusals will be dealt with. However, the system will be not only fair and compassionate but efficient. Just one of the problems with the current system is that it is not efficient, and the tribunal system is perhaps an example of that. Getting the case right the first time is going to be incredibly important for an asylum system in an independent Scotland, and the fact that a large number of decisions are currently overturned on appeal shows how flawed the system is.

Our system, therefore, will try to achieve a delicate balance in being efficient, compassionate and fair, and the work of Sarah Craig and GRAMNet is informing, and will continue to inform, what we do in that regard.

**The Convener:** Would the same policy apply to trafficked individuals, given that trafficked status is currently determined by the UK Border Agency? People do not seem to have a right of appeal against a determination, and they have to volunteer for the national referral mechanism instead of being cared for and treated as a victim rather than as a criminal. I think that all parties in this Parliament take the issue of the status of trafficked individuals very seriously.

**Humza Yousaf:** I know that you have a personal interest in the issue, convener, and that you have done a lot of campaigning on trafficked



people, particularly trafficked children and women. As you have suggested, it makes common sense to articulate the policy and it is a point that we will explore. I have already said that we have not determined exactly how our tribunal system will work, but we certainly do not want the forced criminalisation of those who are trafficked. They are not criminals, and what has happened is not their fault; they are victims and should be treated as such.

**The Convener:** That view is very welcome indeed.

10:45

**Clare Adamson:** I have a supplementary question on the points that have been raised by Jamie McGrigor and Willie Coffey. Last year, for the first time, the UK met the United Nations target of spending 0.7 per cent of gross national income on international development. It is somewhat surprising that such a rich nation did so for the first time only last year, and I am concerned about indications that the UK Government might wish to include the arms trade in that international development work. How would an independent Scotland view its international development spend?

**Humza Yousaf:** We have unequivocally said that we would not only meet the 0.7 per cent target but enshrine that commitment in legislation, which is incredibly important. Indeed, our aspirations are to look towards targeting 1 per cent in the future.

We are unequivocal about that commitment. Committee members can do the arithmetic themselves but I can put the figure in context by saying that it equates to 70 pence in every £100. The commitment is not, as some of our press would like to tell us, eating up the money in the coffers by any stretch of the imagination. It is the least that we can do in terms of our commitment to the poorest in the world.

We should be fair and welcome the fact that the UK Government has met the 0.7 per cent target. It is good that it has done so, and I hope that it continues to do so. Of course, the problem is that each of the parties promised to enshrine that target in legislation, but they have not lived up to that promise and they will not live up to it until the next general election. As the manifestos are still being devised, we do not know whether they will promise to do so after the general election; in any case, the fact that they have not enshrined the commitment in legislation gives us cause for concern.

There are also staffing implications for the Department for International Development in East Kilbride, because a number of additional staff have been appointed to meet the 0.7 per cent

commitment. By DFID's own account, which has been explored by the International Development Committee at Westminster, those staff numbers will drop if there is not a continued commitment to meeting the 0.7 per cent target.

It was reported in February 2013 that David Cameron was potentially looking to spend money from Britain's aid budget on the military. We agreed with Oxfam's incredibly strong reaction to that. The very strong message that came from Oxfam and from international NGOs across the piece was that international development money should be spent on schools, not soldiers. We share their concern and give an absolute commitment not to spend our aid budget on military or defence operations.

As well as being wrong in principle, such a move is also very dangerous. I have had the pleasure of giving the Burns humanitarian award, and I can say that aid workers are some of the bravest people I have ever come across. They give up their lives here to go and work in some of the world's most difficult conflict zones, and they are often in danger of being viewed as enemy spies who work as operatives for the other side. Given the difficult line that aid workers already tread, if a Government were to choose to spend its aid budget on defence or even peacekeeping—indeed, on any military element—there is a danger that the two things would be conflated.

Unfortunately, Scotland has lost aid workers in the field—I am thinking of Khalil Dale and Linda Norgrove—and when such tragic events happen, they deeply sadden every single one of us, whether we are in the UK Government or the Scottish Government, or whether we are supporters of independence or supporters of the union. Spending aid money on any type of military operation will serve only to conflate the two aspects and increase the danger that aid workers face.

**The Convener:** I believe that Jamie McGrigor has a question on a new theme.

**Jamie McGrigor:** Yes. The white paper states:

"Scotland will not require the same scale of diplomatic service as the UK currently maintains."

It seems to me as though that could be taken to say that Scottish people will not get the service that they now take for granted. Will you comment on that?

**Humza Yousaf:** Yes. I disagree with the—

**Jamie McGrigor:** That is what the white paper says.

**Humza Yousaf:** I agree with the white paper. I endorse it fully but I disagree with the conclusion that you have reached from what it says. The

white paper says clearly that we will have 70 to 90 diplomatic offices around the world. That is based on the model in smaller countries and those of a similar size. It would be incorrect to say that such countries, for example the Nordic countries, have less of a consular service because of their size. Consular services are incredibly important. However, in the world that we live in, we have to be very targeted in terms of the contribution that we want to make internationally.

In the committee's evidence session, some of the experts said that there are a number of ways of extending our reach without necessarily having hundreds of embassies across the world. It can be done by co-location or sharing. Also, at present, EU citizens can use each other's embassies.

As I said, as an independent country we will look to have 70 to 90 embassies. A huge priority for us—one of our five priorities—is consular services. One of the factors that we will consider in opening embassies will be where Scots regularly travel. Obviously, I cannot go into detail about the 70 to 90 embassies that we would look to open, although some of them are highlighted in the white paper. I would not think that we would have an embassy straight away in the kingdom of Tonga, with a population of 100,000. Scots do not often travel there, though some will. That is not a reflection on the kingdom of Tonga—it looks like a beautiful place to visit—but we would have to be very targeted because of the impact that we would look to make. Nevertheless, that would not prevent Scots who needed consular services in a place where there was no Scottish embassy from getting consular services. They could do that through other EU embassies, plus the Government in an independent Scotland may have arrangements with other countries, such as the UK and Ireland.

**Jamie McGrigor:** The Scottish Government has stated that it will

“seek a closer relationship with the Nordic Council of Ministers.”

How will that work? Current members of the Nordic Council of Ministers have never considered admitting another member. In fact, Professor Bailes states:

“Nordic Cooperation has two pillars, the parliamentary Nordic Council and the Nordic Council of Ministers (NCM). Neither has ever seriously considered admitting a new member.”

Is a closer relationship feasible?

**Humza Yousaf:** As the white paper says, Scotland will seek a closer relationship with the Nordic Council of Ministers. That does not necessarily mean membership, although I am not taking that off the table. It means that we will work more closely with the council to determine our relationship with it. There are other ways of doing

that, which we could explore, such as observer status. There are other avenues to exploring a closer relationship. Although we wish to seek a closer relationship, the member should not take it to mean necessarily that we seek membership. That is not what is said in the white paper.

**David Torrance:** On immigration, Scotland has a huge skill shortage in certain sectors, such as engineering, which I come from. If an individual moving to an independent Scotland wanted to seek citizenship, would they have to sit a written or oral exam before they could apply for citizenship?

**Humza Yousaf:** We have said that we would not have an equivalent to the “Life in the United Kingdom” test. I remember a media outlet—I think that it was “Scotland Tonight”, the popular current affairs programme on STV—discussing the test. I think that they had 10 people sit it and nine of them failed. Those were people who were born here, including the presenter, who also failed the test. I do not know whether any committee members have done the test, but it is not the easiest. Again, that is reflected in some of the evidence that the committee has received. These tests on UK history and so on are vacuous and do not determine anything. Therefore, we would not have a life in Scotland test that would test a person's knowledge of Scottish history and so on, but we say clearly in the white paper, “Scotland's Future”, that those who are coming to fill a job—you mentioned engineering, which is an excellent example to pick—would have to have a working knowledge of English or Gaelic.

That makes sense because English is important for integration purposes. I know that from my own familial experience. I have family who have been here since the 1960s and whose English was, for a long time, not of the standard that it should have been. Once they started taking English lessons, once they started to speak with us in English and once their English improved, a host of opportunities opened up for them.

We recognise Gaelic, too, but English proficiency will be important, so we will have suitable criteria to determine that. However, there will be no such thing as a life in Scotland test.

**Willie Coffey:** Jamie McGrigor mentioned diplomatic services. You mentioned the proposal for 70 or 90 missions and you are probably aware that some people have posed the question of whether Scotland starts from scratch after independence. Many of the assets are common assets; they are shared with the UK. Despite all the rhetoric that occurs in the political debate before September, post-September, if there is a yes vote, will the relationship with the UK be strong, positive and supportive of Scotland's objectives? Will we and the UK seek to share those resources that have been held in common

over a number of years, or do you support the view that some people have that, somehow, Scotland would start from scratch?

**Humza Yousaf:** No, I do not support the idea of Scotland starting from scratch at all.

Regardless of which side of the debate we sit on, all of us should take great pride in the referendum process. The fact that two Governments that are diametrically opposed on just about every issue, particularly the subject of the referendum, were able to come together, sit round the table and have a peaceful, legally mandated but tough negotiation that has not seen a nosebleed, let alone any other drop of blood, is to be commended.

When I travel around the world and speak about that, I do it with great pride. I do not take anything away from the UK Government or, of course, the Scottish Government for being mature and reasonable enough to come to that settled, mandated legal process. That is an important point. It is the foundation and the starting block of the referendum. We start as we mean to go on. The important paragraph in the Edinburgh agreement is, of course, paragraph 30, which states that, regardless of which way the result goes, both Governments will respect the outcome of the vote.

It is accepted by the vast majority of legal, political and other experts that there will be negotiation about the division of assets and liabilities in the days after a yes vote. We cannot have one without the other. It is not possible. My dad has been an accountant for 40 years and I did not inherit any of his accounting genes but, nonetheless, even I can tell that an equitable division of assets and liabilities is necessary. That is accepted, so Scotland would not start from scratch.

For example, the “Government Expenditure and Revenue Scotland” figures show that, in every single one of the past 33 years without exception, Scotland has contributed more tax per head than the UK average. If we have contributed more towards public services and the maintenance and upkeep of diplomatic embassies and high commissions throughout the world, by the principle of fairness, how could anybody argue that we would not be entitled to a fair share of that? I cannot understand that argument.

Scotland would not start from scratch. The UK’s overseas properties are extensive, as is their value, and Scotland would be entitled to its fair share.

11:00

I will read members a quote from Danny Alexander, the Chief Secretary to the Treasury. Last month, on 28 May 2014—I am trying to figure where the month went; time goes so quickly—he said when he was asked whether Scotland would be entitled to a share of the assets:

“Of course assets and liabilities would have to be divided up”

through negotiations. He said:

“I don’t think that anybody thinks that process would be to the net benefit or net disadvantage of Scotland or the rest of the UK.”

That would have to be negotiated. If the Chief Secretary to the Treasury can say that, I see no reason why anybody else could possibly say that we would be starting from scratch.

**The Convener:** I turn your attention to the evidence that we received from Professor Alyson Bailes, who joined us by videoconference from Iceland, in the section of our inquiry on membership of international organisations. My personal feelings about membership of NATO are a matter of public record, of course, but Professor Bailes suggested that

“there is no connection between a country being a member of NATO and its having or accepting nuclear weapons on its territory. The majority of current NATO members have never had such weapons on their territory.”

Can you nail for us the debating point that has been used to suggest that Scotland could not be a member of that organisation and other organisations?

I want to follow that up with some human rights issues.

**Humza Yousaf:** Obviously, I entirely agree with Professor Bailes. I read her evidence, which I thought was comprehensive and articulate on that point. There was no room whatsoever for ambiguity, and that view was shared by a number of experts in the same evidence session. They made the obvious points that 25 out of 28 member states of NATO do not possess nuclear weapons and that 20 out of the 28 do not host or possess nuclear weapons.

Scotland is, of course, committed to the safe removal of Trident through negotiation with the UK Government to do that safely and responsibly within the first session of the Scottish Parliament following independence, as we said in “Scotland’s Future”. There is no contradiction between that and wishing to continue our membership of NATO.

Having a North Atlantic Treaty Organization without a key geographic location in the north

Atlantic is inconceivable to me. Professor Bailes said,

"I want to state firmly that there is no connection between a country being a member of NATO and its having or accepting nuclear weapons on its territory",—[*Official Report, European and External Relations Committee*, 12 June 2014; c 2088.]

and I agree entirely with the assessment that she articulated in the committee's evidence session.

**The Convener:** I want to follow up that evidence from Professor Bailes. Although Bruce Adamson from the Scottish Human Rights Commission did not express real concern about this, he raised the issue of how a Scottish human rights charter, legislation or whatever we formulate—I know that we have a Scottish human rights strategy—will play within other organisations where there are perhaps concerns about human rights, and how we can have an influence in ensuring that, in a compassion-based debating situation, human rights arrive and are well enshrined in any negotiation that we have with any worldwide organisation.

**Humza Yousaf:** One of the beauties of a yes vote on 18 September is that we will get to inform the future direction of our country from the very foundations.

Although there was some disagreement between Bruce Adamson and Professor Tomkins on that point in the evidence session, I definitely agree with Bruce Adamson that a written constitution could provide a fantastic opportunity to codify and strengthen human rights so that we have such foundations in Scotland. They will then absolutely be the core foundation for discussions with international or multilateral organisations and even for our bilateral discussions.

Without the powers of independence, we are already trying to achieve that to the best of our ability through Scotland's national action plan for human rights, which was launched by the Deputy First Minister and is being carried forward by Professor Alan Miller and his team in the Scottish Human Rights Commission.

That is not a purely inward-facing document by any stretch of the imagination; it is also an outward-looking document, as you will see if you read through it. There are things that we can do at the moment, but if we want to entrench and codify those human rights we can do that—and we have the opportunity to do that—with a written constitution. As you quite rightly alluded to, convener, that constitution would then inform our multilateral and bilateral discussions.

As an addition to that, just as I am worried about the tone and rhetoric on immigration that is coming from south of the border—from the UK Government—so, too, I am concerned about the

noises that are being made about human rights. Frankly, we saw a bit of a debacle about the so-called bill of rights, which I think has now been completely shelved. It was a bit of a fudge, and there are elements within the current Conservative Party, which is leading the coalition, who want to remove the Human Rights Act 1998 or at least have a weakened link to it. That is worrying.

**The Convener:** I am delighted to say that, in my work with the Council of Europe, the Scottish human rights action plan was the subject of extensive conversation, and there was a presentation on it by Scottish Government officials in Strasbourg very recently. A number of other countries are looking at that strategy as a blueprint for their way forward, so we are already leading the way on some aspects of human rights, which is to be welcomed.

**Humza Yousaf:** Very much so.

**The Convener:** Clare, do you have a follow-up question?

**Clare Adamson:** Yes. Minister, you mentioned the DFID office in East Kilbride, which is obviously part of my region. Within that region, I also have the Child Support Agency and HM Revenue and Customs, in Motherwell. What would the plans be in an independent Scotland for civil service jobs, such as those, that are currently delivered from Scotland?

**Humza Yousaf:** We have been unequivocal in the white paper and have stated many times as a matter of public record that we would look to preserve continuity of employment. That means that we would, of course, enter into negotiation with the UK Government.

The people who are based in the DFID office are among some of the most committed and smartest individuals that I have come across. They would be a great asset to a future independent Scotland with regard to its international development function and what it chooses to do in international development. Also, because of their international experience, I am sure that they will be of interest to a future Scottish foreign office, so there will be plenty of opportunities.

It will be a matter of negotiation. We are determined to preserve continuity of employment, and I have said that many a time. Of course, the UK Government is also entitled to be part of that negotiation and discussion, as they are its members of staff, and the unions are entitled to be involved, too—the Public and Commercial Services Union, for example, which is involved in the matter of DFID and the other reserved functions that you mentioned.

It will be a discussion between those partners. Those civil servants would be a great asset for a

future independent Scotland in international development and in foreign affairs. There will be plenty of exciting opportunities. It will be a matter of discussion and negotiation with the UK Government.

We have committed to a policy of no compulsory redundancies. The UK Government, to my understanding, has not. If it has not, I continue to urge it to commit to that policy to give further reassurances to those people.

**Clare Adamson:** Thank you.

**Willie Coffey:** On the currency issue, as regards the pound and the euro, quite a number of my constituents ask me, "Will Scotland keep the pound?" The Scottish Government's stated position is that it will continue to use the pound. As I understand it, as a member of the EU, Sweden does not use the euro—nor, indeed, does the UK. What will Scotland's position be on becoming a member state of the EU? What currency will we use?

**Humza Yousaf:** It is not just the Scottish Government's position; it is also the UK Government's position, as we have seen from the article in *The Guardian* about a UK Government minister saying that there would be a currency union. We have also had Ruth Davidson saying that she would be arguing for a currency union, should Scotland become an independent nation, if it is in Scotland's best interests. Therefore, it is not just the stated position of the Scottish Government.

Indeed, the policy came out of the fiscal commission working group, which was a group of independent, Nobel prize-winning economists such as Joseph Stiglitz, Jim Mirrlees and others, who explored a range of options but said that a currency union with the rest of the UK would be the optimum option for both Scotland and the rest of the United Kingdom.

Willie Coffey is correct: not one country in the EU has been forced to join the euro. In order to join the euro a country has to voluntarily join ERM II—the European exchange rate mechanism II. A country cannot be forced to do that. Willie Coffey mentioned Sweden, which is an apt example. Sweden has not joined ERM II and so cannot be forced to join the euro. A country has to be in ERM II for a minimum of two years before it can join the euro, so if a country does not choose to join ERM II there is no way that it can join the euro.

It just makes sense. It is a commonsense position. Politics is politics and what will be said the day before 18 September will be very different to what will be said on 19 September. Common sense and mutual self-interest will dictate all else in the negotiations. There is £16 billion-worth of trade that comes from the rest of the UK to

Scotland. To put that in context, that is more than goes in exports to Brazil, Russia, India, China, South Africa and Turkey combined. It would be incredible to imagine that, for no other reason than spite, the chancellor would suddenly slap a transaction tax on those businesses' exports.

Similarly, Scotland contributes £40 billion to sterling's balance of payments. There would be a crash—sterling would fall through the floor—if £40 billion was wiped from the balance of payments with the stroke of a pen.

We tackled the division of assets and liabilities earlier. The Bank of England is of course the bank of the entire UK, because it has been nationalised since 1946, and you and I, as Scottish taxpayers, have been contributing to it. In fairness, neither you nor I are old enough to have been contributing since then, but Scottish taxpayers have contributed to the Bank of England since 1946, so an equitable division of assets and liabilities would be based on the fact that the Bank of England is ours just as much as it is anybody else's.

The final point is that there is no way of stopping a country using a currency—it is an international trade mechanism. The point is that to use a currency within a currency union makes sense for both Scotland and the rest of the UK, as it would provide stability and so on.

What is said before will be very different from actions that will happen after the vote.

**Willie Coffey:** What would you say to the current Labour shadow chancellor, Ed Balls? He said about a currency union:

"I can't imagine being in at the start of that negotiation, never mind at the end".

Folk have interpreted that as an intention to resign if such negotiations take place. What do you make of the position that a possible Labour Government could decide to oppose the spirit of the Edinburgh agreement and oppose a currency union with Scotland?

**Humza Yousaf:** I genuinely do not think that it matters what colour the Government is, or what the mixture of the colours is. Going by current polling it could be a UKIP-Tory coalition or anything. Polls do not indicate exactly what Government we will get in 2015, but whatever the colour of that Government, common sense and the mutual self-interest of Scotland and the rest of the UK will dictate things. If Ed Balls has put his job on the line in that regard, that is a very risky manoeuvre, but I am not bothered by what Ed Balls has done or said. As I said, common sense and mutual self-interest will dictate things.

**Jamie McGrigor:** The minister raised the issue of currency. If we get a yes vote on 19 September, I, as a Scot, would still want to join NATO and the

United Nations, and I would probably feel sore about losing the representation of 270 embassies and those being replaced by 70 to 90 offices, which is what will happen according to your white paper. Above all, I would argue to keep the pound, because it is a brilliant currency. Can you give me a guarantee that we will keep the pound?

**Humza Yousaf:** Yes. We have said absolutely that we will keep the pound, because of the reasons I outlined in my answer to Willie Coffey. Of course we would keep the pound. It would be in everybody's self-interest, including your own. You highlighted the point perfectly, and I commend you for doing that. You clearly disagree with independence—which I respect; it is fine to do that—but you understand the pragmatic reasoning behind keeping the pound.

**Jamie McGrigor:** I have it in my pocket and I do not want to lose it.

**Humza Yousaf:** It is absolutely fair to have that position and I would not argue with you on that. We will agree to disagree, because I will not be able to convince you about the merits of independence and you will not convince me about the merits of the union. The point is that even somebody who is entrenched in their opposition to independence is still able to look at the issue pragmatically and say, "Actually, I would argue to keep the pound." George Osborne will do the same, because I am sure that he is just as reasonable as you are.

**Jamie McGrigor:** I will not speak for him.

My final question on that point is: who will be our lender of last resort?

**Humza Yousaf:** As I said, the Bank of England is ours, because Scottish taxpayers have contributed to it since 1946. We will operate in that framework. In fair negotiations, if we are going to take a portion of the debt, we will get a portion of the asset, too, so the Bank of England would be included in that respect.

**The Convener:** We are straying dangerously away from the topic that we should be looking at.

I thank the minister and his officials very much for their evidence. You have exercised a lot of our points and answered a lot of our questions.

I wish you all a restful but, I hope, very busy recess, and we will see you all back on 9 October, when we will take evidence from the Italian ambassador.

*Meeting closed at 11:16.*

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