



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Tuesday 2 June 2015

Session 4

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# Scottish Parliament

*Tuesday 2 June 2015*

*[The Presiding Officer opened the meeting at 14:00]*

## Time for Reflection

**The Presiding Officer (Tricia Marwick):** Good afternoon. The first item of business this afternoon is time for reflection. Our time for reflection leader today is the Rev Donald G Macdonald of Portree Free Church of Scotland, on the Isle of Skye.

**The Rev Donald G Macdonald (Minister, Portree Free Church of Scotland, Isle of Skye):** Presiding Officer, members of the Scottish Parliament, ladies and gentlemen, “I’ve just come down from the Isle of Skye, I’m no very big and I’m awfie shy, and the lassies shout as I go by”—well, nothing really, because they would not even notice me, despite this gladiatorial physique and these George Clooney looks.

Unnoticed is how those of us who live on the geographical margins of our nation sometimes feel, perhaps even unimportant compared to the main centres of population, which we occasionally get to visit. However, people do not have to live on Skye, or in other remote parts of Scotland, to feel marginalised. There are those who are on the margins economically, struggling to make ends meet, dependent on food banks and worried about accommodation and rent. There are those who are on the margins of society, whose lives, for all sorts of reasons, have spiralled down and who feel lost. There are those on the margins of life, at the one end the unborn child, helpless and vulnerable, and at the other end, the ill, the elderly, lonely and fearful. There are those on the margins of ability, struggling to do what many take for granted because of their physical limitations or mental health challenges. There are those who feel increasingly marginalised because of faith.

Jesus told a trilogy of stories that stressed the importance of the one and the importance of everyone. A farmer had 100 sheep and one went missing, but that one was important and he searched for it until he found it. A woman had 10 coins and one was lost, but that one was important and she scoured the house until she retrieved it. A man had two sons and one left home and his life spiralled down, but the father could not settle until he returned and was restored, for that one son was important.

Jesus constantly reminds us of the importance of the one and the importance of everyone. In his own ministry he was more often than not with the ones who were marginalised—the poor, the sick,

the broken, the foreigner, the young, the old, the lost. He treated as precious those who had been sidelined in society.

This great Parliament has to legislate in the interests of the greater good of Scotland but, as it does so, may it never forget the impact that legislation has on the one and the importance of everyone, even those on the margins who often feel forgotten, sidelined and unseen.

And now I am disappearing back to the beautiful margins of the Isle of Skye, still no very big and still awfie shy but grateful for the opportunity to address you today and praying that you, as our Parliament, will ever know God’s guidance and blessing.

However, as I return to Skye, I do so saddened at the news of the passing of one man who was recognised as a great servant to the Highlands of Scotland—Charles Kennedy. I am sure that the thoughts and prayers of many are with his family today.

## Topical Question Time

14:03

### Dungavel Detention Centre (Welfare)

**1. Sandra White (Glasgow Kelvin) (SNP):** To ask the Scottish Government what discussions it has had with the United Kingdom Government about the welfare of people held at the Dungavel detention centre in light of recent protests held there. (S4T-01048)

**The Minister for Housing and Welfare (Margaret Burgess):** The operation of Dungavel immigration removal centre is reserved and is the responsibility of the Home Office. However, following reports of a hunger strike at Dungavel, the Cabinet Secretary for Social Justice, Communities and Pensioners' Rights wrote to the Home Secretary on 26 March 2015 to raise his concerns about the situation and a range of other issues, including indefinite detention, living conditions and the level of contact with immigration case work. A response was received from a Home Office official, as it was during the pre-election period. That response was not satisfactory, as it did not address the points that were raised.

The cabinet secretary therefore wrote again to the Home Secretary on 28 May to urge her to reconsider the issues. A response to that letter has not yet been received. The cabinet secretary will advise the member and other interested parties when a response is received and will pursue the matter further if necessary.

**Sandra White:** I thank the minister for that very interesting reply.

The minister will be aware that the Scottish Trades Union Congress and political and religious leaders have asked to meet detainees; in fact, they have written to Dungavel, as well. Although the manager was willing to facilitate that, the Home Office refused the request, which caused great concern—the minister raised that in her answer. Will the minister raise the fact—perhaps when she has looked at the reply when it has come—that those groups cannot gain access to the detainees in Dungavel, and will she pressurise the Home Office or whichever officer is available there to ensure that they gain access to the detainees?

**Margaret Burgess:** I very much agree with the member. The Scottish Government very much supports those groups getting access to the facilities at Dungavel and talking to those who are detained there. That was one of the issues that the cabinet secretary raised in his letter. He pointed out that the delegation had asked for permission to

meet the detainees and urged that permission be granted for the visit. Permission was refused in the letter that he received back from the Home Office official, as the member rightly said. The official said that, under normal circumstances, access to immigration removal is limited to organisations exercising statutory duties, social and legal visitors, and other visitor groups. That is not satisfactory. In the letter of 28 May, the cabinet secretary again urged the Home Secretary to reconsider her decision and to allow permission to those groups to enter Dungavel.

**Sandra White:** That is very encouraging. The minister talks about statutory duties. To my mind, any group, religious or otherwise, that goes to look after the welfare of detainees is carrying out a statutory duty. I look forward to that answer.

The minister will probably be aware that the United Kingdom is the only country in the European Union that detains people indefinitely. Will her department therefore support the recommendation of the Westminster all-party parliamentary groups on refugees and migration that there should be a time limit of 28 days for anyone to be held in detention? Does she agree with the 500 people, myself included, who demonstrated on Saturday because Dungavel is no fit place to detain anyone?

**Margaret Burgess:** I very much agree that Dungavel is not a fit place to detain anyone, and I support the 500 people who demonstrated on Saturday. I appreciate that Sandra White has long campaigned against Dungavel.

The Scottish Government is deeply concerned about the indefinite length of time for which people can be detained in Dungavel, and we absolutely understand that that causes anxiety, stress, fear and health issues for people who are simply exercising their right to seek a place of safety in which they are free from persecution.

The Scottish Government supports the recent recommendation of the all-party parliamentary groups on refugees and migration that there should be a time limit of 28 days on the length of time that anyone can be held in immigration detention, and we believe that the presumption should be in favour of community-based resolutions and against detention. Again, the cabinet secretary raised that issue in his letter to the Home Secretary.

**Linda Fabiani (East Kilbride) (SNP):** As the minister said, representatives of the Scottish Parliament have been refused any information at all about Dungavel for many years, even though it sits in Scotland. Is she aware of any local service involvement, for example by NHS Lanarkshire, South Lanarkshire Council or Police Scotland, in

relation to the state of health and wellbeing of those who are held at Dungavel?

**Margaret Burgess:** The member makes a very good point. She illustrates very clearly that we have a situation in Scotland that is not in the control or the power of the Scottish Government. Therefore, it is almost isolated with its own rules and regulations that are not those of the Government.

We have been told that health services are provided but are commissioned by the Home Office. There is no direct link with the Scottish Government; any commission of service is simply between the Home Office and the service provider. Linda Fabiani will probably be aware of that. It is a situation that is not satisfactory and I know that it is one that she has campaigned on for some time. We can raise the issue again with the Home Office, but we have not had a great deal of encouraging responses on it so far.

### Annual Climate Change Targets

**2. Patrick Harvie (Glasgow) (Green):** To ask the Scottish Government how it is responding to the “serious risk” of “international disrepute” if it continues to miss annual climate change targets. (S4T-01049)

**The Cabinet Secretary for Rural Affairs, Food and Environment (Richard Lochhead):** Scotland has set itself stretching international targets on our pathway to a 42 per cent reduction in emissions by 2020, and we have been open and honest about the challenges that we face in achieving the reductions that climate science tells us are necessary. However, we are making progress, and our efforts have been widely acknowledged, such as by the United Kingdom Committee on Climate Change in its most recent progress report.

The member will be aware that the greenhouse gas emission statistics for 2013 will be published next Tuesday—a week from today—and the Minister for Environment, Climate Change and Land Reform will deliver a statement to Parliament that afternoon that sets out the Government’s response.

**Patrick Harvie:** The language that has been used and quoted in the press from the internal audit report on the Scottish Government’s climate change programme is deeply worrying, and not just because of the suggestion that the real concern is international reputation, which I hope that we can all agree should not be our primary focus. There is also language that implies an acceptance that the climate change targets are unreachable, such as:

“the current Programme’s inability to achieve targets year by year”.

Elsewhere, there is reference to the “currently unachievable annual statutory targets”.

Does the cabinet secretary believe that the annual climate change targets are achievable?

**Richard Lochhead:** We recognise that the targets have to be achieved, and we are taking every step possible to achieve them. When we put the innovative and trailblazing Climate Change (Scotland) Act 2009 through the Parliament, I think that we all accepted that the act’s early years were going to be particularly challenging in the context of having annual targets, which are unique to the Parliament.

We are finding the annual targets challenging, but that is against a backdrop of the baseline data having been revised. Had the targets also been revised or had we measured them against the baseline that was used when the act was passed, we would have achieved the annual targets that we were supposed to each and every year.

We recognise that there are challenges, but we are making good progress. International commentators still think that Scotland is leading the way in reducing emissions and tackling climate change. As I said, when the statement to Parliament is delivered next week, we will make available more information about our future plans.

**Patrick Harvie:** I question how convincing it is to describe legislation as “trailblazing” when it has not in fact blazed a trail. It has not been accompanied by the transformational policy changes that are necessary to achieve the targets, and we are now falling further behind. We are likely to hear next week that we have fallen further behind still.

The 2009 act requires the Government to begin to focus on consumption-based emissions. Just a couple of months ago we heard that, when we take those emissions into account, Scotland’s carbon footprint is going up, not down. Does the cabinet secretary accept that, when the failure is acknowledged next week, it will have to be accompanied by a transformational policy agenda if we are to have the remotest chance of getting back on track in the foreseeable future?

**Richard Lochhead:** The long-term trend shows a substantial emissions reduction of just under 27 per cent since 1990. We are also leading as far as the majority of countries in western Europe are concerned. Therefore, it is the case that Scotland is trailblazing, and we are showing international leadership. That is accepted but, as we were frank enough to admit, the early years of the annual targets have been challenging, for the reasons that I outlined in my initial response.

The Parliament and the Scottish Government in particular are giving a great deal of attention to the

policies that are required to ensure that we meet our targets. The new Cabinet sub-committee on climate change has met a couple of times over the past few months to ensure that we are focused on developing the new policies and proposals that are required to meet the very ambitious targets.

**Roderick Campbell (North East Fife) (SNP):** Mr Harvie referred to energy consumption, but the report from the UK Committee on Climate Change suggests that energy consumption in 2012 was 8 per cent below the 2012 target level and only 1TWh below the 2020 target level. Does the cabinet secretary have any further comments to make on the need to reduce energy consumption?

**Richard Lochhead:** The reduction of energy consumption is the focus of our policies and proposals. When they are not delivering, our objective as a Government is to bring forward even more ambitious policies and proposals that will achieve at least the equivalent of the aim of those that are not delivering or exceed that. That is where we are devoting a lot of energy.

Rod Campbell highlighted a couple of statistics. I reiterate that we are making good progress and showing leadership. We are ahead of many other countries in western Europe and across these islands.

**Sarah Boyack (Lothian) (Lab):** Will the cabinet secretary reassure us that he is still committed to achieving the targets? When does he expect us to achieve any of the annual targets? When we hear the statement next week about 2013's target, will he announce new policies or new investment to meet the targets? They were agreed by the whole Parliament—there is complete cross-party agreement on them. As the SNP is now a majority Government, it has the opportunity, through its leadership, to take new action.

**Richard Lochhead:** I assure Sarah Boyack that we want to demonstrate such leadership. As the audit report to which Patrick Harvie referred highlights, the annual targets have not been met so far because the baseline against which they are measured was revised. Most reasonable people understand the challenges that we face in achieving the annual targets in the early years.

This time next week, the Minister for Environment, Climate Change and Land Reform will deliver a statement to Parliament in response to the greenhouse gas emissions statistics for 2013, which will be made public at that time. She will outline the Government's response to those statistics and the policies and proposals that we are considering or are already taking forward.

**Jamie McGrigor (Highlands and Islands) (Con):** I share the concern that the Scottish Government's credibility with other countries will be on the line if it continues to miss the annual

targets. Reducing the waste from heating homes must continue to be a priority. What more can ministers do to ensure that all homes in Scotland are properly insulated?

**Richard Lochhead:** Jamie McGrigor highlights an important factor in the reduction of emissions in Scotland—the reduction of waste heat. We have already taken steps to improve energy efficiency, and the Government has produced ambitious proposals in the past few years. However, the conversations continue among ministers, and the specific issues of energy efficiency and tackling waste heat are high on our agenda. We agree that, as Jamie McGrigor highlights, tackling waste heat not only is good for household bills, people's pockets and cutting the cost of energy usage but will help us as a country to reduce our emissions and achieve our targets.



## Scotland Can Do

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on motion S4M-13338, in the name of John Swinney, on Scotland can do: a framework for entrepreneurship and innovation.

We have some time in hand, so if members want to expand their arguments they will find the Presiding Officers willing to assist them in doing that. I call John Swinney to speak to and move the motion.

14:18

**The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney):** I welcome the opportunity to open this debate on the steps that we are taking to strengthen support for the development of new enterprises in Scotland.

This is a fundamental area of policy for the Scottish Government, which recognises the importance of creating the strongest and most vibrant climate for business development activity in our country. If we encourage more people to enter into business start-ups and encourage those businesses to grow, that can contribute significantly to the realisation of the Government's wider ambitions to boost and strengthen the performance of the Scottish economy and to create opportunities for all our citizens to flourish through their participation in that economy.

The "Scotland CAN DO Action Framework: Building on Our Vision to Become a World-leading Entrepreneurial and Innovative Nation", which was published by the Government last year, is a shared statement of intent on the part of us and our partners for Scotland to become a world-leading entrepreneurial and innovative nation—a can do place for business to take place. It is an ambitious framework, and I want to take the opportunity to update Parliament on the elements that are in place to make sure that the vision that is contained in that statement of intent, which is shared across a range of partners, is transformed into stronger business growth in Scotland and more emphatic economic performance.

The framework not only is ambitious—I will talk more about that ambition later—but embodies an approach that draws on the very best that our nation has to offer in providing the most sympathetic and supportive climate for companies to do business in. One clear example of the approach that the Government is taking is the action that was taken to establish the Scottish EDGE fund—the encouraging dynamic growth entrepreneurs fund—which takes the form of a competition that makes awards of up to £100,000

to some of our country's most talented early-stage entrepreneurs. The concept was originally put to me by Jim Duffy of an organisation called Entrepreneurial-Spark, which has a commendable track record of improving business performance and business start-up rates, as a vehicle for giving new and innovative companies a boost in realising their goals and their economic opportunities.

The real strength of the EDGE fund lay in its being taken forward by a committed partnership involving the public sector, represented by the Scottish Government and its enterprise agencies, the private sector, represented by the Royal Bank of Scotland, and the third sector, represented by Entrepreneurial-Spark. That collaborative approach has contributed to a vibrant, high-profile competition, which, since its launch at the end of 2012, has already made awards totalling more than £3.3 million to 85 businesses in Scotland. Winners from the first four rounds alone have gone on to create more than 200 new jobs, generate an additional £8.5 million in turnover and secure external funding of more than £4.3 million, which is a not inconsiderable impact in such a short space of time.

The point has been made to me strongly by many of the people involved in this community that, although the sums of money that the EDGE fund distributes to individual companies might not seem to be the largest, they are absolutely critical in the business development process in enabling people to take ideas from the conceptual stage to the stage of being able to implement them, and in giving new entrepreneurs a reasonable prospect of being able to deliver greater financial performance as a consequence.

I view the Scottish EDGE fund as an example of the Government working collaboratively with its partners and, as a consequence, laying the foundations for a truly lasting legacy that supports business development in Scotland. That is why, towards the end of last year, I agreed that management of the EDGE fund would shift from our enterprise agencies into a new charitable company sponsored by the Hunter Foundation, which is led by Sir Tom Hunter. As well as helping to ensure that the fund has a sustainable future, that will ensure that it is truly owned by our partners in the business development ecosystem that we have been determined to create.

That ecosystem is another aspect of the approach that is encapsulated by the "Scotland CAN DO Action Framework". Rather than individual organisations or initiatives being viewed or viewing themselves as the answer, our approach as a Government is characterised by a desire to develop diverse partnerships and to work collaboratively with other organisations to meet specific business needs.

A good example of that is the way in which the Government works in partnership with local authorities and supports them to deliver business provision through business gateway to Scotland's start-ups and its early-stage and established businesses. Business gateway helps to support more than 10,000 start-ups a year and assists more than 17,000 unique businesses. With an estimated spend of £226 million in 2014, local authorities play a key role in facilitating support for growth in the sector. This is an area in which Scotland is particularly strong and in which we will continue to strengthen our activities.

Whether it be youth or female entrepreneurship, local or social enterprise, or business innovation, Scotland has a growing wealth of support mechanisms to help realise the dreams of visionary companies and individuals. We place on all players within the system a clear obligation that they must operate in an integrated climate in which support is offered to individuals, whichever organisations they decide to support. That is the principal concept behind the business development ecosystem through which individual companies will be able to secure the support that they require, regardless of where they go.

We place the onus on different players in the business development ecosystem to work together co-operatively to ensure that the needs of the business community are fully and adequately met. The Government continues to engage in that challenge to guarantee that we have the necessary co-ordination and collaboration to ensure that businesses are not in any sense passed from pillar to post—that would clearly be undesirable and debilitating for new and emerging businesses. I make a commitment to Parliament that the Government will look readily at how we can ensure that different elements of the business development support network are properly connected to meet the needs and ambitions of the business community.

Let me set out some areas where the Government is helping to breed a culture of ambition, collaboration and innovation for different groups within the population and different areas of activity.

First, supporting young people to develop the skills that they need to achieve their ambitions is a central element of the Government's approach to that agenda. That is why we continue to work with a range of partners to ensure that the right support is available, both within in and beyond our education system, and to encourage more young people to consider entrepreneurship and establishing their own business as an option that they may wish to take.

**John Mason (Glasgow Shettleston) (SNP):** Does the cabinet secretary feel that young people

in schools are being encouraged to consider entrepreneurship and having their own business? It seems that there is sometimes an emphasis in schools—as there was in my case when I was at school—on people who will then go and work for a big organisation.

**John Swinney:** I am not sure whether Mr Mason and I were in the school system at the same time, but I suspect we were probably round about the same year—let me put it as generously as that. I certainly recognise the characteristic that he sets out from that time, but I think that we are in a different place now because of a number of different measures that have been introduced. Some of the work that our predecessors took forward through the determined to succeed initiative changed much of the climate within school organisations in relation to interest in establishing businesses, and significant entrepreneurs in Scotland devote a lot of their time to leading the process of awareness-raising on the issue in schools. I think the situation is better than it was, but we must obviously ensure that it is taken forward in a more commanding way.

Our approach is designed to ensure that young people are able to embrace the crucial characteristics that are essential for setting up a business. The work that the Government is taking forward has been designed to support that through the wider application of the curriculum and through partnerships that exist with entrepreneurs to raise awareness.

One other measure concerns the partnerships that we set up with organisations such as the Prince's Trust. At the start of this year I was pleased to announce more than £500,000 of support to the Prince's Trust for the purchase and renovation of a new enterprise and employability hub in Glasgow. That facility, which is set to be the biggest of its kind in Scotland, will be a great resource for young people in the west of Scotland, and indeed for those in a wide part of Scotland who will find the facility readily accessible.

The greatest resource, however, lies not just in the buildings we have put in place but in the people who use them and the expertise and enthusiasm that they can bring to important tasks. For many years, the Prince's Trust has played a vital role in encouraging and supporting enterprise among Scotland's young people through the provision of funding, expert advice and mentoring. I hope that, out of the sustained financial support that the Government has given the organisation, we will see it continuing to build on that proud tradition in the years ahead.

The second area where we are encouraging a greater focus on enterprise and entrepreneurship is within our colleges and universities, which play a vital role in providing timely support and

encouragement. The bridge 2 business programme that we are supporting in Scotland's colleges, which was piloted in 2013, aims to inspire, connect and support college students into business, and its impact is now being felt widely across Scotland's college network. It is also a great example of the collaborative Scotland can do approach that I have highlighted.

For example, in recent months, bridge 2 business announced link-ups with both the Scottish Institute for Enterprise and the online marketplace Etsy. The former will give college students access to a broader network of support including workshops and competitions, and the latter will allow them to more easily test their business ideas in the real world. Young Enterprise Scotland deserves real credit for its innovative delivery of that exciting scheme.

Our universities are also active participants in the interface model, which is designed to link academic ideas with the business community to encourage and foster business start-ups. I have seen in action a whole range of different organisations that have emerged as a consequence of all that activity.

Thirdly, female entrepreneurship is another priority area for improvement. A recent reminder of its importance was provided by research that was published by Professor Carter of the University of Strathclyde, the findings of which indicate that, if women's participation in enterprise matched that of men, it could boost our economy by about 5 per cent. I am delighted that Professor Carter is now making a contribution to the First Minister's Council of Economic Advisers, where her world-leading research on entrepreneurship will be available for the Government to consider and to influence our framework.

If the ambitions and horizons that Professor Carter set out in her research were translated into reality, they would equate to more than 10,000 new businesses and an extra £7.6 billion to Scotland's gross value added. The achievements that could be delivered are significant if we can ensure that there is greater participation by women in the culture of entrepreneurship.

Those are the reasons why the Government supports the development of the women in enterprise action framework, which we launched early last year in conjunction with Women's Enterprise Scotland. We are the only country in Europe that has that kind of collaborative policy framework to encourage women to enter entrepreneurship. However, it is action that counts, and the document outlines a range of actions to help and encourage more women to set up and succeed in business. Various partners from the ecosystem are helping with delivery,

including the Royal Bank of Scotland, business gateway and Co-operative Development Scotland.

Another key initiative that we are supporting as a Government is the development of a network of women's enterprise ambassadors. There are already 15 ambassadors from a range of sectors and backgrounds and they are helping to inspire and encourage the next generation of significant female entrepreneurs in Scotland.

All of that activity fits into the wider economic framework that the Government is taking forward, and at the heart of that work is the emphasis that we place on innovation. As it is a key driver of productivity, it is essential that we deliver greater innovation to contribute to the success of the Scottish economy. I believe that our approach and the intent that we have shown by putting innovation at the heart of our economic strategy is one of the key elements that will ensure that we have the right economic interventions in place.

We intend to build on the strength of our universities, whose excellence in research was further strengthened by the fact that the research excellence framework last year found that each of Scotland's 18 higher education institutions undertakes world-leading research of significant quality and that the number of institutions and the proportion of their activity in the research excellence framework have grown.

We intend to build on the innovative contribution of key businesses such as Skyscanner, which is one of the fastest growing businesses in the world. It is based here in our capital city, and it is driven by the constant focus on innovation and productivity improvements that we have seen in a number of different areas in the Scottish economy.

That emphasis on innovation goes along with the other key pillar of our economic strategy, which is the necessity to encourage more companies to become involved in international market activity. Evidence shows that, as businesses become more international, they become more productive as a result of exposure to new ideas, technologies and ways of working. A recent Scottish Enterprise evaluation report highlighted that companies receive both innovation and internationalisation support report bigger impacts than those that receive one or neither. That is why, through Scottish Development International, we are working to support up to 10,000 more businesses across a range of sectors to develop the skills to go international. The focus of international connectivity is an essential part of encouraging more and more of the company base of Scotland to become involved in higher value productive activity.

There is one other area where we are extending that framework, with its emphasis on enterprise

and business development and its encouragement to organisations to become more innovative. We are extending that message not just to the private sector business community but to the social enterprise community in Scotland. The Scottish Government has paid significant attention to the necessity of encouraging the development of a broader range of social enterprises that will be critical partners in ensuring that we tackle some of the inequality that exists in our society, and which will encourage and motivate more individuals to become participants in the Scottish economy. For example, the social entrepreneurs fund that we have established plays a key role in developing new ideas that will support our economy and the changing needs of our communities. That fund, which is delivered by Firstport, has already helped more than 280 individuals to set up and run a business with a social or environmental purpose.

Last year, I was pleased to be able to grant Social Investment Scotland the repayments made to loans made through the Scottish investment fund to provide match funding to create the social growth fund. That fund represents a substantial investment in—and demonstrates our commitment to—social enterprises. It will provide more support for social enterprises and community business in Scotland, making them much more self-sufficient and sustainable and helping them to improve the lives of people in our communities.

One of the key aspects of the Government's thinking is that we want to extend the reach of that innovative framework not just to the private sector but into the social enterprise community and to enable that sector to make the connections that are required to deliver success.

Last week, I had the pleasure of attending an event organised by Firstport that was designed to connect social enterprises with some of the angel investment community in Scotland who are focused on ensuring that they invest for long-term benefit of a financial but also a social and economic nature. I was delighted to see that so many of Scotland's angel investors are willing to consider the opportunities that exist to invest in and support social enterprises.

The Scotland can do framework represents an approach that cuts across all backgrounds and sectors, and it will, I hope, continue to generate the entrepreneurial success and innovative approach that allows Scotland's economy to thrive. We have brought together a range of expertise through the framework within the public, private and third sectors, which enables us to deliver focused support to encourage more people to enter the world of business development and enterprise. I look forward to sustaining that policy agenda and to the benefits that will accrue as a consequence.

I move,

That the Parliament acknowledges the progress that has been made to date in implementing the Scotland Can Do framework, which makes clear Scotland's ambition and sets out the priority areas where the Scottish Government continues to support and act to see Scotland become a world-leading entrepreneurial and innovative nation, a can do place for business; commends the collaborative impact of all the stakeholders in the Scotland Can Do ecosystem to date, and welcomes the enthusiasm and commitment received at the inaugural annual Scotland Can Do assembly on 20 February 2015.

14:38

**Murdo Fraser (Mid Scotland and Fife) (Con):** I welcome the debate on Scotland can do. It is clear that there is much to be done to raise the level of entrepreneurship in Scotland. My amendment refers to that challenge. Before I turn to the detail of that, it is important to set out the economic backdrop to the current situation.

We are seeing good economic progress in Scotland after a difficult and turbulent period. The economy continues to grow strongly and the projections are that that will continue. Employment is at record levels. Unemployment is still on a downward trend, and youth unemployment and the claimant count are at their lowest since 2008. The tough decisions taken by the previous Westminster Government have paid off and the new Conservative Government will continue on the path that has helped to deliver economic success.

The nature of the economy and the employment market is changing, so we have seen fewer public sector jobs but more jobs created in the private sector. Since 2010, nearly 127,000 new private sector jobs have been created in Scotland, bringing us close to a near-record high of over 2 million, and some 35,000 new businesses have been created over the past five years. We are therefore seeing some progress in the right direction, but there is much more to do.

According to the Office for National Statistics, in each year from 2011 to 2013 Scotland accounted for 7 per cent of the UK's businesses—below our population share—and Scotland has a below-average rate of business births. According to the Scottish Government's statistics, in 2013 Scotland had 49 new business registrations per 10,000 of the adult population, in comparison with a UK figure of 67. However, if we take London out of the picture the UK figure would be 58 per 10,000 resident adults, so we lag behind even that. Although we are getting better, we still have some way to go to match the UK average, even if London is excluded from it. It is important that we set in context the very good work that is on-going and to which the Deputy First Minister referred in his opening remarks.

It is not just the Scottish Government's statistics that highlight the issue. The recently published report by the Enterprise Research Centre, "Benchmarking Local Innovation: The innovation geography of the UK", shows that the three areas of the United Kingdom with the weakest innovation performance overall are eastern Scotland, Northern Ireland and Cumbria. According to that study, Scotland is consistently towards the lower end of the table across a range of measures, including product and service innovation, new-to-the-market innovation, process innovation, strategic and marketing innovation, research and development, and collaboration.

The most successful areas tend to be in central and southern England, with clusters around Cambridge and Oxfordshire showing the greatest success. However, even in the north of England, the Tees valley, which is the best performing of the northern economic areas, is generally doing better than Scotland. It is therefore not just in terms of the bare statistics that we are not doing as well as we should: according to those independent academic reports, we are lagging behind other parts of the United Kingdom.

It would be interesting to know—perhaps the Deputy First Minister could address this in his winding-up speech—whether the Scottish Government has done any recent research into why we perform relatively poorly. It is perhaps easy to see why our figures lag behind those of London—one of the great cities of the world, with a dynamic, fast-moving economy—but we are still performing worse than the average in other parts of the United Kingdom.

We will all have our own ideas on why that should be. Traditionally, the Scottish economy has had a different structure, with a larger public sector than elsewhere in the UK, and we might have different cultural attitudes towards risk taking from those in other parts of the UK. However, before we can properly devise measures to close the gap, which must be our ambition, we need to understand the reasons for our historical poor performance.

There are three national indicators on performance to help us measure progress towards becoming a world-leading entrepreneurial and innovative nation. First, there is the aim to increase the number of businesses in Scotland, and we have heard the statistics on those. Secondly, there is the ambition to increase spending on research and development. Although that increased in the period from 2006 to 2013 from 1.35 per cent of gross domestic product to 1.55 per cent, the increase was lower than the rate in the European Union as a whole, meaning that the gap between Scotland and the rest of the EU has increased and we have fallen further behind.

Thirdly, there is the ambition to improve knowledge exchange from university research.

All those indicators show us how much more work needs to be done. In that context, the Scotland can do project—the Scottish Government's enterprise and innovation strategy—is a welcome set of measures. We warmly welcome the range of initiatives that have been outlined, some of which were set out by the Deputy First Minister this afternoon. For example, the Deputy First Minister referenced the Scottish EDGE fund, which grew out of the Entrepreneurial-Spark programme that was headed by Jim Duffy. I know from speaking to people who have been involved in that programme what great value it is to budding entrepreneurs, who very much appreciate in particular the experienced mentoring and the provision of peer-to-peer support from those who have experience. I also welcome the fact that the initiative is supported by the Royal Bank of Scotland, which has a particular ability to provide finance for those who are looking to start up new businesses.

The Deputy First Minister referred to the work of public agencies. The Economy, Energy and Tourism Committee is always keen to scrutinise the work that is done by public agencies and to look at their focus on improving entrepreneurship. The feedback that we have had about agencies such as Scottish Enterprise and Highlands and Islands Enterprise from account-managed companies tends to be very positive. However, I think that there remains an issue as to whether we have the right level of support for companies that do not meet the criteria for account management. Is business gateway providing the right level of support for everyone else? Do we see the

"aligned and focussed business support to improve entrepreneurial and innovative capabilities"

that the "Scotland CAN DO" report refers to? Do we see enough support for entrepreneurs and innovative businesses to enable them to work in the digital economy?

The report also refers to access to finance. Although the situation may be improving slowly with the overall improvement in the economy, it is clear that that is still a major barrier to business expansion. What we are seeing, as the committee found last year, is companies resorting to more innovative approaches such as crowd funding and angel investors in order to raise the capital that they need, but serious attention is still required in that area.

The action framework makes reference to the need to grow exports. I commend to members the recent report from the Economy, Energy and Tourism Committee on internationalising Scottish business, and specifically our recommendations. A

lot of good work is on-going, but it is still the case that too few of our businesses are exporting, and those that are doing so are in too limited a number of sectors. Scottish Development International, the lead agency, is doing good work and is highly regarded by those who benefit from its services, but is it doing enough to reach those who have the potential to export but do not currently do so?

The committee found that there is a need for a single portal for businesses that need advice on exporting, and there is a sense that we still have too cluttered a landscape and, in some areas, unnecessary duplication of effort. We felt that SDI was the public agency best placed to lead that work in Scotland, having a co-ordinating role with the others involved and also having full engagement with the private sector.

All those areas need attention, but the most significant part of the strategy will be in changing culture. We need to promote entrepreneurship and innovation at all levels of education, from schools through to colleges and universities. Every student in further or higher education should have access to entrepreneurship training, because we in Scotland are good at producing ideas but we tend to fall down in translating them into wealth-creating businesses. The Universities Scotland briefing for today's debate has a lot more to say about some of those ideas. If I have time, I shall turn to them in my closing remarks.

It is absolutely right to say that we need role models to inspire young people in entrepreneurship and innovation. Television programmes such as "The Apprentice" and "Dragons' Den" might provide good entertainment, but they do not always provide the most positive view of the business world.

The can do strategy has a long list of strands of work that are being taken forward. They are all worthy and it is probably the case that there is no silver bullet that can deliver the growth and entrepreneurship that we all want. I hope, therefore, that the current strategy will deliver greater growth in entrepreneurship and I hope that we can all share the ambition that we make Scotland at least as entrepreneurial a nation as our neighbours elsewhere in the United Kingdom.

I move amendment S4M-13338.1, to insert at end:

"; expresses concern that Scotland lags behind the rest of the UK in business start-ups, with only 49 new business registrations per 10,000 of the adult population in 2013, compared with a UK figure of 67, contributing to Scotland having a lower underlying number of business enterprises compared with the rest of the UK, where Scotland accounts for a 7% share of the UK total, lower than its population share should merit, and believes that Scotland's ambition should be to raise its level of entrepreneurship to at least the UK average".

**The Deputy Presiding Officer (Elaine Smith):**

I remind members that we have time available in the debate. I call Graham Pearson. You have 10 minutes or so.

14:49

**Graeme Pearson (South Scotland) (Lab):**

Thank you, Presiding Officer, for allowing me to contribute to the debate.

First, I commend all those who are involved in business across Scotland, and the entrepreneurs, many of whom operate unseen across the landward areas, towns and cities of our country, who are committed to creating the very economy that we are discussing today. Those in the private sector, agencies and the third sector provide a grand service on our behalf, and the Government's commitment to entrepreneurship and innovation is welcomed by members on this side of the chamber. The Government will be supported in any real actions that it takes to deliver on the stated aims of Scotland can do. We should nevertheless identify the context within which those aims operate.

Enterprise and entrepreneurial endeavour are not of themselves virtuous outcomes. The pursuit of profit is a necessary part of any business enterprise but, at the same time, employees, customers and the wider community should feel the benefits delivered by business in the round.

The economies of Scotland and the wider UK are beginning to move forward, but the benefits are fragile and tentative at this stage, and they are reliant on a world economy that is still recovering from the global economic crash, as was mentioned earlier.

**John Mason:** The member talks about entrepreneurship and the importance of any benefits being shared around, so that the profits do not just appear in one place. Does he agree that models of ownership of new enterprises, such as co-operative or employee ownership, are also part of the answer?

**Graeme Pearson:** I am pleased to acknowledge that all approaches to entrepreneurial benefit and business development have a benefit for wider communities if they are properly managed and utilised.

In March 2015, the Industrial Communities Alliance reported that

"the upturn in economic growth is leaving older industrial Britain behind".

In relation to Scotland's communities, the impact affects 17 areas across the country, including Ayrshire on the west coast, Glasgow, the central belt, Fife and many other parts of our nation.

During the period 2009 to 2013, the indices for British private sector employment rose by 3.4 per cent, whereas, in the older industrial areas, the recorded rise was 0.9 per cent. The average British claimant rate in terms of benefits support was 10.3 per cent, whereas, in the older industrial areas of Scotland, the rate was recorded as 15.4 per cent. Those factors, taken together with the growth in zero-hours contracts and part-time working, have reduced the opportunities of many families to play a part in the economic life of their community. The lack of access to mortgages or credit and the absence of dependable earnings for the future act to disable whole groups in our society for a generation and beyond.

What to do in a global market, where substantial parts of what we identify as Scottish industries are actually owned and controlled outside this country? Our fishing industry, our spirits industry, our power industry and the engineering and oil and gas industries are all substantially operated by overseas companies, which have located here because of our environmental opportunities, our relatively stable society and the education and expertise of our workforce. Transnational companies strive to make profits—quite properly—but nations compete internationally in a desire to succeed and prosper by attracting such industries to their doorsteps. For some companies, that attraction to locate can be quickly undone, to the detriment of dependent communities.

Nevertheless, we have terrific advantages. Our environment, our education system, the quality of our people, our commitment to innovation and our ability to adapt all contribute to offering the opportunity for success in a small, well-connected nation that is capable of dealing with change.

We also benefit from our membership of the EU, in terms of both direct funding from the EU itself but, more important, access to a single market. We must continue to put the positive case for EU membership in the run-up to the EU referendum, whenever that may be.

That success is not a gift for the taking. It needs hard work, focus and engagement from all sections of our communities and from public authorities. It requires vision, leadership and a hunger to succeed against the ever-changing global challenges from emerging nations on the capitalist scene, such as China, India, Mexico, Turkey and, shortly, many African nations. Although the so-called BRIC economies—Brazil, Russia, India and China—may not have lived up to the more over-the-top hype of the past few years, the emerging economies are markets with unparalleled potential. It is remarkable that China's 7.4 per cent GDP growth in 2014 was regarded by some as sluggish.

Entrepreneurs and investors must be helped to access those markets. Although the creation of enterprise and the growth in numbers of entrepreneurs are critical to Government, they are very much the business of the private sector. However, Governments can do more and, importantly, they can encourage success.

What can we expect the Scottish Government to do? It should increase its commitment to ensuring that all our young people, particularly those from deprived areas, gain access to university and see an opportunity for the future. It should also report on the progress that it has achieved on that. The number of young people from the poorest parts of Scotland who attend our ancient universities continues to be stagnant. Official figures for 2013-14 show that 196 of the 810 undergraduates who were accepted to study at Scotland's five medical schools were from private schools. What does that mean for the chances of people from the most deprived areas of Scotland of getting into biomedical sciences, which is a key area of growth?

**Dennis Robertson (Aberdeenshire West) (SNP):** Does the member acknowledge that university is not the only route to success for entrepreneurs? A lot of young people with many diverse talents may seek a different pathway.

**Graeme Pearson:** Of course I acknowledge that, and I hope to come on to that point later.

The Scottish Government should encourage universities to work even more closely with business to ensure that students in tertiary education are taught not only about business interests but how to sell ideas as they go about developing businesses. The Government should increase access for business and employers to schools, from primary school onwards, to develop effective mentoring and wider knowledge of entrepreneurial skill sets. The results that are achieved should be measured.

We need to encourage and support initiatives such as Entrepreneurial-Spark, which reports impressive outcomes for its work, particularly the fact that 82.3 per cent of companies that have worked with it are still trading today.

The Government should make the most of EU-UK regional development funds to maximise their impact on the older industrial areas, and should encourage the use of regional selective assistance.

At primary school and onwards, the Government should promote students' involvement in engineering and building apprenticeships. As Mr Robertson mentioned, university is not always the way forward in entrepreneurial development.

We need to commit to Erasmus, the EU initiative that is designed to involve Scottish young people in a wider European experience.

The Government should deliver a standard and simplified framework procurement process for all public authorities that is designed to focus not solely on value for money and the lowest price but on quality and community impacts, to encourage local business development and smart working.

The Government needs to redesign the planning environment to deliver timely responses to business needs while balancing the community interest. It should revisit the concept of city and town centres to address the evident decline that is affecting many of our town centres. We should engage with retailers and businesses so that they have a greater influence on future development plans, in relation to traffic management and parking conditions, for instance. The Government should commit to target-driven delivery of public wi-fi in our town centres and the fast-speed broadband that has been discussed in the chamber previously.

We need to encourage the development of crowdfunding initiatives across Scotland. Such initiatives are growing at twice the rate of any other businesses in Scotland, doubling year on year in the past three years.

The Government must deliver energy security, which is important to many of our main businesses, and reduce the unpredictability of policy outcomes. Business enjoys dependability and seeks to be able to plan in an environment in which it knows what will happen. Businesses complain about the obscure governmental language that is used to describe policy intentions.

The Government should also initiate substantial public projects that are designed to offer employment locally. It is better to build for future needs and employ our people than to pay unemployment benefits.

The Scottish Government should undertake substantial work to protect intellectual property rights for entrepreneurs whom we currently do not even know about but who will develop the ideas of the future—ideas that can be removed from their possession, with profits going elsewhere in the world.

There is much that the Government can do to enable the Federation of Small Businesses and the chambers of commerce to develop ideas for the future by tapping into their practical knowledge at the local level. It can also invest in training, education and the development of genuine entrepreneurial skills.

The Government should develop a commitment to manufacturing products in Scotland. In the past

six months, as I have travelled the country speaking to people in business, I have been shocked by the number of machines that are used in our factories and in production that come—almost exclusively—from Germany, Switzerland and Austria. Scotland led the way in developing machines in a previous industrial revolution. We have the skills to develop the same expertise for the future, and it is important that we should do so.

The Government should show its ability to listen to inconvenient messages from people who are engaged in entrepreneurial pursuits. Although I welcome the “Scotland CAN DO Action Framework” and will support the motion, I trust that the Government realises that it does not know everything that it should know. It needs to develop a listening ear and action what it hears.

**The Deputy Presiding Officer:** We come to the open debate. I can allow speeches of seven minutes or so and still have a bit of time for interventions.

15:02

**Linda Fabiani (East Kilbride) (SNP):** John Swinney began by saying that the Government’s Scotland can do framework is ambitious. I am glad, because Scotland should have ambition. We have much to be ambitious about. We have a strong historical and current record of entrepreneurship and innovation among individuals and companies and, of course, our greatest asset is our people.

The can do framework recognises the great strengths and opportunities that our nation has and clearly sets out the areas for collaborative action. We recognise the key role that entrepreneurial activity plays in delivering sustainable economic growth. It is important that we consider our strengths and weaknesses, because some things are not as good as they could be.

One of those is the number of women entrepreneurs, which John Swinney mentioned. If we could match the number of men in entrepreneurial fields of work, we could generate much more for the economy. It was interesting that research from the Hunter centre for entrepreneurship at the University of Strathclyde indicated that, if women’s participation rates matched those of men, that could boost the economy by as much as 5 per cent. Therefore, I am pleased that the Scottish Government announced in March an investment of £85,000 in Women’s Enterprise Scotland to implement actions in the framework.

Female self-employment levels are increasing. It is great to talk about additional jobs, additional entrepreneurship and more people in work, but we



must always consider the effects of that. For me, the most important word is “sustainable”. That means that we need joined-up thinking and objectives other than merely growing the economy.

For example, fair work is key to that. I am pleased that, in tandem with the entrepreneurial initiatives that have been announced, we have the fair work convention, which is to provide independent advice to the Scottish Government on workplaces, industrial relations, fair work and the living wage. It is all about the bigger picture, which concerns the objectives of reducing inequality, promoting diversity and equality, and increasing sustainable economic growth to benefit all in the country. I am pleased that the fair work convention’s initial task is developing, promoting and sustaining fair employment and a good framework for Scotland. Those things complement each other.

Something else that is key is social responsibility—it can take many forms—at home and in other countries. My constituency of East Kilbride has many exponents of that, one of which is the Optical Factory. The member for Hamilton, Larkhall and Stonehouse, who is sitting beside me, would like me to point out that it also has a branch in Hamilton—Christina McKelvie is wearing a pair of the company’s spectacles. The Optical Factory is involved in social responsibility at home and, as Sight Aid International, it operates eye clinics in Kenya and Malawi. That is important work, which is about global responsibility and citizenship.

East Kilbride also has Delivered Next Day Personally, which is a courier service that was started by businessman Bruce Gunn and which provides work for people with disabilities. It is proving to be an extremely efficient and competitive company.

Clansman Dynamics, which is another East Kilbride concern, is a robotic engineering company that, since moving to an employee ownership model, has gone from strength to strength.

I will mention one last company. Some years ago, East Kilbride lad Mick Jackson established WildHearts, with its vision of business for good. Through its micro-tyco competition, his company has passed on entrepreneurial skills and related social responsibility to schoolchildren in East Kilbride and around the world.

That brings me to the final element that is absolutely key: young people. I am pleased that the Scottish Government is providing money to support the delivery of the young innovators challenge, which awards cash prizes to young entrepreneurs who develop life-changing ideas.

As has been mentioned, the level of entrepreneurship among young people is not as high as it should be. They are capable of so very much. I am constantly impressed by the young people in the primary and secondary schools in East Kilbride and beyond that. When I visited the East Kilbride and District Engineering Group Training Association during apprenticeship week, I saw young people who had left school and gone for apprenticeships in engineering, who demonstrated immeasurable skills. I was impressed by the ideas that they had about what they would do once they were qualified.

A lot of what happens is to do with ideas. The Go4SET engineering finals that are run every year for schools will take place in Edinburgh on Friday and, yet again, there is an East Kilbride school in the finals—good luck to Calderglen high school. Over the years, I have been impressed by the skills and the ideas that young people from schools across Scotland have used to put together their environmental engineering schemes.

We have the skills, the resource, the will and the motivation to succeed. It is good that we have a framework that states clearly that, indeed, Scotland can do.

15:08

**Margaret McDougall (West Scotland) (Lab):** I welcome the opportunity to take part in the debate on Scotland can do. I will focus on the work of Jim Duffy’s Entrepreneurial-Spark, already mentioned by Mr Swinney and Mr Fraser, which operates in Ayrshire and across Scotland. It is also a partner in the Scotland can do framework.

Entrepreneurial-Spark started in Scotland and has recently begun to expand its model, with eight hatcheries—as they are known—opening across the UK. The one in Birmingham was launched in February, while those in Bristol, Leeds and Brighton will open in August.

The remainder of the locations will be announced over the next 18 months. That is great news for Entrepreneurial-Spark, given that it started only three years ago. So far it has supported more than 352 companies, which have gone on collectively to turn over just over £41 million in profit and create 1,028 jobs.

In Ayrshire alone, Entrepreneurial-Spark has supported more than 40 businesses. I will focus on three very different examples: Birthsparks, Crucial Drinks and PlanitMoney. Those examples will show not only the kind of work that Entrepreneurial-Spark does but the way in which that support can really make a difference to people’s lives and their companies’ aspirations.

Birthsparks was created by Cass McNamara. The company designs comfortable, upright birth support: an innovation that promotes safer and healthier births for mothers and babies. Entrepreneurial-Spark offered the company proactive support and gave Cass McNamara confidence, contacts and opportunities that she would not have obtained on her own. Since getting assistance from Entrepreneurial-Spark, Birthsparks has won the EDGE award and the global ambition award. It has created three full-time jobs and has a turnover of £260,000. Birthsparks now plans to open a distribution centre in Ayrshire. That example shows that, when the right idea has the right support, people can and do succeed.

Scott Watson set up Crucial Drinks, which trades under the brands of the Lost Distillery Company for whisky, and Six Saints and West Indies Rum & Cane Merchants for rum. It applied to Entrepreneurial-Spark because it wanted a risk-free environment in which it could be coached in starting a business from scratch, while gaining new contacts. Entrepreneurial-Spark helped not only in getting the idea off the ground but in giving Scott Watson the confidence that he needed to leap into the unknown and pursue his idea by committing to a plan and to a go do approach. Entrepreneurial-Spark helped to remove the clutter of the business world and allowed Crucial Drinks to take every step in achievable, bite-sized chunks. That support has led to Crucial Drinks selling more than 20 trademarked brands and achieving more than £1 million in turnover. It is fair to say that, without that essential support, the business idea might well have remained just an idea.

PlanitMoney is a fairly recent start-up. Kyle MacDonald launched its website and mobile app officially in February. It is a financial technology company that simplifies financial planning and money management. The support provided by Entrepreneurial-Spark was invaluable, as it not only allowed PlanitMoney to gain a key understanding of how to launch a product and improve customer relations but provided it with key insight into the banking sector, as Entrepreneurial-Spark has a partnership with the Royal Bank of Scotland.

PlanitMoney has already won an award as a company with high-growth potential at Entrepreneurial-Spark's 2014 business awards. I wish it every success in its endeavours and hope that it finds the same success as the two other companies that I mentioned.

Those were just a few examples to show what vital support can mean to people and their entrepreneurial ambitions. It is crucial that start-up businesses are supported and that organisations

are on hand to cut through the minefield of the business world.

It is concerning that Scotland lags behind the rest of the UK in business start-ups, with only 49 new business registrations per 10,000 of the adult population in 2013. We need to up our game, and organisations such as Entrepreneurial-Spark play a big role in that.

Scotland can do when we all work together and properly support start-up businesses. Entrepreneurial-Spark is only one example of that. Many of the businesses that it has supported might not have made it on their own.

It is important that we encourage and develop ideas to become reality. People succeed when they are provided with the confidence to do so. It is crucial that we support organisations that assist in that. I particularly welcome the Deputy First Minister's encouraging words and funding to support more women entrepreneurs to realise their ambitions in business.

As we have heard, Scotland is behind the UK average for business start-ups. I want Scotland not to reach the UK average but to surpass it. I know that, with the proper support and investment, Scotland can do it.

15:15

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** At least one civil servant is due some congratulations from us all. Finding "CAN DO" from the words "capable", "ambitious", "networked", "demand" and "opportunities" is a pretty neat way of capturing the whole idea. I have worked with computers for many decades and we used to do that sort of thing all the time—and it used to be the greatest fun we had.

I want to talk about a rather eclectic subject, but one that is utterly relevant to the topic of debate. It is about one of the threats that come from one of the bills brought forward in the Queen's speech last week. I refer specifically to the investigatory powers bill that the Tory Government proposes. Within that, the key proposal is a requirement for a back door in software that would enable the security services to read the content of private messages protected by encryption. That all sounds very geekish, and in many ways it is, but it really does matter.

I acknowledge that terrorism is an important part of the threat to business and to people's lives throughout the world, and we need to respond to it in an appropriate way. However, if we are to continue to be, as the motion says,

"a can do place for business",

the core of the proposal in the investigatory powers bill simply cannot proceed.

If we have to protect messages—I will go on to talk about the kind of messages that we need to protect—opening up the software that protects messages so that some people have privileged access to read them will create a series of difficulties. First, the lawbreakers simply will not use software that has back doors—they will write their own—so the measure will not particularly affect those who choose to break the law and conceal the content of their messages. It will affect those who are obeying the law; those with evil intent will be unaffected.

Secondly, and more critically, it will open up all our financial transactions to open scrutiny and potential interference. If there is a way in, that way in will become a way in for lots of people. Why does that matter for entrepreneurs in Scotland? It matters, and it matters differentially, because we are a leading source of innovative software for the financial sector. Margaret McDougall just referred to innovative software in her speech. In future, under the kind of regime that is proposed to be introduced, that kind of software might not be produced here. We have a significant interest in producing secure banking software, but if it cannot be developed here, it will be developed elsewhere.

We heard reference to Skyscanner, which depends, for the integrity of the transactions between it and customers worldwide, not just on that little padlock that appears in the top line of the browser but on the software behind it, which provides that protection. The opening up of software, through the bill proposed by the Tories in the Queen's speech, will damage the integrity of that protection.

That is not just theoretical. Already in the United States, Phil Zimmermann, who is the creator of the world's most widely used email protection system—the pretty good privacy or PGP system—has started to move his company to Switzerland, because the United States Government is doing something similar. If legislation proceeds in that way, high-tech and high-value contributors to our being what the motion refers to as an “entrepreneurial and innovative nation” will simply depart. That is quite easy to do, as they are not people with fixed assets here, such as big factories. The intellectual skills in those people can move, and they can move tomorrow without any substantial difficulty.

We have to accept that, once a back door has been created, the knowledge of that back door that is supposed to be restricted to the security services—but to lots of people in the security services—will inevitably leak. The most secure software is always open-source software in respect of which everyone can look at the

algorithm and improve it. The secrecy is in the key, which is a unique piece of information that is held by a single person. However, the operation and algorithms associated with back doors will inevitably be bypassable. If they are thought to be secret, they will soon be disclosed.

None of that is new. Napoleon's peninsular war campaign was undermined by Wellington's cryptologist, George Scovell, who was able to read the intercepted and encrypted orders to the French troops rapidly and routinely. Of course, Napoleon lost the war because that was able to happen.

Each generation moves on to new methods of protecting information. In world war one, the Cherokee and Choctaw Indian tribes were used over the radio because nobody could understand their languages. In the second world war, the Navajo, the Lakota, the Meskwaki, the Comanche and even Basques were used to protect information. Therefore, the need to protect information in sensitive environments is nothing new whatsoever.

The UK lost out on a key opportunity. We all have a little token that we use for accessing the Parliament's websites and facilities, which has the letters RSA on it. RSA stands for Rivest, Shamir and Adleman. Those American mathematicians developed a very secure way of communicating. Thirty years ago, of course, a single sheet of A4 paper, which was a secret document and which came to light only 10 years ago, showed that, nearly 10 years before Rivest, Shamir and Adleman developed their system, Government Communications Headquarters and its predecessors were already developing it. We lost the commercial opportunity in the UK, and now the USA controls things. It is important that innovation is not stifled by legislators simply not understanding the importance of and manners of working that there are for technology.

If we were to proceed with the proposal in the Queen's speech, we would no longer be as secure in our banking and communication as we currently are. That is a huge risk. The migration of services will inevitably take place; indeed, that is already beginning to happen in the United States. That will damage a key sector of the economy of the UK as a whole, but differentially for Scotland, for which that sector is even more important.

I hope that the cabinet secretary and his officials will think about that and that all the parties here will be able to work with colleagues at Westminster to ensure that what has been proposed does not happen. I am disappointed that the Liberals are not with us today, because I know that they are sensitive to the matter and will be onside in helping to oppose the particular so-called innovation to protect us from terrorism. It

will not do that, but it will damage business if it goes ahead in the proposed form. I hope that we will all oppose it.

15:24

**Roderick Campbell (North East Fife) (SNP):** It is always a challenge to follow Stewart Stevenson. I will certainly not talk about investigatory powers or snoopers charters. I was going to start with a note of history, but Mr Stevenson has already taken us back to the era of Napoleon, so I am a wee bit snookered on that. Nevertheless, I shall start.

Scotland is, of course, the birthplace of Alexander Graham Bell, Alexander Fleming and James Watt, and it is no stranger to innovation. The challenge is to turn innovators into entrepreneurs. The can do framework recognises our nation's strengths and opportunities. Linda Fabiani talked of the need to increase the number of women entrepreneurs, but we also need to encourage the young in particular. Our schools, colleges and universities have an important role to play in encouraging the entrepreneurs of tomorrow. Youth unemployment rates, although they are at their lowest levels since 2008, are still too high. Self-employment rates for under-34s—the key group for innovators and new enterprises—are still some way behind those for older workers. Encouragement is needed.

Earlier this year, the Prince's Trust combined the explore enterprise programme and Youth Business Scotland to establish the enterprise programme in Scotland, which does an excellent job in providing support to young people who are looking to start and grow their own businesses. More could be done, however, for example by introducing explore enterprise courses in Scotland. Currently the nearest four-day course for aspiring entrepreneurs in Scotland is in Berwick-on-Tweed. Wales and Northern Ireland, on the other hand, will be home to five and seven such courses, respectively. I, for one, would welcome an attempt to have some of those courses nearer to home.

On a more positive note, the provision of a £205,000 grant from the Scottish Government to support the young innovators challenge, as part of Scotland can do, as Linda Fabiani mentioned, is welcome. That is just one way in which future generations of entrepreneurs are being supported in Scotland. The 2015 theme of the young innovators challenge is social innovation,

“and entries that could address problems and create opportunities related to healthcare and wellbeing, low carbon and sustainability and smarter communities are invited.”

Emphasised throughout the “Scotland CAN DO” document is

“smart, sustainable and inclusive growth”,

with the hope that the programme will

“accelerate Scotland's ambition to be a world-leading entrepreneurial and innovative nation.”

The horizon 2020 programme emphasises the need for sustainable development. Nowhere is innovation in the pursuit of sustainable growth more ably displayed than at the University of St Andrews, which continues to make a profound impact on innovative new projects every academic year and undoubtedly has significant influence on some of its students.

In 2013, academics in St Andrews led research into the use of a tractor beam; until then, that had been nothing more than a fantastical idea from the mind of Gene Roddenberry that was brought to life by the film and television series “Star Trek,” beloved of Roseanna Cunningham—she is not with us today, but is probably with us in spirit. The university's physics department recently opened the doors to its brand-new, unique, state-of-the-art research laboratory, which will allow it to conduct further work into the use of lasers and the study of individual atoms.

Elsewhere at the university, the biology department and the sea mammal research unit have led the way in research into the world's oceans and the behaviour of some sea mammals, through the tagging and tracking of harbour seals. Such work sets St Andrews apart in Scotland as the home of some of the most groundbreaking scientific research.

Scotland has a key role to play in research. It is very pleasing that, according to the research excellence framework that was published in December, all of Scotland's universities are undertaking world-leading research. It should not be the case, however, that Scotland's universities work independently of the business sector when it comes to research and innovation; a great deal of collaboration could take place between the two sectors.

St Andrews is leading the way on that front, too, with a forthcoming £25 million energy ecohub at Guardbridge, which could one day be home to new renewable technologies and training opportunities. The potential for the university's Guardbridge site has not yet been fully tapped, but I am delighted that the Scottish Government, together with the European regional development fund, has invested in it to the tune of £11 million of funding for the project. That type of collaboration between our universities and our business community will engender new links and new opportunities for future generations of Scotland's workforce and will provide fresh and exciting opportunities for aspiring entrepreneurs.

North East Fife is no stranger to entrepreneurialism. Dozens of sole trading firms and small businesses are flourishing in the rural economy, courtesy of, not least, superfast broadband connectivity. We must encourage superfast broadband everywhere. Without that connectivity, opportunities for innovation and for budding entrepreneurs will undoubtedly be diminished. The provision of suitable facilities from which to trade is also essential to success for entrepreneurs, which is why the fresh start scheme is important. We can point to an increase in the number of businesses in Scotland, even if, as Murdo Fraser pointed out, the number of business start-ups has not caught up with the rest of the UK. I, too, would be interested to hear comments on that from the cabinet secretary in his closing speech.

Business gateway plays a valuable role in supporting 10,000 start-up businesses every year. I hope that the banks will provide funding more readily in the future, as that is essential for entrepreneurs. I also hope that they will provide more funding than they have provided in the past, as there are early signs in the press that things are easing. The Scottish Government is playing its part through the development of the Scottish Investment Bank, and let us not forget the importance of the small business bonus, which is a lifeline for many new businesses while they get up and running. I am delighted by the First Minister's commitment to that in the next session of Parliament, should the SNP Government be re-elected. The provisions in the Community Empowerment (Scotland) Bill to give local authorities new powers to create local business rates relief schemes to address local priorities are also much welcomed.

Scotland can do because it already does. However, the potential exists to do much more.

15:30

**Anne McTaggart (Glasgow) (Lab):** I express my pleasure at having the opportunity to take part in this important debate this afternoon.

The Scotland can do framework was launched to set out areas of priority in which the Scottish Government can act to see that Scotland becomes a world-leading and innovative nation for business. It is only right that we commend the work of the stakeholders who have contributed to the framework so far. The many issues that have been raised should further instruct the Scottish Government as it sets out to achieve the aims of the report.

It is clear to me that underpinning the need for further innovation and entrepreneurship is the importance of staying part of the European Union.

As part of the EU's smart specialisation platform, Scotland is able to promote focus on areas within the country that provide unique competitive advantage. Given the distinctive nature of some of our Scottish businesses, that is crucial in allowing those companies to flourish in the global marketplace.

Scotland has always had a tradition of innovation and skill in business. As a nation, we have produced world-class entrepreneurs, scientists and engineers, and we can lay claim to having invented the modern world. Those past achievements should rightly be celebrated but, more important, current successes such as the development of next-generation prosthetic limbs by Touch Bionics and hybrid buses by Alexander Dennis are at the forefront of research and development in the world today. Equally important is the recognition that it will be that kind of research and development that will provide Scotland with a 21st century economy and deliver employment in areas that are not yet created.

Nevertheless, there are many challenges to be overcome if Scotland is to reach its full potential. Skills for growth, sales and technology were all identified by the Scottish Government's report as being underdeveloped; so, too, was the securing of appropriate finance for many growing businesses. I therefore welcome the involvement of organisations such as Interface, which has introduced over 1,800 businesses to academic partners over the past few years. I also welcome the work of Scotland's universities, which work with 19,000 Scottish businesses every year, although I acknowledge that that work must be built on.

I believe that Scotland's attitude to entrepreneurship must evolve. We require further inclusion of entrepreneurship in schools, further education and across society to increase awareness of the opportunities that starting a business can provide. We need to see an increase in collaboration between our public, private and third sectors, strengthening each sector as we move towards a high-skill, high-wage economy. Crucially, we need to ensure that people from all walks of life are encouraged to become entrepreneurs and start their own businesses.

I welcome the opportunity to have this debate about the future of Scottish business, and I commend the Government on its efforts so far, although I acknowledge that there is still much work to be done. We need to see continued increases in research and development funding, further financial support for growing businesses and the provision of adequate places, particularly in further education, for training and upskilling the entrepreneurs of the future.

15:35

**Mark McDonald (Aberdeen Donside) (SNP):** I speak in the debate from the perspective of someone whose father took the decision—in 1998, along with one of his fellow employees at a company—to start up a business, which is still going and has grown. Therefore, I have a keen interest in the entrepreneurs and businesspeople of the future being supported, because I have seen at first hand how businesses that develop from an early idea can grow and flourish.

It is worth noting that, although, as the Deputy First Minister acknowledged, there is undoubtedly a road still to travel in some areas and work that still needs to be done—hence the establishment of the Scotland can do framework—between 2008 and 2013, which is the most recent period for which figures are available, the number of business births in Scotland increased by 32.8 per cent compared with an increase of 29.8 per cent in the UK as a whole. I accept that Mr Fraser and I could trade statistics, but I think that there is a positive trend on business start-ups in Scotland. There were 351 businesses per 10,000 adults in 2006, whereas there are now 377 businesses per 10,000 adults, so progress has been made. There is undoubtedly work still to be done, and I think that the debate will help to crystallise some of the ways in which that work can be progressed.

One of the welcome measures that the Scottish Government has put in place has been the small business bonus scheme. Many of those in my constituency who have started up small businesses following the introduction of the small business bonus scheme think that it was an important factor in allowing them to weather the early years, when businesses often find it difficult to get things going and can be subject to financial pressures. Measures such as the small business bonus scheme are extremely important to businesses, especially when they are set in a context in which—particularly in the north-east of Scotland, although I appreciate that the same will be true in parts of England—a greater distance needs to be travelled to get products to customers and to markets outside the immediate local area, with the result that additional cost is incurred. Changes such as the recent increase in VAT to 20 per cent affect the margins of such companies and can be the difference between someone choosing to pursue an idea and their deciding not to do so.

I note that Mr Fraser suggested that we needed to have more role models for young people in particular. Being the helpful soul that I am, I have two examples to give of entrepreneurs in the north-east of Scotland who I think are exactly the kind of role models that we should be pushing—indeed, they are being pushed as role models in that part of the country.

The first is Jamie Hutcheon. Although his business is not in my constituency, I have had the pleasure of meeting him and sampling the products that he produces. He established a company called Cocoa Ooze, which is a chocolatier that manufactures high-quality chocolate products, in 2008 at the age of just 17. He now employs a team of 25 people and has a coffee shop and a chocolate workshop in the city centre of Aberdeen, which provides opportunities for people to take part in chocolate-making workshops and parties. He recently won the young talent award at the Scotland Food & Drink excellence awards. Jamie decided to start his business while he was training to be a chef and working alongside a master chocolatier.

Another individual, who is based in my constituency, is Dr Deborah O’Neil who established NovaBiotics in 2004. That was a spin-out company in the area of biotechnology, developing anti-infectives for difficult-to-treat, medically unmet diseases. NovaBiotics has been a big success story in north-east Scotland, and Deborah was given the award for entrepreneur of the year at the 2014 Grampian awards for business excellence.

I highlight those examples for a couple of reasons. First, those two individuals have shown entrepreneurial excellence and are the kind of people we should be pushing as role models; secondly, they came into the entrepreneurial field from very different directions—one through working from a very young age and determining that he wished to establish his own business, and another through the academic and university spin-out route. We should be pushing and highlighting that route, particularly to those who are developing some of the excellent research in our universities, and we should show how such research can lead to business opportunities in the future.

**John Mason:** I listened with great interest to what Mr McDonald said about his constituents. He said that they are role models, but does he know whether they have been going into schools? I feel that perhaps pupils are not being exposed to people who have set up their own businesses.

**Mark McDonald:** I could not say offhand whether either of those two individuals has been into local schools, but often when I speak to headteachers in my constituency, it is about the drive to establish enterprise networks and clubs in schools, and to push pupils to consider operating small businesses within school. Often, when I go to school fairs—as we all do in our constituencies—I see pupils selling products that they and enterprise groups in the schools have produced. That work is on-going in our schools.

I note that the clock is ticking, but perhaps I may make one final point. [*Interruption.*] You are shaking your head, Deputy Presiding Officer.

**The Deputy Presiding Officer:** The clock may be ticking, but I can give you the time back for the intervention.

**Mark McDonald:** Okay—I can see other members instantly regretting that, but if I may I have one final point about the opportunity that can arise from adversity.

In the oil and gas sector in north-east Scotland some individuals are facing potential redundancies. Often during such situations, individuals who perhaps have never thought about establishing their own business may choose to do so if the right support exists and there is an opportunity to go in that direction. As well as the excellent work done by the energy jobs task force in trying to find new employment for individuals, should we also consider what opportunities exist to provide advice and support to those individuals who find themselves either redundant or at risk of redundancy in the oil and gas sector, and who are perhaps considering establishing their own business, especially given that oil and gas has been identified as one of eight innovation centres? If that idea is not already being taken forward, I hope that it might be considered.

15:43

**John Mason (Glasgow Shettleston) (SNP):** Like Mark McDonald, I would say that there are encouraging signs in this area—I noted from one of the briefings that the total early stage entrepreneurial activity rate among young people aged 18 to 29 more than doubled from 3 per cent in 2008-09 to 8 per cent in 2012-13. However, as has been fairly pointed out by other speakers, I think we have room for improvement.

Looking back, in Scotland we have traditionally been good at starting our own businesses and even growing them to become world-class organisations, but somewhere along the line it seems to have become the norm that we should be employees, rather than self-employed. There seems to have been a shift over time, and that was the way to go; indeed, as I said earlier, during my time at school that was the way we were probably encouraged to go. How many young people have thought of starting their own business? I share Mark McDonald's experience of going into schools where products are being sold, but there is still a wee bit of a jump from that to people leaving school and starting their own business, either immediately or later on.

Sometimes, the kind of work that we do runs in families. Someone who is self-employed may well train up a son or daughter in preparation for taking

over the family business. Clearly, that is not inevitable, and I firmly believe that youngsters can and do choose very different routes from their parents. However, if children grow up in a particular family environment, be that self-employment, the caring professions or whatever, perhaps we should not be surprised if the tendency is for them, as young people, to go down a similar route.

This week, I have a young person on work experience in my office—he is in the Parliament today. When I was preparing for this debate, I asked him what kind of people are going into schools to talk to the students about careers. He said that his school is good at getting a range of people in to speak to them about opportunities but that they tend to be from larger businesses, rather than from small businesses or people who have set up their own businesses. Time can be an issue. One of Mark McDonald's examples was somebody who is studying and running their own business, and it is clear that such people do not have a lot of time to go into schools. I appreciate the cabinet secretary's point that schools might have changed marginally since I left, but there is still a bit of an issue there.

The lad who is doing some work experience with me also said that he felt that there is less emphasis on self-employment and that students are not particularly encouraged to go in a particular direction where there will definitely be jobs. We have touched on that issue before. Schools should point young people not just to where they might like to go, but also to where there will be jobs. We do not want to try to fit round pegs into square holes, but we have a responsibility to tell young people about the areas in which jobs might be coming up.

It has to be said that some so-called self-employment is a bit artificial, especially around the building industry. In fact, it is tax and other legislation that encourages what is called self-employment but in which people—in many cases, it is men—are to all intents and purposes employees. I do not think that we should go down that route just to get the number of women up to match the number of men who are self-employed.

Some of my colleagues have given examples of businesses in their constituencies, and I do not want to be any different in that regard. Over the years, I have come across a number of people who have set up their own businesses, not just in my constituency but beyond. First, for eight years or so I worked for a nursing home group based in Lanarkshire that, interestingly, was run by an Egyptian surgeon. I learned a lot from that, not least that when someone is part of a small management team the buck stops with them and they have to put in whatever hours it takes to work

through the problems that the business might face at any particular time. Going back to what Linda Fabiani said, I note that that is an issue in relation to encouraging more women, because if they continue to be the main carers, that becomes a big challenge for them. There are a number of connected issues that we need to deal with.

Secondly, I seem to remember that I mentioned in a previous debate the guy who replaced the boiler in my flat. He trained with one of the big energy companies and was employed by it. When he worked there, if they were replacing a boiler, they had one person to do the gas, one to do the water, one to do the electrical work and someone else to repair the plasterwork. When he moved out and set up on his own, it meant that he had to have all those skills and he had the challenge of finding new work to do, but on the plus side he got the financial rewards and the satisfaction of being in control of his destiny.

My third example is a young guy who moved into my constituency from Stranraer, or down that way, and took over a small business. I was hugely impressed by his doing that. It is not an easy market to be in because it is highly competitive and, as I said, he is not even from the Glasgow area. I find it interesting that he had the self-confidence to do that when many older folk—even ones who know the sector better—would not have the guts to do it. Self-confidence is part of the issue. It is a national issue and a deeper cultural issue too. Part of setting up a business is having the self-confidence to do it and, to be frank, that is not necessarily something that I would have felt that I had when I was younger.

One of the fastest growing small businesses in the east end of Glasgow has to be the West microbrewery, pub and restaurant, which was set up by a woman, Petra Wetzel, who came to Glasgow from Germany to train as a solicitor and moved on to turn round a struggling business round about 2006 to 2008. West has overcome the challenge of being in a slightly difficult location—it is to the east of Glasgow and beyond the merchant city, which gets a lot of passing trade. West does not get as much passing trade and has had to build up a reputation so that people deliberately go there to get its products. I commend it for some of its products, including a German-style beer made in Scotland, which I think is unique. Its beers are now very widely available and it is expanding in a variety of directions. One of its slogans is that it has a “Glaswegian heart” and a “German head”, which challenges us to consider other combinations. A new business could draw ideas from other parts of the world but develop them in a Scottish context.

As we have been encouraged to use more time, I will throw in another local business, Vanilla

Blush, which is based in Bridgeton and sells attractive underwear and swimwear for people who have had a colostomy or a similar procedure. Again, it is in a very niche market, although it sells worldwide via the internet.

I am disappointed that my colleague Gil Paterson is not speaking today because he is one of us who has run his own business. I am sure that he could have shared a lot of experience with us but he has chosen not to do so—unless he wants to intervene.

I find it interesting that, of the examples that I gave, two involve non-Scots—one Egyptian and one German. I wonder whether people from some cultures and backgrounds are more used to setting up and running their own businesses.

**Stewart Stevenson:** Perhaps there is a bit more entrepreneurship around than we recognise because it is not all commercially applied. If a church runs a coffee morning, it is being entrepreneurial, getting in money and providing a service, and the people involved are entrepreneurs. Perhaps the difficulty lies in moving people from being able to do something that is capable of earning money into running a business and all the paperwork and administration that goes with that. Perhaps such people do not fully understand their potential or feel confident that they can be entrepreneurial. Perhaps we are entrepreneurs and we just need that little bit of leg up into commercial exploitation.

**John Mason:** That is fair. I am interested that Mr Stevenson used the word “confident”, which I touched on earlier. That is definitely part of the issue.

The UK system sometimes encourages people not to grow their businesses but to sell out. Some countries seem to be better than us in that respect. When I intervened on Mr Pearson, I wondered whether we should look at other kinds of ownership such as employer ownership and co-ops.

I very much support the re-emphasis on entrepreneurship and innovation. I hope that we see more businesses start in Scotland and that they grow and develop without losing their local roots and ownership.

15:52

**Siobhan McMahon (Central Scotland) (Lab):** I thank the Cabinet Secretary for Finance, Constitution and Economy and the Government for bringing the debate to the chamber to allow us to discuss Scotland can do: a framework for entrepreneurship and innovation. As a society, we should be grateful for the contribution of our entrepreneurs. I am happy to put on record my



admiration for the spirit that they have shown to get where they are and to state my hope that we, in this chamber, will do all that we can to support them.

While I was preparing for my speech, I was reminded of the so-called “You didn’t build that” speech given by President Obama on his campaign tour of the United States in 2012. I am sure that many members will recall that the president was chastised by the rival Republican campaign as playing down entrepreneurs and their contribution to American society. In fact, the point he was making was a sensible one that we would do well to remember today: nobody, no matter how successful they are, got there alone. Those who have achieved success should be congratulated for it but it should never be forgotten that our public services built the schools that taught them, the hospitals that cared for them and all of the other services that they have relied upon. By all means, recognise the efforts and drive of the “go-getters”, but the contributions of the public and private sector workers who helped them to get where they are today are just as worthy of our adulation.

In the ministerial foreword of the “Scotland CAN DO” action framework, the cabinet secretary seemed to recognise that point, writing in underlined letters that

“enterprise and growth must be accessible to all and for the benefit of all.”

The aspiration to maximise the potential of entrepreneurs for the betterment of our entire society is undoubtedly shared throughout the chamber and Scotland.

I have said it before and I really mean it: our Parliament works best when we come together across party lines and work towards improving the lot of our constituents. I recognise some of the efforts made by the Government in this area and I accept that in many ways the Scottish Government is hindered in its efforts to make its statement a reality by a regressive Tory Government that does not share its values, but the Scottish Government must be held accountable for the areas over which it exerts full control.

As the Opposition, it is our obligation to bring those matters before the Government because at the moment the enterprise and growth that Government members have spoken about just is not serving everyone in our communities. As the Scottish Labour Party spokesperson for women’s employment, I will go into a bit of detail about the challenges facing women. I am happy to say that this Government and its predecessor deserve real credit for the increase in the number of women who are self-employed compared with the number in 2004, but there is still work to do on that front.

As of 2013, only 7.8 per cent of women were self-employed, compared with a figure of 15 per cent for men. Statistics from the close the gap partnership project indicate that only one third of chief executive officers in Scotland are women. As Linda Fabiani said earlier, the professor of entrepreneurship at the University of Strathclyde, Sara Carter, has demonstrated the entrepreneurial disparity in those numbers, stating:

“If rates of women-led businesses equalled those of men, the contribution to Scotland’s”

gross value added—

“would increase by £7.6 billion to nearly £13 billion. This equates to a 5.3% growth in the size of the Scottish economy.”

I welcome the initiatives that the cabinet secretary spoke about in his opening speech, particularly the network of women ambassadors, and I hope that they go some way to challenging the figures that we have in front of us today.

We all know that the science, technology, engineering and maths sector is one of the fastest-growing areas of our economy, and we need as many qualified people as possible in it. However, the scale of occupational segregation in the sector remains truly astonishing. Last year, only 68 out of 24,000 engineering apprentices were female. Statistics from Skills Development Scotland do not suggest that we can expect that position to get much better in the years to come, given that 85 per cent of those doing information technology courses at school are male. It is clear that we are just not doing enough at the high school level to promote STEM subjects to young women. Too few of even the few women who graduate with a degree in a STEM subject pursue it for a career; the Government’s 2015 “Maximising Economic Opportunities for Women in Scotland” report demonstrated that 73 per cent of female STEM graduates do not work in the field after graduation.

It used to be that advances in science and technology liberated women, but now they have the potential to hold them back. All the signs suggest that the jobs of the future will come from the industries that women are less likely to work in. If we are not careful, we will lock women out of those career paths and trap them in traditional roles, which are all too often low paid and low skilled. Even the Government’s flagship modern apprenticeship programme seems to have only reinforced gender segregation; as many here will already know, in 2012-13 98 per cent of construction apprentices were male and 97 per cent of children’s care apprentices were female.

In a debate that seems to me to be fundamentally about how we empower our constituents to unlock their true potential, it would be remiss of me not to mention the damaging

impact that the cuts to college places have had on women's prospects of studying STEM subjects: since 2007-08, there has been a drop of 41 per cent in the number of women at college. With damaging cuts like that, how can we expect women to fulfil their promise?

I remind everyone here of some pertinent facts: on average, women working full time in Scotland earn £95.60 a week less than their male counterparts and it is still common for women to take a cut in their pay grade and job status in order to find suitable flexible work. Until we right those wrongs, we will never unlock the entrepreneurial spirit and innovation of 50 per cent of our population. Scotland can do, but must do more.

15:58

**Clare Adamson (Central Scotland) (SNP):** I am delighted to rise in support of the Scotland can do framework,

"which makes clear Scotland's ambitions and sets out the priority areas where the Scottish Government continues to support and act to see Scotland become a world-leading entrepreneurial and innovative nation".

Like many colleagues in the chamber, I had a life and career prior to politics, in the information technology sector. I was an Oracle project manager with a number of consultancy firms, and was latterly the European development manager for a global document-management company that was launched in Glasgow. I hope that members will indulge me a little as I talk about a personal interest and concentrate on the fantastic digital economy that we have in Scotland today—that is, of course, if Mr Stevenson has not scared people off to the Swiss Alps.

I take a keen interest in the industry body, ScotlandIS, and I reference its recent article entitled "How Scotland learnt to create \$1bn tech unicorns". It states:

"The Scottish tech sector is thriving, even with a venture capital problem.

It may have escaped the attention of Old Street, but the technologists of Silicon Glen have been busy of late.

For the last few months FanDuel, fantasy sports specialist that hails from Edinburgh, has looked a likely contender to become the second \$1bn company to emerge from the Scottish capital, following the success of flight comparison site Skyscanner, which attained 'unicorn' status only this February and also began in the Scottish capital."

Skyscanner CEO Gareth Williams had a vision of

"a single website that could collect, collate and compare prices for every commercial flight in the world ... From a simple excel spreadsheet, Skyscanner was born."

The company has grown

"to become the number one flight search engine in Europe. In 2011 a Singapore office was opened to help grow Skyscanner in the Asia-Pacific market".

It now operates worldwide: in the UK, Singapore, Beijing, Shenzhen, Miami, Barcelona, Sofia and Budapest. It simply is one of the great success stories of entrepreneurship in Scotland.

ScotlandIS's article goes on to talk about the support that is given to the tech industry in Scotland. It describes CodeBase in Edinburgh, which is housed in an unassuming civil service building on the south side of the city, saying:

"Sprawled across three floors the incubator houses some of the keenest technology firms in the whole of Scotland. Beginning as a spin-off from a previous start-up incubator known as TechCube, the project's founding companies literally put the walls up before they got down to business ... CodeBase is perhaps the most prominent example of the Scottish tech sector coming together to support its members. Tenants at the incubator enjoy a host of formal and informal benefits, from monthly leases to regular meetings in which they can swap tips."

It may interest Mr Stevenson to know that, despite some of the threats to the software industry that may come as a result of the Queen's speech, one of the things that is highlighted by the CodeBase users is the quality of life in Scotland. It is great that, as article notes:

"For an industry that has been at the forefront of advocating better working conditions such assets are hardly trivial. At any rate, the rolling hills of Scotland seem a more likely home for unicorns than the cramped and smoggy City of London."

I will stick with unicorns, this time of the fantasy variety. The world of fantasy games entertainment is about as far away from my own IT experience as it is possible to be, but as co-chair of the cross-party group on video games technology it would be remiss of me not to mention the great work that is being done to support entrepreneurs in that area. Later this month, XpoNorth will take place in Inverness. In the past couple of years, there has been an increasing presence of games and computing games companies, and last year's XpoNorth saw a dozen companies take part in a games playground, showing off their titles to an audience of hundreds of creative industry types from music, film, television and other areas of the creative industries.

In a recent report, the trade association TIGA—the Independent Games Developers Association—issued a press release headed "Scotland's videogame industry blooming, contributes £99m to UK GDP". In the press release, TIGA highlights some areas of research carried out in 2012 and 2013, which found that

"The number of game development studios grew from 81 to 94, an increase of 16%",

that

"the number of creative staff in studios grew from 766 to 964, an increase of 26%",

and that the number of jobs increased by 18 per cent. It also noted that the

"combined direct and indirect tax revenues generated by the sector for the Treasury increased from £35 million to £41 million, an increase of 17%".

It goes on to state:

"This means that Scotland now represents 11.4 per cent of the UK's total games companies, up from 8.8 per cent in 2012 ... The total Scottish games industry headcount is 2,726—10 per cent of the entire UK videogame industry headcount."

It truly is one of our success stories.

Paul Durrant, director of business development at Abertay University—an institution that has become synonymous with the games industry—said:

"I've been involved in establishing and operating incubation-type support facilities for fledgling games companies since 1999 ... We must grow the volume of new IP creation in a greater number of early stage companies to maximise our chances of picking and nurturing the potential winners so that they secure success in international markets. Well-disciplined and properly resourced business incubation will help to sustain these start-ups and build them into UK companies of scale."

I could not agree more.

Abertay University also serves as governing body and member of the national virtual incubator, which offers support to tech start-ups and young entrepreneurs, and to students incubating breakthrough business ideas. It involves research facilities linking up with science parks and academia, all in support of the industry.

I was delighted when, earlier this year, the Economy, Energy and Tourism Committee conducted its inquiry into the economic impact of the film, TV and video games industries. The committee reported:

"The Committee believes that the video games industry in Scotland is full of talent, enthusiasm and ingenuity. It is a fast-paced industry quite unlike any other, which provides high quality job opportunities. We heard that, for the industry to thrive, it needed to be able to attract and retain talented people by creating sustainable and successful businesses."

I believe that Scotland can do that.

16:06

**Chic Brodie (South Scotland) (SNP):** I support the motion, of course. I do so because I am passionate about my nation and about its performance. I have been somewhat lucky in my past to have run international businesses, to have helped small companies to start up and to have turned round companies that have been in trouble. I have never been disappointed, in the challenge

that they have faced, by those with whom I have been involved at home. I also highlight the acceptance of Scotland's position in supporting, managing and skilling international businesses. I support the motion, and I am passionate about the subject.

There are many ways to define the success of a nation. Whether that success is financial or to do with security in relation to the environment, energy supply, healthcare and education—or, more certainly, an amalgam of all of those—there can be only one certainty if we are to distribute wealth and prosperity fairly: the need to create it. Enterprise, growth and prosperity should be there for the benefit of all, but that will come about only with a focused economic strategy that has a defined sectoral approach, where we have—or can have—competitive advantage; with improved productivity and outcomes; with innovation; and with the work done by the R and D departments of our universities and the technology transfers that flow from that.

Also required are inquiring and solution-driven minds across our nation. There is increasingly a partnership of Government, business and communities, and also an increasing partnership of capital and labour. We have some internationally competitive entrepreneurs, and I applaud the work that Scottish Development International does to support them. We have creative, educated and skilled people. The challenge is that we need more of them, and that is where I believe the framework provides a foundation stone upon which to build.

Those people and growing businesses are significant assets, as are our natural assets and resources, and we should not diminish their importance. Only two weeks ago, I was happy to bring together investors and developers to look into our natural mineral resources—in particular, the happy conclusion that we have gold in Ayrshire. I hope that there will be development of that soon, and of nickel, cobalt, silver and rare earths, all of which we need to support potential export industries.

The first challenge of any economic strategy is to establish a vision of the kind of nation that we want to be, not just economically and internationally but socially and at home. Mr Fraser raised some issues that we have discussed at the Economy, Energy and Tourism Committee, but even he cannot deny that there has been in many cases acceptance of the challenge that faces us in developing the opportunities that we believe lie ahead.

Now and on an on-going basis, we should consider our strengths, acknowledge our weaknesses, seek opportunities—we should certainly do that—and face and dispense with the

threats. We need a meaningful SWOT analysis that provides a recurring basis for fully developing economic strategy to support our vision.

First, that is about being competitive at home and abroad. Secondly, it is about reducing inequalities at home, which, as a consequence, will generate increased productivity, as I have seen happen elsewhere. Thirdly, we need greater participation and stakeholding by employees in the workplace and in company outturns, in the public and private sectors. That, too, will increase productivity. Fourthly, we need to be innovative, not just through the vehicle of university R and D departments but through the evolution of ideas and the revolution that can flow from the likes of ESpark, which has been mentioned, social enterprise and the third sector.

For example, I was told about a guy who walked off the street into one of our new business start-up hubs and said that he believed that he could dry washing on rotary dryers in the rain. Of course, everyone laughed and said that it was impossible, until he produced the design of an umbrella and canopy that fit on to a rotary dryer. Guess what? Yes, we can dry washing in the rain.

We need to be competitive, innovative and certainly productive. We need to use techniques that have been used for years, such as lean, kaizen and six sigma, as well as all the up-to-date and improved productivity methods.

**Stewart Stevenson:** As the member has, like me, been in technology, he will perhaps remember the autobiography of Andy Grove, the chief executive of Intel, which is called "Only the Paranoid Survive", in which he talks about coming in on a Monday morning on several occasions and suddenly finding that his business had all but vanished. Are not flexibility and an ability to respond to rapidly changing circumstances an equally important part of what makes a real entrepreneur who will be successful for the long term?

**Chic Brodie:** That is required. Also required are the involvement and acceptance of all the workforce.

We have talked about skills investment. We have to expand our skills base. For example, we have to burst the gender bubble that says that it is okay for women to work on oil rigs in the North Sea as long as they do the catering rather than the engineering. I repeat the call that we certainly need many more women entrepreneurs.

In defining the focused markets, products and services and sectors that we wish to win, the big opportunity will be capitalised on only if we develop sales and marketing skills as per the action framework. That is a requirement, and it must be supported by our enterprise agencies. We

need to develop sales and marketing skills and language skills, and we need to understand international customs. If we do so, the world is our oyster.

I could speak about the issue with passion for days, never mind seven or eight minutes. We have a great opportunity and I believe that the action framework provides the basis for taking it. As I said, there is a need for recurring review. With private-backed public capital investment in new technologies and infrastructure, we can certainly improve. We need a continued focus on investment and people's skills and on having the right services and products. We need to improve productivity and increase the participation of trade unions, businesses, the third sector and communities. All that will help, as will enhanced population growth—in the current environment, I say that meaningfully and strongly. Consequently, we must also have realistic and proportionate equality of income.

Scotland can do, and Scotland will do.

16:14

**Elaine Murray (Dumfriesshire) (Lab):** I, too, am pleased to take part in the debate.

The Scottish Government's economic strategy states that the Government believes in a one-Scotland approach and that

"Increasing growth and tackling inequality are mutually supportive".

It would be difficult not to agree with that perspective. The stated actions to promote inclusive growth rightly include realising opportunities across Scotland's cities, towns and rural areas. The need to deliver more equal growth throughout the country is also acknowledged.

I hope that the Scottish Government will endeavour to ensure that the whole country benefits from economic development and that its performance indicators will include specific reference to rural areas such as Dumfries and Galloway—in fact, much of the south of Scotland—which has suffered for many years from economic disadvantage that has been difficult to resolve. I am not suggesting that that is somehow the fault of the current Government; it is a long-standing issue in the area.

The local Dumfries and Galloway economy is dependent on micro and small businesses. There is nothing wrong with that, but few of them grow to become medium-sized enterprises. Wages are the lowest in Scotland and GDP per head is low. Rural employment still tends to be in traditional rural industries and can be seasonal, low paid and insecure. There are challenges with accessibility and connectivity, which vary throughout the

region, a shortage of affordable housing and relatively high levels of fuel poverty.

Many microbusinesses are not able to benefit from the apprenticeship programmes. As I have mentioned in previous debates, that could be addressed by enabling small businesses to share an apprentice with another local business of a similar nature. I hope that that can be taken forward.

I welcome the significant investment in broadband in the region by the Scottish and UK Governments and Dumfries and Galloway Council. It is starting to make a real difference in parts of the region, but we still have problems with mobile phone coverage. In some fairly well-populated towns and villages, such as Lochmaben, which is in my constituency, it is still difficult to get any mobile signal, never mind 4G coverage.

In preparing for the debate, I was interested to read in the briefing from Universities Scotland about the success of our universities and the work that they are doing on knowledge exchange and the creation of new businesses. That is a change in culture since the days when I was involved in academic research.

I see that Roddy Campbell is not in the chamber. I was involved at one time in using lasers to examine the structure of free radicals. In those days, pure or basic research was sometimes considered to be somehow morally superior to applied research. Of course, high-quality pure research is still valuable and Scottish universities remain extremely successful in those fields—long may they do so—but the ability of research to drive enterprise has been better appreciated over the years.

That change of culture is partly due to national action over the years, such as: the creation of a Scottish Institute for Enterprise in 2002, which promotes entrepreneurship among students; the increasing provision of incubation space and support by several of our universities; and collaborative ventures between universities to support postgraduate students who wish to start their own businesses.

The Universities Scotland briefing cites examples of how universities can be the drivers of city development but—to return to the issues that face areas such as Dumfries and Galloway—I hope that they can also be the drivers of town and rural development. For example, the universities that are already established in Dumfries and Galloway are promoting clear synergies, such as in aspects to do with the demographics of the region.

Sometimes, people talk about the older age profile of the population in Dumfries and Galloway as if it were a problem, but it is also an opportunity

to develop the most innovative services and methods of support for older people and involve older people in their design. As the demographic of much of the first world ages, that development provides opportunities for our region to become a centre of excellence for services to older people. There are real ambitions in Dumfries and Galloway to drive that forward.

Similarly, the development of renewable energies, coupled with the expertise of researchers in the Crichton Carbon Centre, provides opportunities for the region to develop new techniques and business opportunities not only in generation but, importantly, in energy conservation.

Already, some excellent research on tourism has been performed at the University of Glasgow campus in Dumfries. Dumfries and Galloway College has also recently opened new facilities at its main campus at the Crichton that will support the new hospitality course that is about to be offered there. The Cabinet Secretary for Education and Lifelong Learning had intended to come to open that but, unfortunately, was not able to do so at the last minute. I hope that members of the Government will be able to see what is on offer at Dumfries and Galloway College.

Tourism is important to the region and is the focus of many of its micro and small businesses. I still think that we could do better in helping businesses to work together to attract visitors to the area. Dumfries and Galloway is next door to the lake district, which I visit on occasion—the last bank holiday being one. When I go there, I am frustrated and envious when I see the number of visitors who are attracted into the area.

**Stewart Stevenson:** Does the member share my excitement at one innovation in Dumfries and Galloway: the book town, which demonstrates the idea that towns can develop specialisms even if they are remote and comparatively small? Perhaps lessons about entrepreneurship arise out of Dumfries and Galloway's book town experience.

**Elaine Murray:** The member is correct. There are a number of other ventures, such as the 7stanes project—the mountain-biking trail throughout the south of Scotland—that bring visitors into the area. However, as I say, when I go to the lake district, I can see the difference between the congested roads there—whatever the time of year, visitors pour in—and our ones. I just wonder what we can do to bring some fraction of those visitors just a wee bit further north up the M6 and M74 and into Dumfries and Galloway to enjoy our quieter but equally beautiful area.

Infrastructure improvements are key to ensuring that Dumfries and Galloway can do what we want Scotland to be able to do. At times of economic

restriction, every opportunity to attract external and additional investment must be taken. The south of Scotland has lost out on European funding that could have been used to improve infrastructure and accessibility, as the region is not a NUTS II—nomenclature of territorial units for statistics—area, despite many of us campaigning for that the last time around. Under the current designation, the low GDP of rural south Scotland is hidden, as it is included in the same designation as Glasgow and Edinburgh. It would be helpful to the south, and no disadvantage to anywhere in Scotland, if south Scotland were designated as a NUTS II area on its own.

**Stewart Stevenson:** I apologise, as this intervention is going to be fairly eccentric, but I just wonder whether the fact that the road appears to be different—with the M6 becoming the M74, even though it is the same road—might actually be, psychologically, a little barrier for people in the lake district. I have just thought of that, off the cuff.

**Elaine Murray:** I have to say that I have never thought about whether the name of the road was the issue.

I do not make these arguments to complain or moan about our hard lot. I think that there are real opportunities for my constituency and the region in which it is situated, but they will not be realised unless specific actions that are tailored to the needs of a rural area are now understood and taken.

I would also like to reiterate some of the points that were made by Graeme Pearson. Progress needs to be measured. The Government should challenge itself by setting timescales within which its actions should be taken, so that we can measure success.

16:22

**Dennis Robertson (Aberdeenshire West) (SNP):** Our biggest asset is our people. There is no doubt about that. Our people are as diverse as the opportunities that are there for them.

The oil and gas industry is probably the largest industry in my constituency of Aberdeenshire West. However, it would not survive without the diversity and support of the other pieces of infrastructure in that chain, right down to the people who open a sandwich business to support the workforce or the person who sees that there is a lot of glass in the office buildings and becomes a window cleaner.

The reason why I say those things is because we need to look at the opportunities that are in our communities for our young people. In the curriculum for excellence, there is some emphasis on having our teachers help to guide our young

people towards the opportunities in and around their environments. That influence is sometimes stifled and smothered and perhaps even kicked out of the park by the pupils' parents, who might say, "No, don't have that ambition." Of course, however, they can say the opposite.

I am coming at this debate from the point of view that young people often need to make up their own minds and think about the opportunities that they want to take advantage of.

Recently, during apprenticeship week, I visited Milton Brasserie in Crathes, near Banchory, in my constituency. A young chef there has an ambition to go to China, learn the trade and come back and open his own restaurant. That is fantastic. He is doing something that he wanted to do. He is not in oil and gas, and his profession was not there in his family; it was something that he felt that he wanted to do. The opportunity came along through an apprenticeship.

We need to nurture diversity within our communities. Some of our communities can grow without internationalisation of exports, although that would be extremely welcome. Sometimes we just need to look within our communities. When I looked at the Government's fresh start programme for our hotels, restaurants and pubs, I thought that some of those businesses closed in our communities because they were too expensive to run. Perhaps we need to look at how we support them. Certainly the small business bonus scheme helps small businesses to grow.

Mark McDonald mentioned VAT, which obviously we cannot tackle in this Parliament, but if we are going to encourage small industries to have a sense of growth and purpose, and have opportunities to develop, we need to look at what is there and what obstacles are keeping them back. The opportunities can be there, but we need to be able to nurture our young talent in the direction in which it wants to go.

My constituency has the lowest unemployment in the country, but we have had troubled times recently in the oil and gas industry. However, that has been an opportunity for many to look at what is going on within their own communities. Some engineers, for instance, are looking at opportunities in the public sector or at starting their own business. It has been the same for people coming out of the air force who use their skills to go into the oil and gas industry or, indeed, renewables.

The Government bodies are doing their best to encourage our young people in the direction in which they would wish to go. Skills Development Scotland does, I believe, provide opportunities and mentoring for some people. However, the Economy, Energy and Tourism Committee is

holding an inquiry into the creative industries, and we heard that although someone might have an idea—for a software programme in the games industry, for example—because of their course they have no skills for setting up a business and no idea about getting the finance that they need. We need to look at what our universities and colleges are doing when we are looking at providing our young people who hope to go into the business world the opportunity to do that.

Recently the Falls of Feugh restaurant, in my constituency, was voted the best restaurant in the north-east. I mention that because it encouraged tourism in that area. We need to nurture tourism in Scotland. People love to come to our country, not just for our scenery and weather but to explore our culture. If we are going to protect our tourism, we must ensure that there is a gateway open to our young people to embrace that. It is not all about that big business idea; it is not all about going into oil and gas. We need to look around us to see what opportunities are there.

It may well be that someone starts off in one direction and perhaps goes in another later. We have a fantastic, diverse country, and our young people are fantastic and diverse. I think that we will. We will because we can do.

**The Deputy Presiding Officer (John Scott):**

We move to the closing speeches. I remind all members who took part in the debate that they should return to the chamber now or as soon as possible in order to be in for the closing speeches.

16:29

**Murdo Fraser:** This has been a wide-ranging debate. We had Roderick Campbell referencing “Star Trek”, Stewart Stevenson on the snoopers charter, John Mason promoting swimwear and Chic Brodie heralding an Ayrshire gold rush. Fans of the “Toy Story” film franchise can look forward to a new character doll—Chic the Prospector—being in the toy shops in time for Christmas.

The fundamental question that I raised at the start, which is addressed in my amendment, is: why are we lagging behind other parts of the United Kingdom? A number of members referred to that point. Margaret McDougall referred to the good work that is done by Entrepreneurial-Spark and, in particular, its programme of opening hatcheries across the UK with support from RBS. She referenced the one in Ayrshire, but they are happening elsewhere in Scotland and the United Kingdom and they are of great value.

Anne McTaggart referred to our legacy of innovation in Scotland, which makes it perhaps all the more extraordinary that we have come to this pass today where, despite the great long list of Scottish inventors and scientists, whom we can all

name, we are not doing as well in entrepreneurship as other parts of the UK are.

Some members attempted to identify reasons for that. Mark McDonald raised the distance of businesses in the north-east from markets. Elaine Murray talked about problems in rural areas, such as the south of Scotland, and the challenges that they face in connectivity, broadband and mobile phone coverage, which are familiar to all of us who represent rural areas.

Perhaps the most thoughtful attempt to address the question came from John Mason, who talked about a cultural issue that faces us—perhaps we have grown up in a culture where the norm is being the employee, not the employer and not an entrepreneur. Do children in schools grow up in an environment where it is seen as being the norm to leave school and get a job rather than go and start a business? Do we have an issue to address in schools?

The family environment is also important, where people have grown up working for others and are not necessarily attuned to the concept of going out and working for oneself. Dennis Robertson talked a moment ago about the role of parents, who perhaps do not always support those who want to be entrepreneurs and try to push their children down a particular route, such as getting a job and a career in the professions, rather than setting up their own business.

All that takes me back to the point that I made in my opening speech, which is that we need to understand properly what is behind this. Why are we not doing so well? Maybe we need research on that from the Scottish Government or one of its agencies to understand why we are not making the progress that we should be making. All the best strategies in the world will not deliver the success that we need if they are not underpinned by a proper understanding of the fundamental issues.

One point that came through strongly from a number of speakers is that we need to change the culture, starting with young people. Many references were made to the Prince's Trust. The Deputy First Minister mentioned the announcement of funding resource for a new centre in the west of Scotland, which is welcome. The trust has an excellent track record. Under a previous guise as the Prince's Scottish Youth Business Trust, the organisation was well known for advising young people, helping with sourcing funding and providing mentoring. That has had an enormous impact on a generation of young entrepreneurs.

Rod Campbell mentioned the young innovators challenge, which is part of the can do strategy.

That is also important in encouraging young people into entrepreneurship.

There is a role for the colleges. The Deputy First Minister mentioned the bridge 2 business programme in further education colleges, which is delivered by Young Enterprise Scotland. In its research, the Carnegie UK Trust found that three out of four further education students agreed that more opportunities to meet local successful businesspeople would be beneficial. More than 80 per cent who participated in an enterprise activity with a local entrepreneur at college found that useful, but only one in three further education college students had been invited to such an encounter, which suggests that there is a lot of work still to do.

The Carnegie UK Trust is calling on the Scottish Government to support schools, colleges and universities to develop stronger relationships with the local business community. It is keen to promote the use of alumni networks to bring local entrepreneurs and young people together to inspire and inform young people about the realities of business start up.

**Dennis Robertson:** Does Murdo Fraser agree that there should be a partnership and that it is the role not just of the Government but of business, Government and all sectors working together to ensure that such work happens?

**Murdo Fraser:** Yes. I am happy to agree with Mr Robertson. We need all partners to come together and help out.

I will touch briefly on the role of universities. Rod Campbell reminded us of the good research work that is being done at the University of St Andrews. We know that Scottish universities punch above their weight on research. They perform better than those in the UK as a whole, and research is fundamental.

However, we also need knowledge exchange. Scottish universities are working with 20,000 Scottish businesses and 10,000 businesses outside Scotland. That total includes 13,000 Scottish small and medium-sized enterprises. We in Scotland have more spin-outs from universities than any other region in the UK has, including London. Eight innovation centres have been established in areas such as construction, biotechnology, aquaculture, and oil and gas.

The Scottish Institute for Enterprise, which was set up in 2002 and was established with support from Scottish Enterprise and the funding council, has increased the number of students who consider entrepreneurship to be an option during and after their studies. Every Scottish university is taking part in that initiative. Competitions and events are run for students to ensure that they understand entrepreneurship and are equipped

with the necessary skills. Some universities have entrepreneurs in residence and some—such as the University of Edinburgh, Edinburgh Napier University and Abertay University in Dundee—provide incubator spaces for new businesses.

Role models are essential. Mark McDonald mentioned businesses in his constituency and a chocolatier. I simply observe that, given his newly slimmed-down version, he has not been sampling enough of its products.

John Mason said that we need to have such role models in schools. That is right, but we need to accept that entrepreneurs are busy people and that their priority is their business. That is about making money and providing employment, so we have to be sensitive to the demands on their time when we ask them to help improve the culture for others.

There are many success stories and there are areas in which we are leading the world. We have heard about the creative industries, which the Economy, Energy and Tourism Committee recently produced a detailed report on. Clare Adamson talked about Skyscanner and FanDuel. They are two world-leading, innovative businesses with international markets that are based here in Edinburgh and which provide employment with the skills here. Therefore, we can lead the world in certain areas, but we need to do more of that.

If we can emulate the best, we can build entrepreneurship in Scotland. We are doing some of the right things. The can do strategy is a step forward in the right direction but, as the figures show, there is still a long way to go.

16:38

**Jackie Baillie (Dumbarton) (Lab):** The debate has been interesting, and there has been much agreement on what we should do to support entrepreneurship and innovation in the Scottish economy. I confess that I did not expect to hear discussion about Napoleon, “Star Trek”, unicorns, colostomy bags and umbrellas for whirligigs. That is testament to the innovation and creativity of members of the Scottish Parliament.

In all seriousness, John Swinney is right: we should be ambitious for our country and our economy. At the heart of the debate is the importance of education—encouraging our young people to know that they can do and achieve anything, not to limit their thinking and to understand that working for oneself, being bold and innovative and creating wealth are all positive things to do.

I well remember the young enterprise group at Dumbarton academy, which managed to separate me from £40 for a game. The game was fantastic,



but what was more valuable was the lessons that the group learned in the process about the creativity that is needed to generate ideas; the ability to transform a good idea into something that people want to buy; the marketing of a product; and ultimately persuading people to part with their hard-earned cash. I know some of those young people, who have taken those lessons and applied them in college, university and life. I am hopeful for their future and for ours.

Like other members, I will reflect on the past and setting our sights high. I echo what Roderick Campbell and Anne McTaggart said. A quick look at our history gives us a taste of the breadth and importance of our enterprise and innovation.

We are proud of the achievements of innovators, from Alexander Graham Bell's creation of the telephone to Helensburgh citizen John Logie Baird's creation of the television; from James Watt's steam engine to current-day Pelamis wave energy converters; and from Alexander Fleming's discovery of penicillin to modern genetics, with Dolly the sheep at the Roslin institute of Edinburgh university. Who knew that Scotland invented stamps, postmarks and postcards too? We have a proud history, but it is to the future that we should turn.

If we ask members of the business community what they would like to encourage enterprise and innovation, many of them simply say that they would like a supply chain of well-educated, ambitious and confident young people to emerge from our education system—both as skilled people who they can hire and as entrepreneurs of the future who can create the business and opportunities that we all seek. More than anything, they would say that that is about confidence, drive and—as the Government would observe—a can do attitude.

In that context, I do not want to strain the consensus, but I gently point out that the challenges that are faced in Scottish education are not conducive to creating a confident and skilled workforce. The fact that our levels of reading, writing and maths are declining rather than improving must be a concern to us all. I am pleased that the First Minister recognises that, because we know that the level of inequality hampers our economy, enterprise and innovation, and the progress of our young people, too.

Organisation for Economic Co-operation and Development research suggests that inequality has cost Scotland an estimated 8.5 per cent of gross domestic product over the past 25 years. We want economic growth, we want a strong and prosperous economy and we want enterprise and innovation. Education cannot be just a social policy; it must be part of the Government's long-term economic strategy.

I recognise and applaud much of the work that universities have undertaken to encourage innovation and to work in partnership with entrepreneurs and business. Taking theoretical ideas and concepts to the market and doing so in collaboration is key.

We know that universities punch above their weight in the quality and amount of research that they do. We know that they work with about 20,000 businesses in Scotland each year. They are more effective at producing spin-outs than universities in the rest of the United Kingdom are. However, they tell us that research funding has been cut by £12.9 million and that the global excellence fund has been abolished. It would help to understand that and whether the Government will consider reversing that.

I turn to other issues that were raised. John Swinney outlined the Scottish EDGE fund's purpose of providing a boost for companies to realise their goals. It operates very much as a private-public sector partnership. There is much to be welcomed there, and the initiative has been well received by the business community, as it has made a difference to its potential and actual growth.

Murdo Fraser talked about public agencies and asked whether we have too much institutional clutter. I will leave that to the Economy, Energy and Tourism Committee to mull over, but I echo some of his comments, because I have heard positive feedback about Scottish Enterprise and Highlands and Islands Enterprise, particularly from the account-managed businesses. Many, if not all, of the account managers now have expertise in the businesses that they are supporting and partnered with, which has made a huge difference.

At the local end, business gateway provides excellent advice and support in some areas, but the offering is not met with such positivity in others. I hope that the cabinet secretary will take the time to ensure better consistency and at least minimum standards that businesses can expect, whatever part of Scotland they are in.

Graeme Pearson talked about better measuring the things that we do. I whole-heartedly agree with him. We need rigorous monitoring to establish whether the commendable actions in the can do framework produce the results that we want. We cannot afford to be complacent. As others have pointed out, our business start-up figures appear not to be as good as those in other parts of the United Kingdom. Perhaps our businesses are more sustainable, but we do not know unless we measure outcomes, rather than simply inputs, better.

Scotland is a small country, which I regard as a positive thing. We are fleet of foot. If something

does not work, we can ditch it and do something better that works, and we can do so quickly. I will illustrate that by touching on innovation centres. There are eight of them and they cover everything from oil and gas innovation to stratified medicine. With Scottish Government investment of £124 million over six years, and an expectation of creating 5,000 jobs, they are an important area of work.

However, we do not appear to be focused on the outcomes that have been or are likely to be achieved. The only jobs that have been created so far, rather than the 5,000 that were anticipated, appear to be in running the innovation centres. It is genuinely difficult to determine whether innovation centres are a good or a bad thing, because we do not measure the outcomes effectively. That is just one example; there are others. Nevertheless, I genuinely hope that the Scottish Government will consider the initiative further, because there is a shared and collective interest in making sure that we get it right.

Graeme Pearson talked about stability and dependability. It is interesting that, whatever businesses I speak to—whether large or small, new or more traditional—they all say the same thing: they want certainty. That is not always easy to guarantee, and they often express that wish in different ways, but they tend to say that they want the environment to be stable, supportive and predictable—those are the words that they use. In that context, they find the prospect of an EU referendum particularly distressing.

I wonder whether the cabinet secretary has done any analysis of the potential impact of an EU exit on jobs and exports. The EU matters to the Scottish economy and I am extremely supportive of it. We need to understand the facts, and I hope that the cabinet secretary will be alive to conducting some of that analysis. I will not mention other referenda, but we need to ensure—where we can, whenever we can—that we create a stable framework in which business can flourish and investment decisions are made in Scotland's interests.

I will conclude by turning to the subject of women. Let us not forget their contribution, which Linda Fabiani and Siobhan McMahon touched on. Siobhan McMahon was right to talk about STEM subjects and the difficulty that women have in getting on to part-time courses at college. I pay tribute to Women's Enterprise Scotland, whose purpose is to create an entrepreneurial environment in which women-led businesses can grow and flourish. It is important to our economy that we close the gender gap, as there are really low rates of participation in entrepreneurship among women.

The statistics tell us that only 21 per cent of Scotland's 340,000—I think—SMEs are led by women and that men are still twice as likely as women are to start businesses. I recognise that as an international problem, but our rate of female business ownership is persistently low when compared with rates in similar high-income countries. There is much work to be done on that.

As John Swinney rightly pointed out, if women's business ownership rate was equal to men's, we would have something like 108,480 extra businesses, which would represent a 32 per cent increase in our business base and lead to an increase of £7.6 billion in GVA, to a staggering £13 billion. That would be 5.3 per cent growth in the Scottish economy, so we cannot afford to ignore it.

John Swinney talks about a renaissance in entrepreneurship. Let us make that happen for women, men, all our current entrepreneurs and, I hope, all our future ones, too.

16:48

**John Swinney:** It has been an interesting afternoon during which we have had the opportunity to reflect on the issues of entrepreneurship, innovation and support for business development in Scotland.

Mr Fraser has highlighted—both in his amendment and his speech—areas of historical weakness. However, if we look back further into our history, we stumble across a variety of examples of the innovation for which Scotland is renowned. Colleagues across the chamber have reflected on some of those. Indeed, I am reminded that the US author Arthur Herman wrote a book entitled "How the Scots Invented the Modern World". Although some business statistics in the recent past may have given us cause for concern, there is a substantial backdrop of strength on which we can build.

That is not to deny the fact that we must intensify our efforts to encourage and support new business creation in Scotland—that is precisely why we are having the debate and it is why we formulated the can do framework. I am pleased to see the degree of progress that we are now making.

The latest registration figures show that there were 21,540 new business registrations in 2013, which represented an increase of 23.9 per cent on 2012. Between 2008 and 2013, the number of business births in Scotland increased by 32.8 per cent, compared with an increase of 29.6 per cent in the UK as a whole. I deduce from that data that, although there might have been a historical issue in relation to the level of business start-up and business growth in Scotland, the renewed focus

on the issue and the putting in place of intensified support are having a beneficial effect.

I do not claim all the credit for that for the Government. Much of that is to do with the way in which different organisations have responded constructively to the appeal that we have made for the strength of the thinking that exists across Scotland to be drawn together so that all the support that is necessary is in place. Siobhan McMahon made the point that great strength can be drawn from the way in which we draw together the roles of different organisations and agencies to put in place the right support, and I agree entirely with that analysis.

**Murdo Fraser:** In view of the comments that a number of members have made, does Mr Swinney agree that more work needs to be done to understand why our business birth rate has lagged behind that of comparable parts of the UK over recent decades?

**John Swinney:** I am not sure that an additional research process is required, because a lot of good work has been done in that area, particularly by the Hunter Foundation and the University of Strathclyde's centre for entrepreneurship. They have largely covered the ground in which Mr Fraser is interested. What I take from that research base is that some of the issues that Mr Mason raised and the existence of a culture of a preponderance of employment over self-employment created the backdrop to the performance and the pattern that we have seen. The evidence that the centre for entrepreneurship has produced largely reinforces that.

Instead of rehearsing all those arguments, we need to concentrate on identifying the initiatives and the approaches that would help us to tackle that issue. In that respect, Graeme Pearson invited us to be a listening Government. I simply quote Sir Tom Hunter, who, in his foreword to the "Global Entrepreneurship Monitor: Scotland 2013" report, which offers a very helpful and informative analysis of the points that interest Mr Fraser, said:

"The Scottish Government has shown it's not only listening it's acting—Scotland Can Do and the Edge Fund are great examples of that action."

We are very open to finding ways in which the constructive activity of Government can help to address many of those questions.

**Graeme Pearson:** The comment that I made about a listening Government was not meant to be overly critical of the Government's current approach. It might well be easy for Sir Tom Hunter to speak and be heard; I was making an invitation to ensure that small entrepreneurs who are just beginning their journey are heard. We should encourage that development for the future for the

thousands of small entrepreneurs whom we seek to bring on side.

**John Swinney:** I agree with that point. I and a number of my colleagues have regularly been involved in the presentation of the awards in the EDGE fund process, which is an extremely informative way of finding out how difficult it can be in practice for companies to get going. In relation to the size of the awards that are made by the EDGE fund, it had not struck me that, for a new-start entrepreneur, sums of money of the order of £20,000 can be the difference between making it and not making it. Ordinarily, I might not have thought that a sum of money of that magnitude would have been so critical, but I know from talking to some of the companies that have made that journey that it provides a substantial boost to their activities. I agree with Mr Pearson that we must understand such perspectives so that we can properly reflect them in the delivery mechanisms that we put in place.

A number of members observed the necessity for us all to be "joined up", and I accept that point. The Government will endeavour to ensure that wherever an individual interacts with the system, they get the quality of advice and signposting that enables them to make progress.

Linda Fabiani cited a number of organisations and different business structures that have emerged and have made a significant contribution to the economy. She mentioned—this is relevant to the point that John Mason advanced—the work of Mick Jackson through the WildHearts organisation and micro-tyco, which encourages school pupils to take very small sums of money and find ways in which they can further entrepreneurial ideas. I commend that idea to the Parliament.

Margaret McDougall, Siobhan McMahon and Jackie Baillie raised the issue of women and entrepreneurship, and I hope that I paid due account in my opening remarks to the significance that I attach to that issue. It is not something in which we can take a great deal of comfort as we have a big challenge to overcome, but I commend the work of Women's Enterprise Scotland. That is a self-start group of women who have taken the initiative and it recently culminated very happily in Margaret Gibson—one of its key members—being awarded a Queen's award for enterprise, which is an enormous, worthy and appropriate commendation. Following the point that I exchanged with Graeme Pearson, it is important that we listen carefully to the issues that emerge from that discussion and find out whether there are ways in which we need to change provision to ensure that we can be more successful.

Stewart Stevenson gave a warning on what I would describe as the unintended consequences

of legislation, but it was wise counsel regarding the implications of the investigatory powers bill and how that could undermine the strength of the business environment in Scotland. Elaine Murray and Roderick Campbell concentrated on superfast broadband availability in rural Scotland and, I accept, parts of urban Scotland. I am fresh back from a meeting of the Convention of the Highlands and Islands, where I was engaged in extensive discussions on the major issue of the availability of superfast broadband. For me, that is one of the key tools that will enable us to encourage business growth in Scotland.

One characteristic of the new-start business community in Scotland today, compared with 20 years ago, is that most in that community begin their activities believing that they are global businesses. They have technology at their fingertips that enables them to trade wherever they like because of digital connectivity. We must ensure that that is available—and credibly available—everywhere and I reassure the Parliament that we are making good progress in that respect. Dr Murray made a point about Dumfries and Galloway, and I was glad to hear it because it is an issue that I have discussed at length with the south of Scotland alliance, which is anxious to ensure that these issues are progressed. Digital connectivity is a key instrument in how we take forward our business development agenda so that organisations have access to credible broadband technology. Dr Murray also made a point about credible mobile phone technology and, having spent large parts of my life in rural Scotland, I encourage that perspective.

Jackie Baillie made a point about the opportunity that exists for us to exercise a fleeter foot because we live in a small country, and I hope members look at the can do framework and see some of those characteristics implicit in our preparations. We have been able to absorb good ideas that were advanced to us by individuals in Scotland—a principal one was our approach to the Scottish EDGE fund, which I think has made a significant difference in improving prospects for the new start business community in Scotland. We have been responsive to the emerging ideas of the business community, and we will continue with that. Fundamentally—this is the cultural point—we need to encourage the aptitude of individuals who wish to become involved in business and make a constructive contribution. That lies at the heart of our approach.

My final point is about uncertainty. Jackie Baillie closed on that, and there was a lot of talk about it in the run-up to the independence referendum last September. I simply point out that the Ernst & Young analysis of investment that came out just last week made it crystal clear that Scotland enjoyed very strong levels of investment, second

only to the investment performance of London and the south-east, for the third year running. That demonstrates that Scotland is an attractive place in which to do business.

## Decision Time

17:00

**The Presiding Officer (Tricia Marwick):** There are two questions to be put as a result of today's business. The first question is, that amendment S4M-13338.1, in the name of Murdo Fraser, which seeks to amend motion S4M-13338, in the name of John Swinney, on Scotland can do: a framework for entrepreneurship and innovation, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### For

Buchanan, Cameron (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Davidson, Ruth (Glasgow) (Con)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Harvie, Patrick (Glasgow) (Green)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 McArthur, Liam (Orkney Islands) (LD)  
 McInnes, Alison (North East Scotland) (LD)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Wilson, John (Central Scotland) (Ind)

### Against

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Allard, Christian (North East Scotland) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunningham South) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Keir, Colin (Edinburgh Western) (SNP)

Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

### Abstentions

Baillie, Jackie (Dumbarton) (Lab)  
 Baxter, Jayne (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Finnie, John (Highlands and Islands) (Ind)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hilton, Cara (Dunfermline) (Lab)  
 Kelly, James (Rutherglen) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)

**The Presiding Officer:** The result of the division is: For 19, Against 58, Abstentions 31.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S4M-13338, in the name of John

Swinney, on Scotland can do: a framework for entrepreneurship and innovation, be agreed to.

*Motion agreed to,*

That the Parliament acknowledges the progress that has been made to date in implementing the Scotland Can Do framework, which makes clear Scotland's ambition and sets out the priority areas where the Scottish Government continues to support and act to see Scotland become a world-leading entrepreneurial and innovative nation, a can do place for business; commends the collaborative impact of all the stakeholders in the Scotland Can Do ecosystem to date, and welcomes the enthusiasm and commitment received at the inaugural annual Scotland Can Do assembly on 20 February 2015.

## Youth Football

**The Deputy Presiding Officer (Elaine Smith):**

The final item of business today is a members' business debate on motion S4M-13199, in the name of Chic Brodie, on youth football's contribution to men's and women's football. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament recognises the contribution made by youth football to developing both men's and women's football in South Scotland region and across the country; considers that creating the right environment for developing players is important in all levels of youth football, and believes that youth football can not only develop players in a sporting manner but also in terms of teamwork, discipline and drive.

17:03

**Chic Brodie (South Scotland) (SNP):** It is normal practice in members' business debates to say that one is delighted, even privileged, to bring the debate to the chamber. Tonight, against the background of the maelstrom of this week's international criticism of global football management, I am not so determined or indeed delighted. However, I thank Murdo Fraser and James Kelly for supporting the debate. I know of their personal interest in the game and their inherent personal fairness.

In life, we have many dreams, and to achieve a personal desire or aspiration is inspiring. We sit here, if not to make, then certainly in the hope that we will achieve, just one significant change that may affect positively even one person's life, perhaps that of a child, and to do so is humbling. That is what I hope we will effect tonight—a start to eschewing and stopping the exploitation of children's dreams and a start to making football a beautiful game again. I say "again" because it has, in this area, turned ugly.

First, I thank those who, for many years, have kept that dream alive and that flame burning. I thank Willie Smith and Scott Robertson of RealGrassroots, who are with us tonight, their consultants and advisers, the fantastic European youth football advisers in FIFPro, and other national professional advisers and consultants whom I have been privileged to meet. I thank also Scotland's Commissioner for Children and Young People, which conducted its recent review of this subject purposefully, professionally and independently.

Behind the great wall of support for football and our total and unwavering faith in our national team, there lies a very dark corner, wherein lies the reason why our ultimate goal and our progress towards it is limited by our inability to produce our

inherent national football skills. As young women embrace our national game, that is becoming increasingly important.

In challenging the usual *modus operandi* of members' debates, tonight we seek answers and change. Let us start with the cherry picking by some clubs of potentially talented young footballers—children, some as young as six but more generally 10 or 12, who have only one thought and one place on their minds, be it Celtic Park, Ibrox, the Bernabéu, Old Trafford, or even their local professional park—only for them to be cast aside a few years later as not good enough and their dreams turned to nightmares.

There are a few exceptions: the 15 and 16-year-olds with huge ability and skills and, to some, even greater investment potential. Those young people, overenthused, in some cases by their parents, engage in contracts with clubs that are not worth the paper they are written on; in some cases, those contracts, registration forms and now, apparently, commitment letters, do not meet United Kingdom or European legislative standards. When I met our national skills agency to talk about professional apprenticeships in football, I was told that the registration forms for young people in football today were worthless and that the agency was considering its continued financial support. The contracts and registration forms are Exocets, aimed at the dreams of the young and their parents. For example, it cannot be right for an 18-year-old, so contracted, to be denied the ability to play for his university because of an alleged contract that is the basis of challenge.

It is not only the legal basis of those arrangements that we challenge. I have become aware that professional football clubs in Scotland have been contracting and paying young players less than the minimum wage, in contravention of the National Minimum Wage Act 1998. As a result of correspondence, I have detailed information from the Department for Business, Innovation and Skills and HM Revenue and Customs to support that fact. That announcement will have much wider implications elsewhere. To contract a player to a club and pay him £1 a week is in contravention of the 1998 act—as is paying anyone less than the minimum wage—and the contract or registration will not apply. That is a serious but confirmed legal interpretation, which, as I say, has wider implications outside football.

The additional restriction under the Human Rights Act 1998 of personal freedom of movement without appropriate transfer rights is also a major breach of civil rights under European law. Remember that we are talking about children. I lay that primarily at the door of our major football club organisation, with its subservience to the clubs,

and its apparent lack of monitoring of those clubs and total disengagement with this Parliament and its organisations. When I asked the Scottish Professional Football League about the minimum wage and its engagement with the consultation that is being prepared by the children's commissioner, it said in a letter to me dated 29 January that it was "unaware" of the wider consultation. Well, it should have been aware of it.

Data that I received from the Scottish Parliament information centre indicates that the football authority agreed to deliver an integrated and four-year-cycle plan—an investment plan—and, in the course of that, sportscotland invested over the period 2011 to 2015 £5.5 million, including for a network development centre to support the best young grass-roots players. I shall seek an audit trail of that expenditure to determine the return on the investment, although I accept that some of it will be *bona fide*.

Many questions arise, not least whether we are following the robust guidance of FIFPro, UEFA and the football trade unions and whether we will we now listen to the wise words of the valued children's commissioner and his report "Improving youth football in Scotland", which has the commendable headline:

"I would like to have control over my life and do what I want to do."

Or do we sit back and allow the directors and the agents, to whose actions we shall turn in the future, to treat children as "commodities", as the commissioner put it in 2011, which are now subject to financial raids from clubs south of the border? An attitudinal change in youth football in Scotland is now required.

Dickensian we are no longer, and children's rights will be protected. There should be—there will be—no circumstance in which the state or associated bodies should invest resources or finance that violate those rights. Those involved are—I repeat—children, not investments or commodities, and they too have rights. Football in Scotland shall now return to its roots and belong to its fans, our young footballers and our collective dream. If the current administrators of Scottish club football and, by default, Scottish youth football cannot themselves make the required changes to meet those rights, we shall seek to pursue a statutory course and underpin current legislation that does so. We will not wait a further five years to do so.

**The Deputy Presiding Officer:** As this is a popular debate, I ask members to keep to four-minute speeches, please.

17:11

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** I congratulate Chic Brodie on bringing forward this important motion. Like him, I will start with the issue of football for those aspiring to play in the top bracket. However, I think that the motion also invites us to consider football for a much wider range of young people.

The debate is very timely, given the children's commissioner's report in which he rightly emphasises as a central theme that we must take account of young people's rights when it comes to the contracts that they sign with the big football clubs. That is the main concern, but it is also worth observing that the clubs have perhaps not been very good in general at bringing on young people in terms of realising their potential. Perhaps Hibs—Hibernian Football Club—which is my own club, is an exception to that, because it has done very well in terms of bringing on young people. However, all the top clubs have to listen very carefully to what Chic Brodie and the children's commissioner are saying about the rights of young people who sign up for them, particularly the right to have control and to be able to leave when they want to. It is one of the commissioner's recommendations that young people should be able to leave by giving 28 days' notice.

It is particularly appalling that, after they are 15, some young footballers are stuck with a club and cannot move to another club or, for example, play for their university, as Chic Brodie said. Chic Brodie has highlighted big issues and we have had quite a lot of publicity about them over the weekend from the papers and from the commissioner's report. I hope that some momentum will build up around the central theme of this debate.

As I said, I also want to consider football for a much wider range of young people, both boys and girls. I will use two examples from my constituency because I am lucky to have two outstanding examples. I will start with Leith Athletic Football Club, which involves about a couple of hundred young people in teams of varying ages, from the early years of primary right up beyond the school-leaving age. In particular, I congratulate the under-21 team, which won its third trophy in a matter of a few weeks only on Saturday.

The club is a splendid example of a large number of people in the local area being supported by a youth football club. The main point that I want to make about that is that the club does a great job but really needs more financial support. There are big challenges for the Scottish Football Association with regard to whether it is going to support youth football, and perhaps there are challenges for the Government, too.

The other example is that of the Spartans Community Football Academy, which is a social enterprise based at Ainslie Park in the Pilton area of my constituency. The academy is the charitable arm of the highly successful Spartans Football Club.

At the top of the club's website page are the words:

"Live together. Play together. Win together."

A massive number of young people are given an opportunity to participate in football there and they can stay there for several years. The words "Live together" emphasise the wider aims that the club has, because it wants to strengthen community cohesion—for example, through specific initiatives for ethnic minorities—and to have a positive impact on social targets such as health inequalities, increased employment opportunities and crime reduction. It has been an outstanding example of youth football for the many.

In my final minute, I must talk about girls and women. Girls are involved at Spartans, for example, and we need to do a great deal more to encourage girls to have opportunities in football. One important initiative is that the Scottish Football Association joined UEFA's women's football development programme, which is a project to promote role models and ambassadors as a way of encouraging girls to be involved in football. Specifically, members of the Scottish women's national team were selected as ambassadors, to raise the profile and support of the women's and girls' game. Those players attended workshops and then went on school visits and to grass-roots festivals that had been arranged for them.

That is one example of how to increase participation in girls' and women's football in Scotland at all levels, but we need a lot more initiatives. Girls must not be deprived of the opportunity. I know that more play than did in the past, but there is a lot more to do and we should not forget that aspect of the topic.

17:16

**Kenny MacAskill (Edinburgh Eastern) (SNP):**

I declare an interest as the chairperson of Hibernian Supporters Limited, a company established for the ultimate ownership of Hibernian Football Club by its fans.

I thank Chic Brodie for bringing this debate to the chamber. It is opportune, but I believe that the glass is half full, not half empty. Although there are issues troubling Scottish football, the game certainly remains strong at the grass roots and that is what we need to support. It is important to thank, as Malcolm Chisholm has done, all those



who give such sterling service in each and every one of our communities and constituencies. The game is built upon its grass roots. That is where the foundations remain, and the clubs and individuals give a great deal of commitment.

It is not easy being involved in grass-roots football, whether for young people or for women. It takes a lot of time out of people's family life and working life, and it can cost a significant amount of money. People may have to go through the understandable inconvenience of various checks and disclosures, and they must surmount all of that to be able to do what we all appreciate and welcome in terms of their commitment.

It is not an either/or choice between the grass-roots game and the pinnacle of the professional game. They are both dependent upon each other and they need to show mutual respect and to work together. Earlier this afternoon, I was down at Easter Road with two new signings for Hibernian—a 22-year-old and a 24-year-old. One of them has moved to a full-time contract. That may be the pinnacle of his career or it may not. He may go on to even greater heights than playing for Hibs at Easter Road, but it is a momentous moment for him and it is probably something that he dreamt about as a youngster, as many do. Very few have the opportunity to do what he and his colleague have done by making that progress, but it is in many cases what drives people.

People all over the world will tune in on Saturday evening for the champions league final. I enjoy the grass-roots game, but I also enjoy supporting the game at its elite level. Scottish football has had its difficulties, but there are good things happening. The national team under Gordon Strachan is doing remarkably well, and I hope that we will see it succeed not simply in friendly matches, despite the controversy, but more importantly in the fixture next week that really matters for qualification.

We must also recognise the importance of football in providing opportunities for youngsters, for women, for those with learning and educational difficulties and for those who are offending. All those people can be transformed by the power of football, and I believe that that is based on what the SFA and the clubs can provide, but more importantly on the base in the community that provides football opportunities.

We have seen progress. The growth in the women's game is huge and significant and is very much to be welcomed. In youth football, we have seen a beneficial change. There may be fewer clubs but there are more teams. Perhaps it is the case that for too long in Scotland we have had too many people involved with clubs because of their own youngster, although that is admirable and appropriate. We have to look to the continent,

where clubs have not just hundreds but thousands of youngsters. They are proper pyramid establishments, often with a professional club—perhaps even an elite team—at the top. That is the direction that we have to go in.

We have to support the professional game. That is not just about the consequence of what happens at the grass-roots level; it is about how the different levels work best together. That requires mutual respect. Given that, the game will flourish and go on to the success that we know it can and will have.

17:20

**Cameron Buchanan (Lothian) (Con):** Football is not just our national game; it is our national obsession. Since the early days, boys and now girls have grown up wanting to wear the dark blue jersey at Hampden. Football has the power to cross barriers, and getting it right at a young age can help to break down age-old prejudices in class, gender, race and religion. Youth football is not just about nurturing the next generation of professionals. It also helps youngsters to learn transferable skills that can be used in everyday life, such as teamwork, dedication and hard work.

Ensuring that we have enough coaches who are sufficiently skilled to teach our kids the right footballing and life lessons is very important. Historically, Scotland has always been at the top of the game when it comes to coaching. Largs on the west coast is home to the prestigious SFA-run elite coaching centre, where many of the game's greats earned their stripes, including the special one—no, I am not referring to Chic Brodie, but to José Mourinho.

Despite that, there have sadly been declining standards in our national game over the past two decades. The McLeish report sought to provide a pathway back to the top table, and youth football was placed at the centre of that ambition. The report called for a minimum of 20 football academies and an increase in participation to 500,000. Therefore, the creation of a national academy based in Edinburgh is to be welcomed. It is a place where youngsters can come and learn from the best, both on and off the pitch, and it will hopefully help develop the next generation of Dalglishs and Laws. More needs to be done, however.

In August 2012 the Scottish FA commenced the performance schools project, which is designed for elite boys and girls and runs from secondary 1 to 4. In Edinburgh the programme is located at Broughton high school, where participants undertake their football education within the standard school curriculum. The beauty of the programme is its marriage between football skills

and academic qualifications. Not everyone turns professional, and having a solid education is just as important as having a thunderous right boot.

I reserve special a mention for Spartans FC, as did Malcolm Chisholm. Spartans has created an almost professional set-up with its age-grade and senior teams. Spartans is a model of diversity, housing the senior men's, junior and women's teams under the same roof, which I think is very important. The partnership between the club and Edinburgh Leisure has shown what can be achieved with public and private co-operation.

I have always believed that, if clubs set aside rivalries, we could have a far more integrated youth coaching set-up, particularly for provincial clubs. Across the water in Fife, we have a regional academy, which draws together four professional teams that provide coaching until the age of 16. Upon graduation, players have the choice of four different clubs to sign for. I believe that, if anyone in the chamber can help clubs to set aside rivalries, it is Chic Brodie, a man who has swapped sides more times than Mo Johnston.

Changing a system is never easy, and there have been bumps along the road. Mark Wotte, the Dutch coach who was appointed to oversee the reforms of the McLeish report, recently left the SFA, saying:

"Some people in Scotland are reluctant to change."

That is disappointing, as we need more men like him—more men like Ian Cathro, who set up a youth football academy in Dundee, which helped to produce a string of technically gifted players at Tannadice. They include Ryan Gauld, who now plays for Sporting Lisbon in Portugal. Ian Cathro's talents took him to Portugal and now to Spain, where he is assistant manager at Valencia. Success stories such as those should be championed, but we should also be disappointed not to have retained talent like that in Scotland.

Youth football in Scotland has never been run so professionally. We have more coaches and volunteers than ever before. There is still a long way to go before we can match our continental competitors, but we are on the right track. The growth and success of the women's game should serve as a template and inspiration, and I urge the SFA and the Scottish Government to continue to collaborate to ensure that every youngster has the opportunity to learn the life skills associated with playing football.

17:24

**John Pentland (Motherwell and Wishaw) (Lab):** I speak in my capacity as convener of the Public Petitions Committee. As other members

have done, I thank Chic Brodie for bringing the motion to the chamber for debate.

The petition by William Smith and Scott Robertson, having been lodged in 2010, has the dubious distinction of being one of the oldest that is still on the committee's books. We are still considering three interlinked issues: contracts or registration agreements with professional clubs; young elite players being able to play for school teams; and the system of compensation payments between clubs for the transfer of young players under the age of 16.

Children up to 14 can register with a club for a maximum of one season, with registration lapsing at the end of each season. Thereafter, registration carries forward from 15 to 16 and from 16 to 17, which means that a 15-year-old player can be kept for a further two years. In 2010, the committee took evidence from the Scottish Premier League, the Scottish Football Association, Scotland's Commissioner for Children and Young People, the director of youth development at Rangers and the heads of two football club youth academies. Although the SFA is primarily responsible for the operation of the sport, it is right that the Parliament and the Scottish Government ask questions about how appropriate and fair the arrangements are.

Football's governing bodies told us that the concern arises from misunderstandings and that change is not required. However, the petitioners, some young players and their parents and the children's commissioner feel that the arrangements restrict young players' freedoms and act in the interests of the clubs rather than those of the young players. The SFA says that FIFA requires national football associations to have a system in place to reward young players, but are our systems fair?

Since 2010, some changes have been made. Some young elite players can now play for their school team, but for those who train several times a week and play matches at the weekend, is that fair? A new system of transfer compensation payments has been introduced, which prescribes payments ranging from £600 to £1,500, depending on the club's contribution to the club academy Scotland programme.

Despite the changes, however, there are still concerns. In June last year, the Public Petitions Committee asked the children's commissioner to review the registration process and report his findings back to us. We recently received his report, which makes for interesting reading. I welcome his recommendations. They include the point that young players' rights must be respected when entering into what is in effect a contract, as the current arrangements create an imbalance of power. The report further recommends that registration for older youth players should not

carry over from the end of a season, and that young players should not be prevented from playing football because professional clubs are negotiating trade deals. The commissioner also recommends that the registration process needs to be independently monitored and that there should be a clear complaints mechanism. One point that I agree with whole-heartedly is that clubs must take greater account of young people's rights and should respect all their needs, rather than just treating them as footballing assets or, worse, monetary investments.

The committee will take evidence from the commissioner on his findings before the summer recess. I commend his report to the Parliament.

17:28

**Graeme Dey (Angus South) (SNP):** The registration/contract situation pertaining to young footballers has been the subject of debate over many years. In certain regards, where we find ourselves today is a considerable improvement on where Scottish football once was. I make that point not in any way to diminish the validity of our debating the matter—indeed, I congratulate Chic Brodie on giving us the opportunity to do so—but to bring a degree of context.

I go back the best part of 35 years to my early days as a sports journalist, when certain clubs signed up youngsters on lengthy professional contracts that involved options to extend. Those contracts bound rising talent to the teams for an initial term of, perhaps, four years. Then, if the club wanted to hang on to them because they had progressed to the point of becoming a playing or financial asset, the option was exercised to extend the contract for perhaps another three years. There was of course no guarantee, so the option was of one-way benefit to the club, and the player could be held on to regardless of whether he wanted that.

Notwithstanding the current problems with the youth registration process, it is fair to say that the Scottish game has become far better organised and more professional in its development of young players, which is to everyone's benefit. Let us acknowledge that a number of our major clubs, such as Aberdeen—the team that Mark McDonald and I support—Dundee United, Hamilton and Hearts are bringing through talented home-reared players, which is to be welcomed. However, it is only right and proper that we demand from a sport that can—in far less than equal measure—fulfil or destroy young people's dreams the same standards of treatment of young people as we demand from other sectors of our society.

The Scottish football authorities need to respond appropriately to the report from Scotland's

Commissioner for Children and Young People, which is being considered by the Public Petitions Committee, as we have heard. They could undoubtedly, without undermining the structures that deliver emerging young talent in the SPFL, deliver on a number of the key recommendations in the report. I will pick out five key demands that relate to the pre-formal contract phase of a young player's development.

Recommendation 3 says:

"Professional youth football in Scotland needs to undergo a significant attitudinal change. The clubs and to some extent the Scottish FA refer to youth players purely in terms of investment and fail to acknowledge the young person in their own right."

Recommendation 7 is:

"Rules are required on the formation, performance, enforcement and impact of ... contracts. Rights and remedies must be accessible, relevant, independent and effective for children and young people."

Recommendation 11 says:

"Steps must be taken to avoid situations where a child or young person is prevented from playing football for an entire season, whilst professional clubs negotiate trade deals."

Recommendation 12 states:

"The youth registration process is an agreement between two parties that places obligations on both. To ensure it takes account of the interests and rights of children and young people as much as the interests of professional football clubs it needs to be regulated and monitored in a manner that is independent of the clubs."

The final recommendation is:

"Regardless of whether or not an independent regulatory body is established a clear process needs to be put in place immediately to ensure that children and young people can lodge a complaint where they feel their rights have been infringed by a club".

Those are not unreasonable expectations in this day and age. We cannot continue to have a situation in which, as the commissioner says in his overview,

"it is reasonable to conclude that the terms of the contact are not necessarily mutually agreed as they are not adequately understood",

and in which

"The process of cancelling or renewing a young person's registration would",

as the report asserts,

"appear to be skewed in favour of the best interests of the professional club",

or in which, from the age of 10, children are, in effect, making a decision that ties them to one professional team for the duration of their youth football years, unless another side steps in and reimburses the training costs.

Surely no one would deny the appropriateness of ensuring that each young person who registers to play with a pro club is provided with age-appropriate guidance on what registration means in advance of signing, or that age-appropriate versions of codes of conduct are developed.

Some people will balk at some of what is proposed. They will predict that implementation of the measures would put clubs off bringing through youngsters and undermine the development process. I am not sure why that would be the case. Surely the better that young players are treated, the more likely it is that they will choose to remain with the club to which they are linked, and the club will inevitably get far more out of a contented player than they will get from one who is being forcibly held on to. In other words, everyone wins.

17:32

**James Kelly (Rutherglen) (Lab):** I congratulate Chic Brodie on securing the debate, which focuses on youth football.

From members' speeches, there is no doubt that football is a big part of our lives and our upbringing. I very much align myself with that. Football is also really important in our constituencies. It plays a big part in many of the communities that we represent and, historically, has made a major contribution to them. I will note some of the local successes in my constituency.

I highlight the excellent work of the Blantyre Soccer Academy, which is chaired and organised by a local, Jimmy Whelan. It is an excellent club that supports many boys and girls in the community. The highlight for the club each year is the Reamonn Gormley memorial soccer festival, which is held in celebration of young Reamonn Gormley, who tragically lost his life in a stabbing in 2011. It allows many young teams in Lanarkshire to come together, raises money for charity and helps to support the Gormley family. That is indeed something to celebrate.

I also very much welcome the growth in women's and girls football in recent years. In fact, two youngsters from my constituency—Murron Cunningham from Stonelaw high school and Brogan Hay from Trinity high school—are part of the Scotland under-15s girls team. They are very much to be commended on their success.

Football can be used positively. Nil by Mouth has some excellent schemes in which it uses football as a method to tackle sectarianism and bring down barriers between communities. I strongly commend the work of Dave Scott and his team in that regard.

Although we want to celebrate youth football and, like Kenny MacAskill, be positive about the current state of play with regard to Scottish football, Chic Brodie raises some important issues about the way in which young people are treated. As John Pentland pointed out, when young people are tied into contracts and are unable to play as freely as they would like, that is both unfair and an infringement of their rights. It is also totally unacceptable that clubs are paying youngsters less than the minimum wage. As Chic Brodie said, it is incumbent not only on the clubs but on the football authorities—the SFA and the SPFL—to take responsibility in this area and ensure that that does not happen.

The Public Petitions Committee's examination of the SCCYP's report gives us an opportunity not only to examine the issues but ensure that we can hold the clubs and the football organisations to account. We have an opportunity to celebrate the success of youth football and to ensure that the arrangements around taking good care of our youngsters are robust in future.

17:36

**Mark McDonald (Aberdeen Donside) (SNP):** I stand as someone who has been a youth football player and a youth football coach, having coached the under-13s team at Dyce Boys Club before I was elected. Dyce Boys Club and Albion Boys Club, which are the two youth clubs in Aberdeen that tend to compete for honours, alongside Lewis United Youth, are based in my constituency. Lewis United Youth is an interesting club because it was established as a result of players being released from the Aberdeen FC under-12 development squad, and it has since grown to become a much larger club, with teams at all age groups.

Dyce was the club that I coached at. Its past players include Graeme Shinnie, who lifted the Scottish cup for Inverness Caledonian Thistle at the weekend; his brother, Andrew, who plays for Birmingham City; the recently retired Aberdeen captain, Russell Anderson; and Stuart Armstrong, who recently signed for Celtic from Dundee United. Many youth clubs can point to players who are plying their trade professionally as being players who have come through their system. Many can also attest to the ones who got away.

The point about the expectations of young people is prescient. When my brother played youth football—he was a contemporary of Shaun Maloney, who played for one of his competitor clubs—he played alongside players in the Aberdeen squad that went to the Jack Wood tournament in Wales who were training with professional clubs because, at that time, those clubs did not have their own age-group-specific teams per se but would instead take players who

were attached to other clubs to train with them and then decide who they would sign up at a later stage. Now, clubs have development squads at all age groups, consisting of a large number of boys. Chic Brodie makes the point that, at the point at which they sign for the clubs, many of those youngsters do not realise just how few people can make it in the game. Perhaps we need to do more to manage the expectation levels of the players and their parents.

There is a question about how we develop young players. I am passionate about summer football. When I coached at youth level, one of the most frustrating things was trying to encourage passing football and the skills that are taught in the gym hall or the training area when the youngsters were out on the pitch in some of the weather conditions that we experience in Scotland in January and February. At those times, it becomes much more difficult for young players, in particular, to develop and hone their skills, and they end up developing kick-and-rush football techniques because, in driving rain and gale-force winds, that is all that is possible.

How professional clubs interact with what we call feeder clubs or the established youth clubs when young players are released needs to be looked at, so that those players are not left to find a club at a time when they will be upset that they are no longer going to continue in the system of a professional club.

My final point is the issue of the loss of municipal pitches, which we need to look at very carefully. In my constituency, the Aberdeen Lads Club pitches are about to be developed on. That will result in the loss of a number of grass pitches, which are to be replaced by one 3G pitch not within that community but elsewhere in the city, in the community of Northfield, which is set to benefit.

Although 3G pitches can be used more than grass pitches because of the quality of the surface, we need to look very carefully at how municipal pitches and their upkeep are being protected. We need to ensure that, when our young, developing players play on those pitches, they are able to play the game in the way that we would expect it to be played and can develop their skills from there.

17:41

**The Minister for Sport, Health Improvement and Mental Health (Jamie Hepburn):** I thank all members who have taken part in the debate, and I thank Chic Brodie for securing the debate, which has allowed Parliament to consider the benefits that youth football can bring across the country.

I know that Mr Brodie has a keen interest in football and that he was a very good footballer in his youth. I know that primarily because Mr Brodie assures me that that was the case. He is a survivor of the junior leagues in Dundee, which makes my own modest achievements in football pale in comparison.

In a week when we can all accept that football has had its difficulties internationally, this debate can serve as a reminder of what is good about football and the opportunities for youngsters to take part in something they love. Young people—both girls and boys—taking part in football are the lifeblood of the game, so we must do all that we can to encourage them to flourish, make the most of their talent and, I hope, get the opportunity to have successful careers.

Chic Brodie raised legitimate concerns about the processes of player registration with professional clubs, which I will come to in due course. First, it is important to recognise that most youth football is delivered at the amateur level. Only a very small proportion will be delivered through Scotland's professional clubs. That means that thousands of volunteers across the country—mums and dads and dedicated coaches—are devoting their time to support youngsters to take part in youth football. Of course, all members will have many examples of such youth clubs in their areas. James Kelly reminded us of the importance of football to communities across Scotland. It is appropriate at this juncture to put on record my thanks—and, I am sure, all members' thanks—for the efforts of those volunteers involved in amateur youth football.

Many members gave examples of good work in their areas. James Kelly gave a very specific illustration of how powerful football can be as a positive example of community cohesion: the tournament held to honour the memory of Reamonn Gormley. I thank Mr Kelly for bringing that to the chamber.

Malcolm Chisholm made the point that we must do more to support girls into football. I quite agree with that perspective, and I am sure that Malcolm Chisholm would agree that that point can be made about sport more generally.

**Mark McDonald:** Through the establishment of the quality mark, football clubs that were oriented towards boys are now branching out to include training sessions and teams for girls, which allows more people to get involved in football at the grass roots. The quality mark has been a very welcome addition.

**Jamie Hepburn:** I recognise that. In my area we have a very good example of a club that has gone through that process—the Cumbernauld Colts, which offers opportunities right across the

age ranges to 500-plus youngsters, including girls. I was delighted to learn that the club now not only has that status but has just been accepted into full membership of the SFA, which is a great recognition of the effort that it makes locally. I suppose that I, too, am allowed to give a specific local example in these debates, Presiding Officer—I hope that you will allow me to do so.

I return to the issue of the role of girls in football and in sport more generally. I was privileged to attend the Scottish women in sport conference last week. These issues were being taken up there. The Scottish Government commissioned the working group on women in sport, which was chaired by Baroness Sue Campbell. SportScotland is now taking forward the work of that group through its own equalities subgroup, which will ultimately report to the board.

I very much recognise that we have to promote positive role models for girls. Such examples do exist. Chic Brodie has raised concerns about the role of elite clubs—I promise I will address those concerns in a second—but I can think of a very positive example from one of Scotland's elite clubs. Glasgow City Football Club is the best women's team in the country. Indeed, it was the last Scottish club left in Europe in the season just past—it got the furthest of any of the clubs competing in Europe. I was delighted to meet Laura Montgomery, who is a co-founder and director of the club. I was struck by the club's determination to support young girls into football and provide positive role models through the players in the first team.

I turn to the specific points that Chic Brodie raised on youth football contracts and registration issues. I know that the Public Petitions Committee has been working on this issue since 2010 when the petition was lodged with it and that Chic Brodie has taken a close interest in it. The committee requested that Scotland's Commissioner for Children and Young People undertake a comprehensive review on the current registration process, particularly from a rights perspective. Mr Brodie and the convener of the committee both mentioned that. I am very pleased to see that the review has been completed and that the committee has begun to consider it. As a thorough and substantial report, it incorporates a child's rights impact assessment, explores the views of young players and has a wide range of recommendations for those involved in youth football, particularly the clubs and the SFA, to consider.

It is a bit premature for me to comment on the report in too much detail. I know that the committee still has a job of work to do. The convener has confirmed that the committee will take evidence from the commissioner. I look

forward to seeing the results from that and seeing where the committee takes the petition.

I have seen some of the coverage generated by Mr Brodie's contact with the press over the weekend. Mr Brodie alluded to the example of the young man who is unable to play for his university team or at an amateur level because the professional club that holds his registration refuses to release him from it. That clearly seems unfair and unreasonable.

I can inform Mr Brodie that I have sought a meeting with the commissioner to discuss his report. I am also very happy to meet Mr Brodie directly to discuss his concerns and perspective on this matter.

I have recognised the legitimate concerns that Mr Brodie has raised, but we should also recognise the vast good that is out there in youth football across Scotland. I thank Chic Brodie for securing tonight's debate to give us the opportunity to do just that.

*Meeting closed at 17:48.*

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