### CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

#### 4<sup>th</sup> Meeting, 2024, Session 6

#### Thursday 1 February 2024

#### **National Outcomes**

- 1. As part of its ongoing National Outcomes work, we are taking evidence this week from the Chair of the Scottish Affairs Committee (SAC), Pete Wishart MP, on his Committee's recent <u>Promoting Scotland Internationally</u> report.
- 2. When the Scottish Government publishes the revised draft National Outcomes, the Committee has agreed that it will—
  - Invite SPICe to review the draft National Outcomes pertaining to international policy, when they are published, against the previous iteration but also the findings of our own <u>Inquiry into the Scottish Government's</u> <u>international work</u> (from April 2022)
  - Consider whether any additional evidence sessions may be required on the basis of that review
  - Seek written views on the draft National Outcomes from witnesses the Committee has already heard from during this inquiry
  - Take evidence from the Cabinet Secretary and his officials on the draft National Outcomes pertaining to international policy
  - Publish a report before the end of consultation period which we will also share with the lead Committee co-ordinating the Parliament's response to the draft National Outcomes (the Finance and Public Administration Committee)
- 3. There is a SPICe briefing for this evidence session at **Annexe A**. The text of the SAC's Promoting Scotland Internationally report can be found at **Annexe B**.

Committee Clerks January 2024

Annexe A

## SPICe The Information Centre An t-Ionad Fiosrachaidh

# Constitution, Europe, External Affairs and Culture Committee 4<sup>th</sup> Meeting, 2024 (Session 6), Thursday 1 February

# National Outcomes - House of Commons Scottish Affairs Committee inquiry report on Promoting Scotland Internationally

#### Background

The Scottish Government is currently consulting on a review of the National Outcomes, a key aspect of the National Performance Framework (NPF). Following this public consultation, it must consult the Parliament on any proposed changes arising from that review. Consultation with the Parliament is likely to take place early next year and the Finance and Public Administration Committee is expected to lead the parliamentary process.

To inform consideration of any changes that may arise from the Scottish Government's review, the Committee is holding a short inquiry into whether the current National Outcomes and Indicators aligned to the Scottish Government's international work are appropriate. This inquiry will build on the Committee's previous report on an <u>Inquiry into the Scottish Government's international work</u> which reported in April 2022.

#### The National Performance Framework

The <u>National Performance Framework</u> (NPF) is used by the Scottish Government to evaluate the outcomes of its policies. The current NPF has 11 National Outcomes. The most relevant National Outcome for the Europe and External Affairs elements of the committee's remit is:

• **International**: We are open, connected and make a positive contribution Internationally.

Beneath the National Outcomes are a number of <u>National Indicators</u> which are used to measure performance. In total there are 81 indicators. Under the International National Outcome there are 6 indicators:

• A positive experience for people coming to live in Scotland intended to measure one important dimension of migrants' experiences in Scotland – a strong sense of belonging.

• **Scotland's Reputation** – intended to measure Scotland's reputation against 60 countries across the world on the Anholt-Ipsos Nation Brands IndexSM (NBISM)

- **Scotland's Population** measures the number of council areas experiencing population decline.
- Trust in public organisations no indicator has been developed
- International networks no indicator has been developed

• **Contribution of development support to other nations** - a composite that measures Scotland's international development activities. It provides a comprehensive depiction of how Scotland contributes to international development.

Of the 6 indicators, no detailed indicator to measure progress has been developed for two of them.

There is also an indicator related to international trade which is relevant to the Scottish Government's international policies:

• **International exporting** - measures the annual value of international exports (not including the rest of the UK or Oil and Gas exports) as published in Export Statistics Scotland.

#### Previous evidence sessions

The Committee has previously taken evidence for this inquiry on 1 June 2023, on 15 June 2023 and on 9 November 2023.

On 1 June, the Committee took evidence from:

- Professor Stephen Gethins, Professor of Practice in International Relations, University of St Andrews
- Professor Juliet Kaarbo, Professor of Foreign Policy, University of Edinburgh
- Professor Peter Jackson, Chair in Global Security, University of Glasgow

On 15 June, the Committee took evidence from:

• Seona Shand, International Trade Director, Scottish Chambers of Commerce

- Vicki Miller, Director of Marketing & Digital, VisitScotland
- Gareth Williams, Head of Policy, Scottish Council for Development and Industry
- Anthony Salamone, Managing Director, European Merchants

On 9 November, the <u>Committee took evidence from</u>:

- Noé Cornago (University of the Basque Country)
- Professor Stéphane Paquin (École nationale d'administration publique)

On 14 December, the Committee took evidence from:

- Catriona Radcliffe, head of the Scottish Government's Beijing office
- Katrine Feldinger, head of the Scottish Government's Copenhagen office

• Christopher Thomson, head of the Scottish Government's Washington DC office

#### House of Commons Scottish Affairs Committee inquiry

During the second half of 2022 and into 2023, the House of Commons Scottish Affairs Committee conducted an inquiry into "<u>Promoting Scotland</u> <u>Internationally</u>". The focus of the inquiry was:

"to examine how effectively Scottish interests are represented and promoted by the UK Government and its diplomatic network across the world."

The inquiry also looked at how the UK and Scottish Governments cooperated to promote Scotland internationally.

On 4 September 2023, the Committee published its <u>inquiry report into Promoting</u> <u>Scotland Internationally</u>.

#### Measuring the success of the UK Government's promotion of Scotland

The Scottish Affairs Committee report sets out evidence it received highlighting confusion in regard to the UK Government's strategy for promoting Scotland internationally. The Committee suggested "further clarification could be provided on what the UK Government's strategy was for promoting Scotland internationally, and on its objectives when engaging with events such as "Tartan Week"" (paragraph 25).

When asked about the UK Government strategy for promoting Scotland internationally, the Secretary of State for Scotland told the Committee it was "a bit of a moveable feast", but said it was:

"one of bringing high-tech businesses to Scotland, which will bring highearning, high-quality jobs. That is what we want to do."

The Scottish Affairs Committee highlighted the challenges in measuring the effectiveness of international engagement:

"We heard that UK Government activity in relation to promoting Scotland internationally, for example through ministerial visits, could sometimes be perceived as lacking a bigger strategic picture. The Secretary of State for Scotland described the UK Government's strategy for Scotland on the international stage as "one of bringing high-tech businesses to Scotland, which will bring high-earning, high-quality jobs". Whilst this objective is itself commendable, it ought to be one of several, and further detail is required about the actions that the UK Government will take to achieve these goals, so that the success of its work can be measured. In response to this report, the Office of the Secretary of State for Scotland—in consultation with the FCDO—should provide a clear strategy containing its measurable priorities and objectives for promoting Scotland internationally alongside the actions it is undertaking—and will undertake in the future—to achieve these goals. This work should be undertaken in conjunction with the Government's response to the recommendation made in paragraph 18. To inform the strategy, the UK Government should consider:

• conducting an audit of international activity which is currently undertaken in relation to promoting Scotland internationally;

• horizon scanning to identify relevant upcoming opportunities or events that could be used as additional opportunities to contribute to the UK Government's priorities for promoting Scotland internationally; and

• consulting with stakeholders from the Scottish business and cultural sectors to inform these priorities. (paragraphs 28 and 29 of the report)"

<u>According to the Scottish Affairs Committee</u>, the UK Government's response to the report:

"failed, however, to address a number of the Committee's recommendations, including no commitment to provide specific information on the UK Government's current priorities and objectives for promoting Scotland internationally."

#### **Cooperation between the UK and Scottish Governments**

The report includes a section on the Scottish Government's global footprint and also on the competencies of the UK and Scottish governments in promoting Scotland internationally. Related to this, the Committee concluded that:

"The UK and Scottish Governments share many of the same priorities for Scotland on the international stage and there is an important role for the Scottish Government to play in promoting Scottish interests overseas in areas of devolved competence. Despite recent publicised tension between the two governments surrounding international activity, we found there to be positive and constructive collaboration between officials during our visit to Washington DC earlier this year, where UK and Scottish Government officials are colocated in the British Embassy. This kind of collaboration should be encouraged across the wider Embassy network where teams are co-located. In locations where Scottish Government officials are not co-located or based. it is important to embed regular communication between the teams to facilitate or identify any opportunities for joint initiatives between the governments. We encourage the UK and Scottish governments to work constructively and cooperatively on Scottish interests internationally. Whilst recognising that foreign affairs and international trade are reserved to the UK Government, the Scottish Government have international interests in devolved policy areas. (Paragraph 64)."

#### Annexe A

On this issue, the UK Government response to the Committee indicated agreement that officials from the UK and Scottish Governments regularly work collaboratively overseas in order to deliver the best possible outcomes, and also acknowledged the importance of maintaining regular communication between teams.

#### Today's evidence session

Today's evidence session with Pete Wishart MP, Chair of the House of Commons Scottish Affairs Committee is an opportunity for the Committee to discuss the SAC's inquiry into Promoting Scotland Internationally and what lessons can be learned for this Committee's inquiry into the National Outcomes. This could include discussing how the UK Government evaluates and measure its international work promoting Scotland.

It also provides an opportunity to discuss the Scottish Affairs Committee's evidence on how the UK and Scottish Government's work together to promote Scotland internationally.

Finally, the evidence session provides an opportunity for the Committee to discuss with Pete Wishart MP, how the Scottish Affairs Committee and the UK Parliament more widely has scrutinised the UK's government's work promoting both the UK as a whole and Scotland internationally.

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# House of Commons Scottish Affairs Committee

# Promoting Scotland Internationally

## **Eighth Report of Session 2022–23**

Ordered by the House of Commons to be printed 4 September 2023

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## Contents

1	Introduction	3
	Our inquiry	3
2	Beyond the tartan: Scotland's international brand	5
	Scotland's international brand	5
	Scotland's "soft power"	6
	Scotland's traditional celebration dates	7
3	International Strategy for Scotland	10
	Tartan Week	11
	Witness views on UK government strategy to promote Scotland internationally	12
4	Engaging Scotland's global diaspora	15
	Defining the diaspora	15
	Engaging the diaspora	15
5	The UK's diplomatic network	18
6	Promoting Scottish trade	22
7	UK and Scottish government cooperation	25
	Scottish Government international footprint	25
	Intergovernmental cooperation	26
Con	Conclusions and recommendations	
Formal minutes		33
Witnesses		34
Published written evidence		35
List of Reports from the Committee during the current Parliament		36

## 1 Introduction

1. Foreign affairs, international relations and the regulation of international trade are all reserved matters which are the responsibility of the UK Government under Schedule 5(7) of the Scotland Act 1998. The UK's Foreign, Commonwealth and Development Office has one of the largest diplomatic networks in the world, with 282 missions covering 180 countries and territories to represent UK, and therefore Scottish, interests internationally. The UK Government said it "takes seriously its duty and responsibilities in representing Scotland internationally", and through its overseas network "promotes Scottish arts, education, culture and sport, building international links with Scottish universities, hosting cultural events to promote Scotland, and representing Scotlash interests across diverse policy areas such as security, defence, climate and energy".<sup>1</sup> Other UK Government departments which play a key role in the promotion of Scotland internationally are the Office of the Secretary of State for Scotland and the Department for Business and Trade.

2. In addition to the resource provided by the UK Government, successive Scottish governments have also developed their own international engagement to promote Scotland on the world stage. The Scottish Government maintains an External Affairs Directorate and a growing number of international offices to "promote Scottish interests overseas and strengthen our relationships with countries and continents".<sup>2</sup>

#### **Our inquiry**

3. We launched our inquiry in July 2022 to examine how effectively Scottish interests are represented and promoted by the UK Government and its diplomatic network across the world.<sup>3</sup> As part of our work we have therefore considered the role of the UK Government in promoting Scotland's cultural offers as well as Scottish trade and exports internationally. We held five oral evidence sessions between December 2022 and June 2023, which included speaking to Scottish businesses, tourism and cultural organisations, the British Council and both Scottish and UK Government Ministers. We would like to thank all those who contributed written or oral evidence to this inquiry.

4. We undertook two visits in connection with our inquiry. In January 2023 we visited the University of St Andrews, which has a large proportion of international students. We held a discussion with Stephen Gethins, Professor of Practice at the University and author of *Nation to Nation: Scotland's Place in the World*, and Professor Brad MacKay, on whether enough was being done by the UK and Scottish governments to promote Scotland on the international stage, and on the international work and composition of the University. We also met with international students studying at the University and living in Scotland.<sup>4</sup>

5. Our second visit was to New York City and Washington DC in the United States during "Tartan Week" in April 2023, which offered a unique opportunity for us to meet with Scottish diaspora groups and British Embassy officials to find out how effectively Scotland is promoted in the US. The country is one of Scotland's top destinations for international exports and sources of foreign direct investment. Scotland attracts an

<sup>1</sup> UK Government (PSI0015) paras 3 and 6

<sup>2</sup> Scottish Government, 'Policy: International relations', accessed 7 August 2023

<sup>3</sup> The Scottish Parliament's Constitution, Europe, External Affairs and Culture Committee published a report following an inquiry on the Scottish Government's international work in 2022.

<sup>4</sup> Note of visit to University of St Andrews, Scotland, 30 January 2023, HC (2022–23) 81

important proportion of international visitors from the US, which also has a sizable Scottish diaspora population. During our trip we took part in events connected to "Tartan Week" (see Chapter 3 for further discussion of this event), met with officials from the UK Government Department for Business and Trade; HM Consul General New York, Emma Wade-Smith OBE; American Scottish organisations; British Embassy and Scottish Government officials; and HM Ambassador to the United States, Dame Karen Pierce DCMG. We wish to extend our sincere thanks to all officials at the British Embassy who facilitated our visit, and the organisations with whom we met.

6. This report is divided into chapters, each focusing on a particular theme explored during our inquiry. It begins by considering Scotland's international brand. This is followed by discussion of UK Government strategy for promoting Scotland internationally. We then outline evidence from witnesses in Chapter 4 on engaging with Scotland's global diaspora. In Chapter 5, we look at the role and activity of the UK's diplomatic network in promoting Scotland internationally. This is followed by consideration of the work of the UK Government in promoting Scottish trade and investment overseas. Finally, we discuss the Scottish Government's international footprint and the competencies of the UK and Scottish governments in promoting Scotland internationally.

# 2 Beyond the tartan: Scotland's international brand

#### Scotland's international brand

7. An initial question for our inquiry has been to consider Scotland's international image—what it is, how it is perceived internationally today and whether the "brand" could be better presented by the UK Government. The *Anholt-Ipsos Nation Brands Index*, used by the Scottish Government to monitor Scotland's international reputation across six indicators (Exports, Governance, Culture, People, Tourism, Immigration and Investment), ranked Scotland fifteenth overall out of 60 nations surveyed in 2022. The UK as a whole was ranked sixth on the index, with Wales coming out at number 22 and Northern Ireland at 24. Witnesses to our inquiry have described Scotland as having a "distinct national brand" and story which is useful on the international stage.<sup>5</sup>

In describing the Scottish brand, there was an acknowledgement from witnesses that 8. so-called "traditional" associations with Scotland, be it whisky, tartan, golf or its heritage, were still resonant with many around the world.<sup>6</sup> Reuben Aitken, Managing Director for Overseas Operations at Scottish Development International (SDI), the overseas-facing arm of Scottish Enterprise, said the brand could sometimes still be viewed as "tartan and shortbread".<sup>7</sup> Anthony Salamone, Founder of European Merchants, a Scottish political analysis firm, wrote that it was "still the case that many people around the world recognise Scotland more for its past than its present, and know Scotland's cultural traditions but not its scientific excellence".8 In relation to international tourism, Vicki Miller, Director of Marketing and Digital at VisitScotland, explained how those traditional "hooks" were still important to get cut-through, immediate awareness and recognition in overseas markets where Scotland is less well-known.9 Professor Murray Pittock of the University of Glasgow, as Co-Chair of the Scottish Arts and Humanities Alliance, described it as "a brand that is in some ways simpler, and in that sense more easily sold in certain markets, than the UK brand".<sup>10</sup>

9. Overall however, witnesses thought that more could be done by the UK Government to platform more of Scotland's innovation and contemporary strengths and sectors on the international stage as well as the traditional brand, something which Professor Murray Pittock described as "not currently happening optimally".<sup>11</sup> Whilst Scotland's culture and history should be cherished, Reuben Aitken of Scottish Development International said, it was important that it was "not the only thing that people think of when they think of Scotland".<sup>12</sup> He pointed to a desire from his organisation to showcase more of Scotland's innovation on the international stage—for example, in sectors such as space.<sup>13</sup>

- 12 Q133
- 13 Q133

<sup>5</sup> Q103 [Professor Murray Pittock, Scottish Arts and Humanities Alliance]; Q100 [Scott McDonald, British Council]; Q263 [Alister Jack MP, Secretary of State for Scotland]

<sup>6</sup> Q62 [Patricia Yates, VisitBritain]; Q133 [Reuben Aitken, Scottish Development International]; Q166 [Scott Wightman, Scottish Government]

<sup>7 &</sup>lt;u>Q133</u>

<sup>8</sup> Anthony Salamone (Managing Director at European Merchants) (PSI0011) para 9

<sup>9</sup> Q66

<sup>10</sup> Q103

<sup>11</sup> Q103

Scott Wightman, Director for External Affairs in the Scottish Government, questioned whether there was "too much emphasis placed on those traditional elements of tartan, whisky, golf or whatever it might be, and sufficient attention is not given to how you can leverage those to get across really punchy messages about the nature of contemporary Scotland and its strengths".<sup>14</sup> Vicki Miller of VisitScotland said that "part of the story" her organisation wanted to promote to international audiences was "many of the hidden gems and the more contemporary aspects of our culture—the story of Scotland today".<sup>15</sup>

10. In its written submission to us, the UK Government pointed to its GREAT Britain and Northern Ireland international marketing campaign as a tool for telling the "surprising stories of some of Scotland's most important people, places and cultural icons" and "the innovative Scottish companies forging a more sustainable future for our planet".<sup>16</sup> Describing Scotland's global image and reach, the Secretary of State for Scotland Alister Jack MP reflected during an evidence session that:

> we have a very strong but also unique international brand [ ... ] Some of it will be romanticism-I have no doubt about it-but the reality is that we have a beautiful natural environment and we have fantastic products, not least our Scotch whisky, which, as you know, is a major export for us. Our food and drink products are exported very successfully around the world. But we also have other things. We have extremely good universities. We have burgeoning high-tech industries. We are a leader on renewable energy, which is obviously important.<sup>17</sup>

David Rutley MP, Parliamentary Under Secretary of State at the Foreign, Commonwealth and Development Office, described that Scottish, Welsh and Northern Ireland staff within the FCDO's global network also helped to ensure "that we will talk not just about traditional stereotypes, but about the future of each of these nations".<sup>18</sup>

11. The UK Government's written evidence pointed to other support available to Scottish exporters, namely, The UK Export Academy, which is "open for SMEs UK-wide to sign up for a programme of webinars, workshops and virtual events to help them to start their export journey and take advantage of opportunities in key markets globally".<sup>19</sup>

#### Scotland's "soft power"

12. Witnesses also discussed the role of Scotland's so-called "soft power" assets in promoting Scotland internationally. The UK Government had described the UK as a "soft power superpower" in its 2021 publication Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy.<sup>20</sup> When asked to describe what soft power was, Professor Murray Pittock-using an analogy-said it

- 18
- 19 UK Government (PSI0015) para 41

<sup>14</sup> Q166 066 15

UK Government (PSI0015) para 42 16

<sup>17</sup> Q263

<sup>0321</sup> 

<sup>20</sup> Cabinet Office, Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy, CP 403, March 2021, Page 49

measured "how many people see you on their phone and swipe right. Do they like you? Will they come? Do they want to come and study with you? Do they want to do business with you?".<sup>21</sup>

13. The British Council is the UK's international organisation for cultural relations and is a non-departmental public body sponsored by the FCDO. It has previously described that "there is a growing body of research evidence that demonstrates the impact of cultural relations and soft power on trade, inward investment, tourism, international study and diplomatic influence", but said it was a "very competitive space" for countries.<sup>22</sup> The organisation has also published its own research on Scotland's soft power and cultural assets.<sup>23</sup> Scott McDonald, its Chief Executive, told us that:

We are always trying to do two things at once: to sell the UK as a package, and to sell each piece of the UK. The same goes for Wales and Northern Ireland. Scotland has a very distinctive story that we are out there pushing. Think about education, for example: there is a distinctive Scottish offer to the world, which is quite powerful.<sup>24</sup>

Scottish Government Cabinet Secretary for the Constitution, External Affairs and Culture, Angus Robertson MSP, said there were "huge opportunities" for Scotland's cultural and soft power assets to be showcased on the international stage but there was "a question about how we can best co-ordinate" efforts of Scotland's cultural organisations "and our wider promotional efforts" to do this.<sup>25</sup> Similarly, Shona McCarthy, CEO of the Edinburgh Festival Fringe Society, the world's largest arts festival, said that in her view "every time there is a trade mission, or any representation of Scotland done by the UK overseas, culture and the arts should immediately be built into that offering".<sup>26</sup> Secretary of State for Scotland, Alister Jack MP said:

It is clear that our soft power stretches across the whole world. The diaspora wants to hear from us. People want to do business with us, they trust us, they like our culture and history, and they know that we are straight talkers and straight people to deal with.<sup>27</sup>

#### Scotland's traditional celebration dates

14. Scotland's national days, St Andrew's Day (30 November), and Burns Night (25 January) were both described by the UK Government as "significant dates" in the FCDO calendar, with Embassies, High Commissions, Delegations and Missions using them "as an opportunity to champion Scotland", celebrating Scottish culture and "hosting events with key contacts to promote Scottish whisky and produce".<sup>28</sup>

<sup>21 (</sup>In reference to the dating app Tinder), Q111

<sup>22</sup> Scottish Parliament Constitution, Europe, External Affairs and Culture Committee, Submission from the British Council Scotland, October 2021

For example, see: British Council Scotland, Gauging International Perceptions: Scotland and Soft Power, 2020;
 British Council and Creative Scotland, To See Ourselves, 2022; British Council and Creative Scotland, As Others
 See Us, 2022

<sup>24</sup> Q100

<sup>25</sup> Q164

<sup>26</sup> Q230

<sup>27</sup> Q331

<sup>28</sup> UK Government (PSI0015) paras 55–57

15. John Davidson, Deputy Chief Executive at Scotland Food and Drink, thought that "we should be making more of those two significant days", referencing the work of the Irish Government in capitalising on events surrounding St Patrick's Day held across the globe ("they invest heavily and they have a significant programme of events in the lead-up to St Patrick's Day, on the day itself and subsequently") as an example for the UK Government to learn from.<sup>29</sup> He added:

beyond that, there are opportunities and I think we need to be a bit more creative—both Government and industry—to just curate some particular Scottish-themed events, link it to some form of our heritage and just be creative, to create that bit of excitement and showcase what we have.<sup>30</sup>

Reuben Aitken of Scottish Development International said that events around St Andrews Day or Burns Night should be used "as hooks for us to showcase that innovation and that technological advantage".<sup>31</sup> Professor Murray Pittock, who authored a 2019 report for the Scottish Government on Robert Burns and the Scottish Economy, described Burns Suppers as "an under-utilised form of soft power and showcasing for new and distinctive Scottish produce, and it has strong reach globally", with around 10 million people going to official suppers worldwide.<sup>32</sup> Beyond that, he said, "we need something that clearly takes the burden off the day-to-day work of trade and events people in embassies, and gives them a calendar: regulars and one-offs, opportunities, and spin-off major research sessions"<sup>33</sup>:

It is about awareness of one-off festivals that have got global pull [ ... ]. It is about extending the good practice that the Scottish Government have initiated in profiling leading-edge research and spin-out companies globally. That is a small package, but it would make a big difference.<sup>34</sup>

16. The Scottish Government told us that "St Andrew's Day and Burns Night are key moments in the calendar to promote trade and investment opportunities in Scotland, as well as our cultural and educational strengths".<sup>35</sup> Although no central log of the number of events for St Andrew's Day or Burns Night is held by the department,<sup>36</sup> the FCDO said that in 2021 "St Andrew's Day was celebrated across the globe with events and receptions hosted by the UK's Ambassador or High Commissioner in diverse locations such as Abidjan, La Paz, Nicosia and Kuala Lumpur".<sup>37</sup> When asked about the number of UK Government-organised events held across the global embassy network to mark these occasions, the Secretary of State for Scotland said:

Will everyone? No, of course not every embassy will necessarily do everything—it is not co-ordinated that way—but there are a lot of events.<sup>38</sup>

- 30 Q20 31 Q134
- 31 Q134 32 Q126
- 32 <u>Q120</u> 33 <u>Q120</u>
- 34 Q121
- 35 Q156
- 36 PQ 89682 [On St Andrew's Day events], 13 December 2021
- 37 UK Government (PSI0015) para 56
- 38 Q303

<sup>29</sup> Q19

17. Scotland benefits from having a distinctive brand identity which is an advantage on the international stage. For many, "traditional" attributes of the Scottish brand such as tartan, golf and its history are still resonant. These remain important hooks for creating interest in or drawing international visitors to Scotland. However, the challenge today is to ensure that Scotland's current international profile reflects modern Scotland and its strengths—for example, its scientific research, or space and renewable energy sectors, in which it is world leading. We heard that traditional Scottish celebration dates such as Burns Night and St Andrew's Day are obvious starting points to profile Scotland's strengths which could be employed more consistently across the UK's global network.

18. The Foreign, Commonwealth and Development Office (FCDO) should publish a strategy, to be circulated across its international diplomatic network, which sets out guidance and expectations for embassies on holding events to mark Scotland's key dates, St Andrew's Day and Burns Night. This document should give clear direction on what current UK Departmental (e.g. FCDO, Office of the Secretary of State for Scotland and Department for Business and Trade) priorities are for promoting Scotland internationally, and how both the modern and traditional aspects of the Scottish brand should be incorporated as part of this activity. In its response to this report, the UK Government should agree a definition of the Scottish brand to be advanced by it internationally, followed by annual reporting updates on embassy activity promoting Scotland that has taken place each year. The Committee recognises the interest of successive Scottish Governments in this area which currently resides in the portfolio of Cabinet Secretary for External Affairs—we therefore urge the Scottish Government adopt a similar approach.

# **3** International Strategy for Scotland

19. As described in our introductory chapter, Schedule 5(7) of the Scotland Act 1998 reserves responsibility for foreign affairs to the UK Government, including international relations with other territories, international development assistance and the regulation of international trade.<sup>39</sup> The UK Government is also responsible for negotiating and agreeing free trade agreements with countries across the globe since the UK's departure from the European Union.

20. The Secretary of State for Scotland has previously described his department's role as one of building relationships and facilitating international visits "that help bring business to Scotland and improve the Scottish economy".<sup>40</sup> The Department is also responsible for ensuring that Scottish interests are represented across the UK Government and ensuring that this is reflected in government policy.<sup>41</sup> The UK Government said the Department's activity to promote Scottish interests internationally was "driven" by the following objectives:

- to champion Scotland's interests overseas, highlighting opportunities for Scottish businesses and Foreign Direct Investment; and
- to illustrate to international partners the strengths of the United Kingdom, the constitutional landscape of the United Kingdom, and to demonstrate how UK Government delivers for all parts of the UK.<sup>42</sup>

In its written evidence to us, the UK Government said a "key pillar" of this work was the undertaking of regular overseas ministerial visits "to priority countries to promote Scottish trade and investment, including by visiting Scottish owned companies and those with commercial interests in Scotland".<sup>43</sup> It added that the "FCDO, DIT [now the Department for Business and Trade] and the Scotland Office work closely together to identify where ministers can highlight opportunities for Scotland and coordinate visit plans".<sup>44</sup> In the past year, destinations of ministerial visits undertaken by the Office of the Secretary of State for Scotland have included:

- Paris, for a St Andrew's Day celebration;
- Iceland, to attend a meeting of the Arctic Circle Assembly;
- Madrid, to discuss trade and cultural links; and
- New York City, to take part in events as part of Tartan Week 2023.<sup>45</sup>

<sup>39</sup> Scotland Act 1998, Schedule 5(7)

<sup>40</sup> Q71 [Alister Jack MP], Oral evidence taken on 28 November 2022, HC (2022–23) 714

<sup>41</sup> Scotland Office, 'About us', accessed 14 August 2023

<sup>42</sup> UK Government (PSI0015) para 27

<sup>43</sup> UK Government (PSI0015) para 28

<sup>44</sup> UK Government (PSI0015) para 29

<sup>45</sup> Scotland Office, Ministerial Quarterly Transparency Return: July - September 2022, published December 2022; Ministerial Quarterly Transparency Return: October - December 2022 - Overseas Travel, published March 2023; Ministerial Quarterly Transparency Return: January - March 2023, published July 2023; 'UK Government to celebrate Tartan Week in New York City' Scotland Office press release, 13 April 2023

#### Tartan Week

21. "Tartan Day" (6 April) is an annual event held in North America which first originated in Canada to celebrate Scottish heritage. In 1998, the United States Senate first declared a "National Tartan Day" to recognise the achievements and contributions made by Scottish Americans to the United States. Events have been held to mark "Tartan Day" annually since. Large Tartan Day events are held in New York City, which include a parade along Sixth Avenue in Manhattan. "Tartan Week" has become one of the biggest and most significant events showcasing Scotland globally. Many of the events are organised by local Scottish diaspora groups. The Scottish Government, which has provided funding to support this event, has described it as "a key moment when Scotland is a talking point across North America".<sup>46</sup>

22. This year, Parliamentary Under Secretary of State at the Office of the Secretary of State for Scotland, John Lamont MP, was the first UK Government minister to attend "Tartan Week" in New York City (its 25th anniversary year) since David Mundell MP in 2012. He was accompanied by delegations from the Edinburgh Festival Fringe Society and Royal Edinburgh Military Tattoo. Minister Lamont described the event as "a fantastic opportunity to celebrate the rich cultural heritage of Scotland and our world class exports - be they financial services, Scotch or ceilidh dancing".<sup>47</sup>



Figure 1: Members of the Scottish Affairs Committee take part in the annual Tartan Day Parade in New York City, April 2023

23. We also attended "Tartan Week" in New York City this year. During the event, we heard from diaspora groups and officials from both the UK and Scottish governments about the purpose of the event as well as the opportunities it provides for those with Scottish heritage and cultural connections or business and other interests in Scotland. One diaspora society said it would like to see "Tartan Week" being more joined up in future, for example by choosing a particular theme.<sup>48</sup> At another meeting we held, it was queried whether current "Tartan Week" events were too focused on "preaching to the already converted" (i.e. those already well-connected with Scotland in the diaspora or

<sup>46</sup> Scottish Government, Scottish Connections Framework, April 2023, Page 11

<sup>47 &</sup>quot;UK Government to celebrate Tartan Week in New York City", Scotland Office, 13 April 2023

 <sup>48</sup> Scottish Affairs Committee, Note of visit to New York and Washington DC, USA, 13 - 18 April 2023, HC (2022–23)
 625

business community). Civil servants working on behalf of the Scottish Government said they were keen to utilise the opportunity of "Tartan Week" to promote Scottish interests and business beyond the "traditional" brand—for example, through the hosting of alumni and trade events to US audiences (a key trading market for Scotland).

24. Graeme Littlejohn, Director of Strategy & Communication at the Scotch Whisky Association, told us that the large Scottish diaspora within the US meant there was scope to "be making more of other red-letter days, Tartan Day in New York and others".<sup>49</sup> The Scottish Chambers of Commerce called on the UK Government to "step up its engagement with flagship Scottish events".<sup>50</sup>

# Witness views on UK government strategy to promote Scotland internationally

25. Some witnesses thought that further clarification could be provided on what the UK Government's strategy was for promoting Scotland internationally, and on its objectives when engaging with events such as "Tartan Week". In written evidence to our inquiry, Anthony Salamone of European Merchants stated that:

in order to assess how well the UK Government is promoting Scotland's interests, it is essential first to define those interests. Even where judged to be as straightforward as "securing more foreign direct investment" or "increasing Scottish global exports", such ambitions still require a substantive basis, specific priorities and measurable objectives.<sup>51</sup>

Major General Buster Howes, CEO of the Royal Edinburgh Military Tattoo, told us that in two or three years of liaising with the Foreign, Commonwealth and Development Office he was "no further forward in understanding where the strategy for this engagement lies". He asked:

you go to Tartan Week and it's impossible to understand what you're docking into. What is the UK plc or ScotGov's actual intent in using these powerful cultural opportunities?<sup>52</sup>

Similarly, Professor Murray Pittock of the Scottish Arts and Humanities Alliance said:

I think one of the things is that we have not decided fully what the focus is. Because it is unfocused, it is about Scotland, but why would I go if I am not in the parade? [ ... ] What is it about? What makes it Tartan Week, and what it makes it Tartan Week 2023?<sup>53</sup>

26. Shona McCarthy, CEO of the Edinburgh Festival Fringe Society, told us that her organisation had received support from UK and Scottish government officials "once we had made the commitment to come out [to Tartan Week]" this year, but reflected:

- 52 <u>Q216</u>
- 53 Q126

<sup>49</sup> Q20

<sup>50</sup> Scottish Chambers of Commerce (PSI0007)

<sup>51</sup> European Merchants (PSI0011) para 3

It would have been so much easier had there been a long-term strategic position that Tartan Week wants to include a representation of contemporary Scotland. It is important to have the cultural tradition side of things, but it is also really important to have a view of Scotland that represents freedom of speech and contemporary, new, cutting-edge voices and work.<sup>54</sup>

Talking more widely about the Fringe's invitation to participate in UK Government events internationally, she said:

When we take the lead on it, we get a lot of engagement and a lot of support. But it does not feel like it is part of a bigger strategic picture.<sup>55</sup>

27. When asked about the UK Government strategy for promoting Scotland internationally, the Secretary of State for Scotland acknowledged it was "a bit of a moveable feast", but said it was:

one of bringing high-tech businesses to Scotland, which will bring highearning, high-quality jobs. That is what we want to do.<sup>56</sup>

Responding to observations on UK Government planning for overseas visits, he said that his experience was that agendas were often "thrown together closer than you would necessarily like, if I can put it that way".<sup>57</sup> The Secretary of State quoted a new cross-Whitehall delivery board as an opportunity to ensure that UK Government work was aligned with delivering priority outcomes for Scotland and to spot upcoming opportunities "particularly on trade and investment".<sup>58</sup> On Scottish-centered occasions such as "Tartan Week", St Andrew's Day or Burns Night, FCDO Minister David Rutley MP said they were "really important opportunities to help people understand who we are as people and the values that we stand for".<sup>59</sup>

28. We heard that UK Government activity in relation to promoting Scotland internationally, for example through ministerial visits, could sometimes be perceived as lacking a bigger strategic picture. The Secretary of State for Scotland described the UK Government's strategy for Scotland on the international stage as "one of bringing high-tech businesses to Scotland, which will bring high-earning, high-quality jobs". Whilst this objective is itself commendable, it ought to be one of several, and further detail is required about the actions that the UK Government will take to achieve these goals, so that the success of its work can be measured.

29. In response to this report, the Office of the Secretary of State for Scotland—in consultation with the FCDO—should provide a clear strategy containing its measurable priorities and objectives for promoting Scotland internationally alongside the actions it is undertaking—and will undertake in the future—to achieve these goals. This work should be undertaken in conjunction with the Government's response to the recommendation made in paragraph 18. To inform the strategy, the UK Government should consider:

54 <u>Q230</u>

- 55 Q230 56 Q276
- 56 Q27 57 O33
- 57 Q338 58 Q283
- 59 Q301

- conducting an audit of international activity which is currently undertaken in relation to promoting Scotland internationally;
- horizon scanning to identify relevant upcoming opportunities or events that could be used as additional opportunities to contribute to the UK Government's priorities for promoting Scotland internationally; and
- consulting with stakeholders from the Scottish business and cultural sectors to inform these priorities.

In addition, the new cross-Whitehall delivery board for Scotland cited by the Secretary of State during evidence should cover the UK Government's activity and strategy for promoting Scotland internationally as part of its remit.

30. The Parliamentary Under Secretary of State at the Office of the Secretary of State for Scotland earlier this year (2023) attended and took part in events as part of the 25th annual "Tartan Week" in New York City—the first time a UK Government Minister has attended since 2012.

31. The UK and Scottish governments should both explore the intended focus for their participation at "Tartan Week" in the future. "Tartan Week" provides a prime opportunity to promote Scotland.

32. Given that the Secretary of State has confirmed that there will be ministerial representation at New York "Tartan Week" next year, the Office of the Secretary of State for Scotland should set out in its response to this report:

- the outputs and impact arising from its participation in "Tartan Week" this year; and
- how the UK Government will work with the Scottish Government in ensuring the most strategic and constructive inter-governmental approach.

Following this, the UK Government should explore with international partners whether there is an opportunity to establish "Tartan Day" events in other countries where there are strong Scottish links.

## 4 Engaging Scotland's global diaspora

#### Defining the diaspora

33. Recent research has said that the size and nature of Scotland's diaspora is unknown, although estimates have suggested that over 40 million people worldwide consider themselves to have Scottish ancestry.<sup>60</sup> With this, the Scottish Government said the diaspora:

look to connect [to Scotland] through St Andrew's Day events, Burns Night, or Tartan Day in North America. Every year our teams support these events, develop new connections, and promote Scotland's culture, as well as wider interests for Scotland.<sup>61</sup>

34. A diaspora is traditionally regarded as those people around the world who have common ancestry. We met with a number of Scottish diaspora groups when visiting the US in April.<sup>62</sup> Appearing before us in March 2023, Constitution, External Affairs, and Culture Cabinet Secretary Angus Robertson MSP, reflected on the definition of the Scottish diaspora:

One thing that I would draw attention to is that there are a number of different diasporas. We can think of those who left a century or two ago; we can think of those who left more recently; and we can think of different countries as being traditional diaspora countries. We tend to think in particular of the Commonwealth and North American countries, but there are other diasporas, which I think are relevant. I also draw attention to the fact that big play has been made of affinity Scots—people who have come to Scotland, lived in Scotland, visit Scotland, love Scotland and then go home. This includes a lot of students.

So how do we think about them? Part of the challenge that we have is: how do we get people to self- identify that they feel that they are part of that and that they want to do something?<sup>63</sup>

During our inquiry we considered the role of this diaspora in promoting Scotland internationally.

#### **Engaging the diaspora**

35. Some witnesses to our inquiry described the global Scottish diaspora as a relatively untapped resource which could be better utilised by both the UK and Scottish governments. Discussing current engagement undertaken with members of the Scottish diaspora, Scott McDonald, the Chief Executive of the British Council, said that most of this work was carried out by the Scottish Government "and to some extent" by UK embassies.<sup>64</sup> Shona

<sup>60</sup> Scottish Government, Scottish Connections Framework, April 2023

<sup>61</sup> Scottish Government (PSI0003)

<sup>62</sup> Scottish Affairs Committee, Note of visit to New York and Washington DC, USA, 13 - 18 April 2023, HC (2022–23) 625

<sup>63</sup> Q198

<sup>64</sup> Q112

McCarthy, CEO of the Edinburgh Festival Fringe Society, told us that "one of the things I would love to ask for is a greater activation of our global diaspora to invest back into culture".<sup>65</sup> Likewise, the Scottish Chambers of Commerce said the Scottish diaspora was:

an area that we would urge the UK Government to take a much greater interest in, to utilise the already strong business networks being led by Scots across the world. One way this can be done would be to take advantage of UK embassies across the world to better engage with these groups, such as Caledonian Societies and pipe bands. This should be done in collaboration with bodies at home.<sup>66</sup>

36. The Scottish Government has made attempts to engage with the Scottish diaspora. GlobalScot, the Scottish Government's international business network was launched in 2001 and has nearly 1,200 individual members globally.<sup>67</sup> The Scottish Government's 2022 *Global Affairs Framework* stated it would "support and expand this global community", adding that:

These connections raise our profile and reputation. They encourage individuals and companies to visit, study, live, work and invest in Scotland.<sup>68</sup>

More recently, in April 2023, it published the *Scottish Connections Framework*, setting out how the Scottish Government intends to build these connections with the diaspora. The Framework covers cultural, education and alumni, tourism and business diaspora links. Much of the responsibility for implementing the Framework will fall to the Scottish Government's international offices network. Announcing the launch of the Framework, Cabinet Secretary Angus Robertson MSP said he hoped that "our efforts will encourage members of our diaspora to see and promote Scotland as a favourable "destination in which to work, live, study, do business, or simply visit".<sup>69</sup> The *Scottish Connections Framework* noted the potential for the UK Government's large diplomatic network, as well as the British Council, to hold their own "connections with Scottish Covernment stated it would therefore explore:

how both diplomatic missions and the British Council can help deliver the aims of this Framework.<sup>70</sup>

When asked about the UK Government's approach to engagement with the global Scottish diaspora, FCDO Minister David Rutley MP told us that "there is clearly good work going on already"—although included no specific examples—but said "there is more work that we can do" in this area.<sup>71</sup>

37. We have heard from witnesses during our inquiry of the opportunities which exist for the UK and Scottish governments to build connections with Scotland's large global diaspora, which could be used to support the promotion of Scottish interests internationally.

<sup>65</sup> Q245

<sup>66</sup> Scottish Chambers of Commerce Network (PSI0007)

<sup>67</sup> Scottish Parliament, S6W-14001 [on the number of GlobalScots], 2 February 2023

<sup>68</sup> Scottish Government, Global Affairs Framework, May 2022, Page 10

<sup>69</sup> Scottish Parliament, Official Report: Scottish Connections Framework, 25 May 2023

<sup>70</sup> Scottish Government, Scottish Connections Framework, April 2023, Page 7

<sup>71</sup> Q339

- 38. In response to this report, the UK Government should clarify:
  - what activity is currently undertaken by embassies to engage with the Scottish diaspora, for example in countries in which that diaspora has a sizable presence;
  - what role the UK Government intends to play in future in developing closer relationships with the Scottish diaspora; and
  - how the UK Government intends to engage with the Scottish Government to help develop these relationships following the Scottish Government's recently published Scottish Connections Framework.

# 5 The UK's diplomatic network

39. As part of our inquiry, we have considered how Scottish interests are represented and promoted across the UK's vast global embassy and diplomatic network. British embassies undertake a wide range of important diplomatic and international duties and tasks worldwide, and Scotland is just one of the four constituent UK nations which the network is also responsible for representing overseas. In its submission to us, the UK Government wrote that:

By hosting events, delivering communications activity, building institutional partnerships and fostering business relationships, the UK's overseas network provides a globally respected platform to promote and deliver Scotland's interests. The range of UK Government departments and partners across government represented in UK embassies and missions (including FCDO, DIT, BEIS, British Council, Visit Britain, SDI and Scottish Government) enables Scotland to benefit from the wide reach of the UK's overseas network and the expertise of its diplomats, which includes many Scots.<sup>72</sup>

40. As part of our visit to the US earlier this year, we met with officials from the Department for Business and Trade in New York City and from the British Embassy in Washington DC. We were encouraged by the overview they provided of the range of activity undertaken by UK officials based in the US to promote key Scottish industries across the country, from life sciences to renewable energy, technologies to food and drink. Whilst we understand the many different priorities which UK embassy posts abroad have to handle—which will often vary from embassy to embassy and year to year—in addition to UK cultural and economic promotion, some witnesses considered the level of activity undertaken by UK posts to promote Scotland internationally as variable and influenced by the personality and background of the particular Ambassador or Head of Mission in place at the time. For example, Professor Murray Pittock of the Scottish Arts and Humanities Alliance told us:

practice at embassies in terms of promoting Scottish festivals and events varies, to some extent according to the sympathies, interests and tastes of the ambassador.<sup>73</sup>

41. Scottish Development International (SDI) is the overseas facing arm of Scottish Enterprise, Scotland's national economic development agency and a non-departmental public body of the Scottish Government. It promotes Scotland internationally as a place for trade and investment and provides support to companies. SDI staff are co-located with UK Government staff in all overseas markets except the US and Germany.<sup>74</sup> In evidence to us, SDI wrote that there were "a lot of advantages" in being co-located with UK missions

73 <u>Q92</u>

74 <u>Q136</u>

<sup>72</sup> UK Government (PSI0015) para 14 Note: since this evidence was received, a number of UK Government departments have since changed. DIT (Department for International Trade) and BEIS (Department for Business, Energy and Industrial Strategy) have split to create the Department for Business and Trade, the Department for Energy Security and Net Zero and the Department for Science, Innovation and Technology.

across the diplomatic network.<sup>75</sup> It said there were some "fantastic" examples of where the organisation worked "hand in glove" with UK missions overseas.<sup>76</sup> However, SDI suggested that this inquiry consider:

ways UK Government partners could engage more strategically with SDI's overseas teams, to ensure increased consistency around information and knowledge sharing and an enhanced collaborative approach to planning.<sup>77</sup>

SDI added that they believe "there is scope for our UK Government partners to increase promotion of Scotland's strengths and capabilities".<sup>78</sup> Expanding on this during an evidence session in March, Reuben Aitken, SDI's Managing Director of Overseas Operations, said the organisation's experience of the awareness shown by staff in UK missions of the Scottish industry landscape was a "mixed bag". He said the FCDO could do more to ensure its embassy officials were familiar with the Scottish market and its offerings specifically as part of their key agenda, as well as seek to work with SDI colleagues more systematically:

Sometimes, people feel slightly nervous about working with SDI and with the Scottish offering, or see it as something for SDI to do, rather than a core part of their agenda.<sup>79</sup>

42. Scottish Government Cabinet Secretary Angus Robertson MSP told us that, in respect of the FCDO, "colleagues there are clearly thoughtful and are trying to work out how they can deliver on their mandate to promote the United Kingdom in all of its differentiated ways", adding:

some ambassadors and some missions are very seized of this. They are trying to work out how to be imaginative, how to host events, and how to reflect the fact that there are different Governments in the United Kingdom and they have, on some issues, different perspectives. There are other ambassadors and other missions where that is less of a consideration, so if there is a reflection that I would make, it is that there is a lack of consistency on that.<sup>80</sup>

Scott Wightman, Director of External Affairs in the Scottish Government, said it was important to:

enhance the understanding, across the board, in missions overseas of the nature and the strengths of contemporary Scotland so that those can then be woven into other activities, some of which might be Scotland-specific, but some of which might be more general.<sup>81</sup>

76 Q136

- 79 <u>Q136</u>
- 80 Q157
- 81 Q167

<sup>75</sup> Scottish Development International (PSI0012)

<sup>77</sup> Scottish Development International (PSI0012)

<sup>78</sup> Scottish Development International (PSI0012)

A report earlier this year by the National Audit Office on *Supporting Investment into the UK* similarly concluded that:

The devolved administrations (and their investment promotion agencies) we consulted have a good relationship with DIT, but they consider that DIT staff in overseas posts need a better understanding of the relative strengths and competitive advantages of the nations and regions of the UK.<sup>82</sup>

43. Witnesses also discussed their own experiences of UK embassies and missions abroad in relation to promoting Scotland internationally. Some thought there was opportunity for better engagement with Scottish stakeholders. For example, Shona McCarthy, CEO of the Edinburgh Festival Fringe Society, said that the organisation was not "solicited for input, ideas or contributions" by the UK Government on the international platform (excepting the British Council), whilst Buster Howes of the Royal Edinburgh Military Tattoo described his experience of engagement with UK's overseas networks as "uneven" at best.<sup>83</sup> The Scottish Chambers of Commerce believed there was a "disparity between promoting Scotland internationally among the Scottish Government and UK Government and their associated bodies" with the Scottish Government having developed "a clearer method" of working with the private sector on this.<sup>84</sup> Other witnesses were more positive: for example, the Scotch Whisky Association described its relationship with the UK Government's overseas network as a very productive one, citing "superb" support to break down recent trade barriers on whisky.<sup>85</sup>

44. VisitBritain, the national tourism agency and non-departmental public body funded by the Department for Culture, Media and Sport, has 16 offices across 22 markets which are based within UK embassies. It is also a beneficiary of the UK Government's "GREAT" international marketing campaign. Giving evidence to us earlier this year, Patricia Yates, its CEO, said the organisation works with the FCDO "to further Scottish interests in international markets", although noted it was important for the FCDO to make sure that:

embassies are briefed on the events that they should be talking about in every presentation that they give. That sort of joined-up approach tends to be a bit piecemeal, so we should make sure that ambassadors know the events and places that they should be talking about.<sup>86</sup>

45. FCDO Minister David Rutley MP told us that the Department "make sure that all heads or deputy heads of mission get, as part of their induction, proper training about what is going on in the different parts of the United Kingdom and what is happening in the devolved administrations".<sup>87</sup> Within the FCDO, we were told that all Heads of Missions receive "briefing on priorities for Scotland" from senior UK Government representatives pre-posting and have "direct engagement with a Scottish Government Director as part of a stand-alone session with the devolved governments". Heads of Mission are also encouraged to undertake visits to Scotland to engage with stakeholders and "deepen trade, investment and cultural links between their partner country and Scotland".<sup>88</sup>

- 85 <mark>Q</mark>8
- 86 <u>Q81</u>
- 87 <u>Q278</u>

<sup>82</sup> National Audit Office, Supporting investment into the UK, January 2023

<sup>83</sup> Q260

<sup>84</sup> Scottish Chambers of Commerce Network (PSI0007)

<sup>88</sup> Correspondence with Ministers, follow-up from evidence session on Promoting Scotland Internationally on 12 June 2023, dated 15 June and 10 July 2023, HC (2022–23) 625. See also: UK Government (PSI0015) para 31

46. We appreciate the wide range of work undertaken by UK embassies across a range of interests, from security to international development assistance to consular support. Our inquiry has focused on the economic and cultural promotion of Scotland internationally, and our recommendations will therefore focus on this narrower area of competence. We were pleased to see and hear of the positive activity undertaken by many UK Government staff to promote Scottish industry and interests overseas, experienced first-hand during our visit earlier this year to New York City and Washington DC. However, we also heard from witnesses that across the wider UK embassy network, practice can vary depending on the background or understanding of the particular Ambassador or Head of Mission in post at the time, with a need for a greater consistency across the network in promoting Scotland internationally.

47. The FCDO should enhance its programme of training for relevant embassy staff at all band levels to improve the knowledge base of UK officials of the Scottish market and industry landscape, as well as the current priorities of the UK Government in relation to promoting Scotland internationally (considering the recommendation made in Chapter 3 above in relation to strategy). In those locations where staff are not co-located, regular meetings should be held between relevant embassy teams and Scottish Government officials or Scottish Development International staff to ensure communication and information sharing. Beyond this, teams should also be encouraged to meet periodically with other Scottish institutions, be that in industry or academia.

## 6 Promoting Scottish trade

48. In 2022 Scottish international exports (i.e. sales to countries outside the UK) were worth £41.1 billion—40.2% of Scotland's total exports.<sup>89</sup> Scottish Development International noted that HMRC data from March 2023 showed "the value of Scotland's international goods exports increased by 19.0% in 2022 compared with 2019, which is greater than the 4.3% increase experienced by the UK (excluding oil and gas)".<sup>90</sup> A 2013 Concordat on International Relations set out the concurrent powers of the UK and devolved governments to promote international trade and investment. The UK Government holds "lead UK responsibility for the provision of support and assistance to new and existing exporters of goods and services and outward investors both at home and overseas", with devolved administrations responsible for "devising and implementing additional programmes to meet the particular needs of companies" in Scotland.<sup>91</sup> As part of a recent overhaul of the UK's intergovernmental framework, an Interministerial Group on Trade was established in 2022 to facilitate discussion between the four governments on this issue.<sup>92</sup> Both the UK and Scottish governments have published their own export strategies for the UK and Scotland respectively.

49. The UK Government published its export strategy *Made in the UK*, *Sold to the World* in November 2021, which it said would "give Scottish producers the tools they need to help sell their world-class products around the globe".<sup>93</sup> It set a target to increase UK exports to £1 trillion annually by 2030. Comprising a 12-point plan to achieve this target, the Government's strategy included the launch of a new Export Support Service and the opening of new Department for Business and Trade (then the Department for International Trade) offices in Scotland, Wales and Northern Ireland, which we discuss further below.

50. Separately, *Scotland: A Trading Nation*, which is the Scottish Government's ten-year export strategy, sets a target of increasing international exports from Scotland from 20% to 25% of GDP by 2029.<sup>94</sup> This strategy focuses on future exporting "priority" countries identified by the Scottish Government: fifteen "priority 1" markets (including the US, Germany and France), where the Scottish Government believed the bulk of future export growth would come from, and eleven "priority 2" markets, which it believed offered longer-term, more sector specific opportunities (including Japan, Australia and India). In its strategy update in September 2022, the Scottish Government said that Scotland's international exports still remained at around 21% of GDP, citing trading challenges

<sup>89</sup> Scottish Government, <u>GDP Quarterly National Accounts: 2022 Quarter 4</u>, summary tables, April 2023. Note: statistics do not include extra regio activity.

<sup>90</sup> Correspondence from Scottish Development International in follow up to the oral evidence session on Promoting Scotland Internationally on 20 March 2023, published 16 May 2023, HC (2022–23) 625

<sup>91</sup> Devolution: Memorandum of Understanding and Supplementary Agreements Between the United Kingdom Government, the Scottish Ministers, the Welsh Ministers, and the Northern Ireland Executive Committee, Cm 7864, March 2010, D4.22

<sup>92</sup> Department for Business and Trade, <u>Communiqués from the Interministerial Group for Trade</u>, accessed 14 August 2023

<sup>93</sup> Department for International Trade, <u>Made in the UK, Sold to the World</u>, November 2021. " <u>'Taste of Scotland'</u> food showcase hosted by Scottish Secretary", Office of the Secretary of State for Scotland press release, 24 November 2021

<sup>94</sup> Scottish Government, Scotland: A Trading Nation, May 2019

caused by the covid-19 pandemic and export arrangements since the UK left the EU.<sup>95</sup> The UK Government said its own strategy would "bolster and complement" the Scottish Government's.<sup>96</sup>

51. In relation to Foreign Direct Investment (FDI), Ernst and Young's Annual Attractiveness 2023 survey confirmed that Scotland had maintained its position as the top UK location for FDI outside of London, up 3.3% compared to 2021 (and notwithstanding a 6% decline in UK projects).<sup>97</sup>

52. As outlined above, the UK Government committed to establishing new offices in Scotland, Wales and Northern Ireland. The Department for Business and Trade "Hub" opened in the UK Government's Edinburgh headquarters, Queen Elizabeth House, in 2020, to use the Hub for "engaging businesses on trade policy and market access issues that reflect local priorities".<sup>98</sup> The Hub has thirteen staff.<sup>99</sup> The UK Government has explained that the Hub works "to ensure relevant Scottish business are encouraged to engage with overseas missions that will help them win business".<sup>100</sup>

53. Witnesses were largely supportive of the additional resource provided by the expansion of the Department for Business and Trade to Edinburgh. The ADS Group wrote that the Hub represented an opportunity "to build relationships with the business community in Scotland to design programmes that would better enable and develop the brand of Scottish goods abroad".<sup>101</sup> John Davidson of Scotland Food and Drink said he hoped it would be "very helpful", explaining that "up until this point, most of the activity that we have been involved in as a trade body is through the Scottish authorities rather than the UK authorities".<sup>102</sup> Graeme Littlejohn of the Scotch Whisky Association described the Hub as "a good addition" for his industry.<sup>103</sup> The National Audit Office's recent report *Supporting Investment into the UK* said that "devolved administrations also told us there was scope for DIT [now the Department for Business and Trade] to clarify how its UK-wide trade and investment hubs will support investment across the UK".<sup>104</sup>

54. Unlike the Department for Business and Trade, Scottish Development International's (SDI) resources are focused on just the top c.1,200 companies and across only 24 countries.<sup>105</sup> Giving evidence to us in March, Reuben Aitken of SDI said it welcomed the additional support resource provided by the Edinburgh Hub ("there is plenty of trade and investment work to go round"), and said it was an example of where SDI and UK Government teams were working well together on trade opportunities for Scotland. He also thought that the Hub and wider Department for Business and Trade offered an opportunity to deliver further support for Scottish companies in overseas markets in which SDI do not operate, although noted that "the critical thing is that as that evolves and grows in maturity, we don't trip over each other and we're really clear about additionality".<sup>106</sup>

103 <u>Q16</u>

106 Q141

<sup>95</sup> Scottish Government, <u>A Trading Nation: progress review 2022</u>, September 2022

<sup>96</sup> Department for International Trade, Made in the UK, Sold to the World, November 2021

<sup>97 &</sup>quot;Scotland's foreign investment grows with record results", EY, June 2023

<sup>98</sup> Department for International Trade, Made in the UK, Sold to the World, November 2021, Page 21

<sup>99</sup> Q313

<sup>100</sup> UK Government (PSI0015)

<sup>101</sup> ADS Group (PSI0009)

<sup>102 &</sup>lt;u>Q15</u>

<sup>104</sup> National Audit Office, Supporting investment into the UK, January 2023

<sup>105</sup> Q131; Scottish Development International (PSI0012)

55. In his evidence to us, the Secretary of State for Scotland Alister Jack MP said he was

satisfied that we are using our 280 missions around the world effectively, that we are linked in with business, and that we are doing our very best to enhance Scottish products.<sup>107</sup>

Lord Offord of Garvel, Parliamentary Under Secretary of State and Minister for Exports at the Department for Business and Trade, explained:

SDI does not have reach in Chile and Peru in the same way it does in France and Germany. We are not tripping over each other. We are working to our strengths. Where we are together, we can be additional and complementary. We have a much bigger reach.<sup>108</sup>

When asked about the focus for the Edinburgh DBT Hub, Lord Offord told us "we need to double the number of companies exporting from Scotland. That needs to be the immediate target. That is about getting the tools to them, and that will be the whole focus now".<sup>109</sup> On the role of Scottish business in achieving the UK Government's target of getting UK exports to £1 trillion annually by 2030, the Minister said the focus of the Department for Business and Trade was "to push the SME agenda", explaining that "40% of our exports come from less than 0.5% of the total set—the big companies—and 60% of our exports comes from 250,000 SMEs". He said:

That is where these new industries come in: the Scottish industries like fintech, life sciences, space—that is, satellites—and so on. We are very strong in the traditional salmon, shortbread and whisky. That doesn't, in a way, need any help. We now need to really push the new industries through to get that number up, so that we get our 4.5% [of Scottish companies who export] up to 10%.<sup>110</sup>

56. We welcome additional trading support provided for Scottish businesses through the recently established UK Government Trade and Investment Hub in Edinburgh. The UK Government Edinburgh Hub and Scottish Development International (SDI) must maintain regular contact with each other to ensure that the support provided to businesses by both organisations is complementary and not a duplication. We note the UK's overseas network has a significantly larger footprint than SDI with an opportunity for the Hub and the Department for Business and Trade to support Scottish businesses wishing to expand into these markets and work with those not covered by SDI's smaller footprint.

57. In response to this report, the UK Government should provide an annual written update to the committee on how the Hub is supporting the delivery of the UK Government's trading outcomes and its priorities for Scotland. The UK Government should also provide more detail on how the Department of Business and Trade will provide greater access to UK Government export support, while working with SDI to avoid duplication.

107 <u>Q287</u>

108 <u>Q316</u>

- 109 Q313
- 110 Q307

## 7 UK and Scottish government cooperation

58. Although foreign affairs is reserved to the UK Government, successive Scottish governments have developed their own international presence too, a subject discussed both by witnesses and through reported ministerial exchanges during our inquiry regarding Scottish Government overseas ministerial engagements. In this chapter, we set out the international footprint of the Scottish Government as well as the division of responsibility between the UK and Scottish governments on promoting Scotland overseas.

#### Scottish Government international footprint

59. Over the years, the Scottish Government has established eight offices abroad (with an additional office in London), including in Paris, Brussels, Dublin and Washington DC. Further international offices are also planned. The Scottish Government has described the role of these offices as "to promote Scottish interests overseas and strengthen our relationships with countries and continents".<sup>111</sup> The strategic objectives for its international offices for 2022–23 were:

- improving Scotland's international profile;
- attracting investment to Scotland;
- helping Scottish businesses to trade internationally;
- promoting and securing Scottish research and innovation capability, partnerships and funding; and
- protecting and enhancing Scotland's interests in the EU and beyond.

Staff numbers at Scottish Government international offices vary between 3 (Berlin) and 18 (Brussels).<sup>112</sup> Most of these offices are co-located within the British Embassy in the respective country.

60. Vicki Miller of VisitScotland (a non-departmental public body of the Scottish Government) said it worked "very closely" with the Scottish Government's international network:

We run a lot of joint events, particularly around things like St Andrew's Day, Burns and so on. We use the international hubs for key events. We make sure the teams in the hubs are aware of what is going on, particularly from a visitor perspective—what the new events are, what the new attractions are and what the new accommodation is. That is an important part of ensuring they are informed and are able to help leverage additional interest and investment in Scotland.<sup>113</sup>

<sup>111</sup> Scottish Government, Policy: International relations, accessed 16 August 2023

<sup>112</sup> Scottish Government, overseas offices: FOI release, 15 February 2022

Scott McDonald, Chief Executive of the British Council, said the organisation also worked "extensively" with the Scottish hubs abroad in addition to the UK Government network:

We feed the hub with all the British Council content, so it has everything we have. They are a very effective mechanism.<sup>114</sup>

61. Anthony Salamone of European Merchants thought there was scope for the two governments to establish "joint initiatives to foster global engagement with Scotland on trade and investment or other areas".<sup>115</sup> On our recent visit to the US, we met with officials from both British Embassy and Scottish Government teams who are co-located in Washington DC, and who both spoke positively of the relationship and communication developed between teams there.

#### Intergovernmental cooperation

62. The 2013 Concordat on International Relations, part of a wider Memorandum of Understanding between the UK and devolved governments, set out how the four administrations would co-operate with respect to international relations. The Concordat confirmed the responsibility of the FCDO in promoting the interests of "all constituent parts" of the UK.<sup>116</sup> In its written submission (and the Concordat itself), the UK Government said it recognised the interest of the devolved governments in international policy, "especially those which impact on devolved competences". It explained that:

To this end, the UKG works together with Scottish Development International and the Scottish Government to promote Scottish interests overseas, such as Scottish products, culture, industry and education.<sup>117</sup>

The Scottish Government wrote to us that "there is, as should be expected, strong cooperation between Scottish Government and UK Government staff in embassies and high commissions".<sup>118</sup> Furthermore, Cabinet Secretary Angus Robertson MSP said that he wanted to state:

my appreciation for the positive relations and support from the FCDO at post and in London in the vast majority of cases. I have seen at first hand many strong working relationships between Scottish and UK Government officials which have created excellent opportunities to showcase Scotland to our international partners and thereby promote wider UK interests.<sup>119</sup>

63. However, during the course of our inquiry, separate discussion has arisen regarding certain Scottish Government ministerial activity overseas. Lord Offord of Garvel told the House of Lords in March that, whilst "the Scottish Government and other devolved Administrations are entitled to conduct some international activity in support of their own devolved responsibilities":

<sup>114 &</sup>lt;u>Q97</u>

<sup>115</sup> European Merchants (PSI0011) para 12

<sup>116</sup> UK Government, Devolution: Memorandum of Understanding and Supplementary Agreements Between the United Kingdom Government, the Scottish Ministers, the Welsh Ministers, and the Northern Ireland Executive Committee, October 2013

<sup>117</sup> UK Government (PSI0015) para 3

<sup>118</sup> Scottish Government (PSI0003)

<sup>119</sup> Q156

The Scotland Act is clear that foreign affairs are outside the competence of the Scottish Government and therefore they cannot and should not encroach into matters such as separatism or the constitution.<sup>120</sup>

Press reports later confirmed that the Foreign Secretary had written to the Heads of UK Missions with guidance on working with the Scottish Government and supporting ministerial visits.<sup>121</sup> When asked about the dispute, the Secretary of State for Scotland cited a number of incidents where the UK Government viewed that Scottish Government ministers had discussed reserved matters during meetings with foreign governments. However, he told us that "despite the sometimes public disagreements or commentary surrounding it, the UK and Scottish Governments' working relationship overseas is a positive and productive one", adding:

the UK Government wants to work with the Scottish Government to maximise opportunities for Scotland, because that is exactly what people in Scotland want and expect from their two Governments. It is only when the Scottish Government strays into reserved areas that issues arise.<sup>122</sup>

Following this exchange, Angus Robertson MSP drew attention to the relevant section of the Explanatory Notes on the Scotland Act 1998:

the reservation of international relations does not have the effect of precluding Scottish Ministers and officials from communicating with other countries, regions or international or European institutions, so long as the representatives of the Scottish Parliament or Scottish Ministers do not purport to speak for the United Kingdom or to reach agreements which commit the UK.

and stated that "Scottish Government Ministers do not and would not purport to speak for the UK Government".<sup>123</sup>

64. The UK and Scottish Governments share many of the same priorities for Scotland on the international stage and there is an important role for the Scottish Government to play in promoting Scottish interests overseas in areas of devolved competence. Despite recent publicised tension between the two governments surrounding international activity, we found there to be positive and constructive collaboration between officials during our visit to Washington DC earlier this year, where UK and Scottish Government officials are co-located in the British Embassy. This kind of collaboration should be encouraged across the wider Embassy network where teams are co-located. In locations where Scottish Government officials are not co-located or based, it is important to embed regular communication between the teams to facilitate or identify any opportunities for joint initiatives between the governments. We encourage the UK and Scottish governments to work constructively and cooperatively on Scottish interests

<sup>120</sup> HL Deb, 9 March 2023, col 880

<sup>121</sup> Crackdown on SNP ministers using meetings with foreign governments to promote independence, The Telegraph, 9 March 2023; Overseas UK diplomats warned to 'watch out' for SNP ministers 'undermining' Britain on foreign trips, The Scottish Sun, 9 March 2023

<sup>122</sup> Q262

 <sup>123</sup> Letter from Angus Robertson MSP, Cabinet Secretary for Constitution, External Affairs and Culture at Scottish

 Government on follow-up from evidence session on Promoting Scotland Internationally on 12 June 2023, dated

 14 June 2023.

internationally. Whilst recognising that foreign affairs and international trade are reserved to the UK Government, the Scottish Government have international interests in devolved policy areas.

## **Conclusions and recommendations**

#### Beyond the tartan: Scotland's international brand

- 1. Scotland benefits from having a distinctive brand identity which is an advantage on the international stage. For many, "traditional" attributes of the Scottish brand such as tartan, golf and its history are still resonant. These remain important hooks for creating interest in or drawing international visitors to Scotland. However, the challenge today is to ensure that Scotland's current international profile reflects modern Scotland and its strengths—for example, its scientific research, or space and renewable energy sectors, in which it is world leading. We heard that traditional Scottish celebration dates such as Burns Night and St Andrew's Day are obvious starting points to profile Scotland's strengths which could be employed more consistently across the UK's global network. (Paragraph 17)
- 2. The Foreign, Commonwealth and Development Office (FCDO) should publish a strategy, to be circulated across its international diplomatic network, which sets out guidance and expectations for embassies on holding events to mark Scotland's key dates, St Andrew's Day and Burns Night. This document should give clear direction on what current UK Departmental (e.g. FCDO, Office of the Secretary of State for Scotland and Department for Business and Trade) priorities are for promoting Scotland internationally, and how both the modern and traditional aspects of the Scottish brand should be incorporated as part of this activity. In its response to this report, the UK Government should agree a definition of the Scottish brand to be advanced by it internationally, followed by annual reporting updates on embassy activity promoting Scotland that has taken place each year. The Committee recognises the interest of successive Scottish Governments in this area which currently resides in the portfolio of Cabinet Secretary for External Affairs—we therefore urge the Scottish Government adopt a similar approach. (Paragraph 18)

#### International Strategy for Scotland

- 3. We heard that UK Government activity in relation to promoting Scotland internationally, for example through ministerial visits, could sometimes be perceived as lacking a bigger strategic picture. The Secretary of State for Scotland described the UK Government's strategy for Scotland on the international stage as "one of bringing high-tech businesses to Scotland, which will bring high-earning, high-quality jobs". Whilst this objective is itself commendable, it ought to be one of several, and further detail is required about the actions that the UK Government will take to achieve these goals, so that the success of its work can be measured. (Paragraph 28)
- 4. In response to this report, the Office of the Secretary of State for Scotland—in consultation with the FCDO—should provide a clear strategy containing its measurable priorities and objectives for promoting Scotland internationally alongside the actions it is undertaking—and will undertake in the future—to achieve these goals. This

work should be undertaken in conjunction with the Government's response to the recommendation made in paragraph 18. To inform the strategy, the UK Government should consider:

- conducting an audit of international activity which is currently undertaken in relation to promoting Scotland internationally;
- horizon scanning to identify relevant upcoming opportunities or events that could be used as additional opportunities to contribute to the UK Government's priorities for promoting Scotland internationally; and
- consulting with stakeholders from the Scottish business and cultural sectors to inform these priorities.

In addition, the new cross-Whitehall delivery board for Scotland cited by the Secretary of State during evidence should cover the UK Government's activity and strategy for promoting Scotland internationally as part of its remit. (Paragraph 29)

- 5. The Parliamentary Under Secretary of State at the Office of the Secretary of State for Scotland earlier this year (2023) attended and took part in events as part of the 25th annual "Tartan Week" in New York City—the first time a UK Government Minister has attended since 2012. (Paragraph 30)
- 6. The UK and Scottish governments should both explore the intended focus for their participation at "Tartan Week" in the future. "Tartan Week" provides a prime opportunity to promote Scotland. (Paragraph 31)
- 7. Given that the Secretary of State has confirmed that there will be ministerial representation at New York "Tartan Week" next year, the Office of the Secretary of State for Scotland should set out in its response to this report:
  - the outputs and impact arising from its participation in "Tartan Week" this year; and
  - how the UK Government will work with the Scottish Government in ensuring the most strategic and constructive inter-governmental approach.

Following this, the UK Government should explore with international partners whether there is an opportunity to establish "Tartan Day" events in other countries where there are strong Scottish links. (Paragraph 32)

- 8. We have heard from witnesses during our inquiry of the opportunities which exist for the UK and Scottish governments to build connections with Scotland's large global diaspora, which could be used to support the promotion of Scottish interests internationally. (Paragraph 37)
- 9. *In response to this report, the UK Government should clarify:* 
  - what activity is currently undertaken by embassies to engage with the Scottish diaspora, for example in countries in which that diaspora has a sizable presence;
  - what role the UK Government intends to play in future in developing closer relationships with the Scottish diaspora; and

• how the UK Government intends to engage with the Scottish Government to help develop these relationships following the Scottish Government's recently published Scottish Connections Framework (Paragraph 38).

#### The UK's diplomatic network

- 10. We appreciate the wide range of work undertaken by UK embassies across a range of interests, from security to international development assistance to consular support. Our inquiry has focused on the economic and cultural promotion of Scotland internationally, and our recommendations will therefore focus on this narrower area of competence. We were pleased to see and hear of the positive activity undertaken by many UK Government staff to promote Scottish industry and interests overseas, experienced first-hand during our visit earlier this year to New York City and Washington DC. However, we also heard from witnesses that across the wider UK embassy network, practice can vary depending on the background or understanding of the particular Ambassador or Head of Mission in post at the time, with a need for a greater consistency across the network in promoting Scotland internationally. (Paragraph 46)
- 11. The FCDO should enhance its programme of training for relevant embassy staff at all band levels to improve the knowledge base of UK officials of the Scottish market and industry landscape, as well as the current priorities of the UK Government in relation to promoting Scotland internationally (considering the recommendation made in Chapter 3 above in relation to strategy). In those locations where staff are not co-located, regular meetings should be held between relevant embassy teams and Scottish Government officials or Scottish Development International staff to ensure communication and information sharing. Beyond this, teams should also be encouraged to meet periodically with other Scottish institutions, be that in industry or academia. (Paragraph 47)

#### Promoting Scottish trade

- 12. We welcome additional trading support provided for Scottish businesses through the recently established UK Government Trade and Investment Hub in Edinburgh. The UK Government Edinburgh Hub and Scottish Development International (SDI) must maintain regular contact with each other to ensure that the support provided to businesses by both organisations is complementary and not a duplication. We note the UK's overseas network has a significantly larger footprint than SDI with an opportunity for the Hub and the Department for Business and Trade to support Scottish businesses wishing to expand into these markets and work with those not covered by SDI's smaller footprint. (Paragraph 56)
- 13. In response to this report, the UK Government should provide an annual written update to the committee on how the Hub is supporting the delivery of the UK Government's trading outcomes and its priorities for Scotland. The UK Government should also provide more detail on how the Department of Business and Trade will provide greater access to UK Government export support, while working with SDI to avoid duplication. (Paragraph 57)

#### UK and Scottish government cooperation

The UK and Scottish Governments share many of the same priorities for Scotland on 14. the international stage and there is an important role for the Scottish Government to play in promoting Scottish interests overseas in areas of devolved competence. Despite recent publicised tension between the two governments surrounding international activity, we found there to be positive and constructive collaboration between officials during our visit to Washington DC earlier this year, where UK and Scottish Government officials are co-located in the British Embassy. This kind of collaboration should be encouraged across the wider Embassy network where teams are co-located. In locations where Scottish Government officials are not co-located or based, it is important to embed regular communication between the teams to facilitate or identify any opportunities for joint initiatives between the governments. We encourage the UK and Scottish governments to work constructively and cooperatively on Scottish interests internationally. Whilst recognising that foreign affairs and international trade are reserved to the UK Government, the Scottish Government have international interests in devolved policy areas. (Paragraph 64)