

INTERNATIONALISING SCOTLAND: MAKING SCOTLAND GLOBAL AND INTERNATIONAL IN ITS OUTLOOK

Colin Imrie

[The new Parliament] is a place where, together, we can be ambitious for Scotland. Where we face the challenge of building a country comfortable with itself at home, and at ease with itself in Britain, Europe and the wider world.~

George Reid, Presiding Officer, 9 October 2004

A major theme of Scottish economic development strategy for the new millennium has been to 'internationalise' Scottish business so that it can compete more effectively in the globalising economy. In a speech on Scotland and the World Economy in November 2003 Jack McConnell¹ said:

For Scotland to be globally competitive, we need more companies that are global players. Internationally successful companies will be crucial to Scotland's future economic growth. That means Scottish businesses need to be increasingly global and internationalist in their outlook and to help do this, our government will play a part.

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¹ <http://www.scottishlabour.org.uk/businessforumspeech/>

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Internationalisation of business is a recurring theme in sector strategies (see for example the 2003 national software strategy for Scotland²) and is a major element in the services to business offered by Scottish Enterprise through Scottish Development International.

In other areas the Scottish Executive has sought to support international activity by Scottish bodies, despite foreign affairs and overseas aid being reserved to the UK Government. On 7 October 2004 the Executive launched its International Strategy in a parliamentary debate on Scotland's place in the world³. The First Minister pointed out that the powers of devolution mean that there are specific ways that Scotland's devolved government can contribute to international development and announced that the government will spend £3 million a year to help Scottish non-development organisations in development work abroad. This International Strategy complements the European Strategy, published earlier in 2004⁴, which set out the objectives and targets the Executive has set itself in influencing developments in the European Union. Both these strategies were given general support by the Inquiry of the European and External Affairs Committee into the Promotion of Scotland Worldwide⁵. In anticipation of the First Minister's trip to Malawi and the focus on international development brought about by the holding of the G8 summit at Gleneagles in July 2005 the Executive also published a policy paper on International Development in March 2005⁶.

In many ways Scotland is well placed to develop a more global and international approach by its organisations and communities. There is a long history of engagement by Scots abroad. Over the centuries Scots emigrants played a major role in the development of agriculture, business and culture in countries as diverse as Poland, Northern Ireland, Canada and New Zealand.

²http://www.scottish-enterprise.com/sedotcom_home/sig/ebusiness-suppliers/software_vision.htm?siblingtoggle=1

³ <http://www.scottish.parliament.uk/business/officialReports/meetingsParliament/or-04/sor1007-01.htm>

⁴<http://www.scotland.gov.uk/Topics/Government/International-Relations/Europe/Page5>

⁵ *SP Paper 297, published on 24 February 2005*

⁶ <http://www.scotland.gov.uk/library5/finance/seidp-00.asp>

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Scots were pioneers in exploration and missionary work in Africa, and Scottish businesses were and remain leaders in Far Eastern trade. Scotland was an enthusiastic and successful player in the British Empire from its early days of slavery and conquest to the latter days with their focus on the development of effective administration and eventually disengagement. And Scots at home had their own links to this international culture – whether through families, through investment overseas or through church or social or business connections. Moreover Scotland at home was influenced in many positive ways by its overseas connections and in particular by the arrival over generations of immigrants from many countries who brought to Scotland much needed entrepreneurial, technical and labouring skills.

Scottish emigrants abroad took with them a strong Scottish cultural and religious image which formed a strong part of the local culture. Along with the influence of Scottish novelists and artists (especially Sir Walter Scott), Scotland, unusually for a sub-national region, has a strong image among many potential overseas visitors and consumers. Research carried out in key target markets for Visit Scotland in 2001-2⁷ showed that three key words represented a potential Scottish brand: with resonance in these markets:

- Enduring - in the buildings and architecture, history, culture and tradition
- Dramatic - Dramatic scenery, beautiful light and the drama of the changing weather
- Human - The Scots are seen as down to earth, innovative, solid and dependable but full of integrity and pride. The survey showed that people felt they got the genuine article when they came to Scotland and that there was nothing synthetic about Scotland.

These images have been strengthened by the overseas image of Scotland as a dynamic European region since the reestablishment of the Scottish Parliament in 1999. There has been a significant growth of interest in the development of governance in Scotland, with over 600 foreign official delegations visiting the

⁷ see e.g. Paragraph 4.2 in *Visit Scotland submission to Enterprise Committee enquiry on tourism in 2002* <http://www.scottish.parliament.uk/business/committees/historic/x-enterprise/reports-02/elr02-tourismev-pdfs/elr02-tourismev-visitscotland.pdf>

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Scottish Parliament from 1999 to 2003 and Scotland playing an active role in the Commonwealth Parliamentary Association. For the most part foreign media comment on the development of devolution in Scotland (where it exists and particularly when the correspondent has actually visited Scotland rather than depended on the London press for the story) has been positive. When reporting the opening of the new Parliament building **Le Monde** in its edition of 10 October 2004 noted the controversy over the cost but focused on the egalitarian nature of procedures at Holyrood compared with Westminster. The Swedish media did a series of positive pieces about the development of government and politics in Scotland in early 2003 to mark the series of political and cultural events held there entitled 'Scotland in Sweden'.

On the initiative of Henry McLeish when First Minister, Scotland has also taken its place at the forefront of the legislative regions in Europe, placing Scotland alongside the most dynamic regions of this type in Europe including Bavaria, North Rhine Westphalia, Catalonia, the Basque Country and Flanders. Jack McConnell has taken this forward with enthusiasm and used his capacity of Chairman of the grouping of regions with legislative power (clumsily named in Euro jargon 'Reg-Leg ') which made a small but nevertheless significant contribution to ensuring that the position of such regions was recognised in the proposed European constitution signed in Rome by EU leaders on 5 November 2004 even if the demands of the group for formal status were not recognised. His key message, that the EU needs to become less centralist, and more aware of the need to frame legislation so that it can be implemented more effectively in the very different regions of Europe if it is to regain the public trust, is a strong one which has some resonance elsewhere in Europe.

THE SCOTTISH CRINGE

Contrast the generally positive image Scotland has abroad with the general perception of Scotland's international position at home. There is little informed comment on Scotland's position in the world, neither in the Scottish media nor in academia. Domestic perceptions of the Scottish Executive's role in international affairs are either non-existent or negative – Alan Crawford, in preparing his analysis for **Holyrood** magazine in March 2004 of the expected impact of the Executive's European strategy, could find no informed commentator except an Executive insider who was willing to give a positive comment on the likelihood of the Executive's plans being implemented

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effectively. Many Scottish businesses work well with Scottish Development International on specific projects but most existing businesses with an international focus either deal directly with their own foreign markets or use other sources of advice. The First Minister's stated objective to contribute to the wide ranging strategy needed to halt Scottish population decline by bringing in 'Fresh Talent' from abroad has been praised as a principle but there are still many sceptics about the chances of it being achieved in practice in the absence of a truly international approach to the way Scotland deals with its international partners.

In all there is a perception that overseas activity from a Scottish base is peripheral to the interests of many organisations and there is little attempt to draw threads which link different activities in the same markets; and a general lack of confidence about the value of investing in such activity. Moreover there is little sustained investment in learning from overseas examples and sharing best practice, with only a handful of sectors active in such work (planning and building being a good example – see for example the November 2004 Scottish Executive publication 'Planning for Housing in Bavaria and Scotland' where the aim of the research was to look at the Scottish and Bavarian planning systems and to focus on how the processes differ to create quality design, with the aim of promoting joint learning and improvements in practice in each country⁸).

Such a perception is mirrored by the experience of Scots abroad. Perceptions of Scotland abroad tend to be historical rather than contemporary – a place to remember the past rather than a place to participate in the present and forge the future. A widespread perception among Scots emigrants, perhaps one which is inspired by the reasons for leaving Scotland in the first place, is that Scotland is a place to be educated in and possibly to retire to (if you can stand the weather) but too parochial in its ambitions to work in. Don Cruickshank, in a recent BBC Scotland programme on the Scottish identity (September 2004), said that in his generation the aim of the most ambitious students was to get a good Scots education and then leave for better prospects elsewhere, in London, Hong Kong, North America or elsewhere. The otherwise proudly Scottish foreign reporter and travel writer Gavin Bell surprised his South African audience by holding out little if any hope for change in Scotland from the establishment of the new Scottish Parliament, seeing it as an opportunity

⁸ <http://www.scotland.gov.uk/library5/planning/phbs-00.asp>

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for parochial politicians to squabble and look after their own interests rather than as a vehicle for building a new more dynamic Scotland.⁹

Perhaps this lack of active interest in developing the real internationalisation of Scotland is connected to the overall lack of confidence that Scots have in their own identity as identified by Dr Carol Craig in her book **The Scots' Crisis of Confidence**¹⁰, which examines the historical and cultural aspects of why Scots are so apparently reluctant to 'blow their own trumpet'. She was struck by how Scots lack confidence in every aspect of our lives: for example, how often would Scots rather say nothing at meetings than draw attention to ourselves? Carol Craig believes that many Scots are reluctant to challenge ideas of individuality, creativity and enterprise in case they are criticised, denounced or ostracised, and that there are a number of beliefs and attitudes which lead to conformity including:

- A strong tendency to criticise and focus on what is wrong with something, rather than to praise, appreciate or be positive.
- An overwhelming sense that people's behaviour can be judged right or wrong, worthwhile or useless.
- A prevailing notion that if anyone makes a mistake or does anything wrong, no excuses will be permitted in their defence and that they should be blamed and criticised for their misdemeanours.

There are those who dispute the applicability of Carol Craig's thesis to all or many aspects of Scottish life. Nevertheless it does seem particularly appropriate to the apparent lack of willingness of Scottish politicians, institutions and many if not all companies to invest in creating a more international dimension to their work, despite the real opportunities set out at the start of this article. There is an overwhelming lack of confidence in the Scottish body politic that real investment in internationalisation as a priority rather than a sideline is worthwhile. Public sector organisations value domestic priorities above external ones. There is a tendency to limit international activity to the margins of the organisations's activities, to restrict initiatives to as few as possible, to make small attempts to achieve things on

⁹ *'Somewhere over the Rainbow'*, Abacus UK 1998

¹⁰ *Big Thinking 2003*, available from <http://www.carolcraig.co.uk/bookbuy.htm>

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the initiative of others but to be easily put off by short term difficulties. There is in particular no long term investment in developing centres of expertise on overseas countries and potential partners which can be used to inform all aspects of the organisation's work: rather than seeing the opportunities of developing contacts, knowledge and expertise in international matters, such suggestions are more often seen as a threat to core business. Unlike at home, no value is placed on the development of partnerships for overseas activity; these are seen as potential barriers to the achievement of an organisation's core objectives rather than opportunities to achieve more than might otherwise be the case. A key reason for this, I believe, is the lack of hard evidence on why such investment can pay dividends, often due to the short-term nature of overseas projects and the failure to achieve synergies between different activities in the same markets, which however, unfairly, give the impression that such activity is more about presentation than substance. This article seeks to analyse the reasons for this lack of hard evidence and make practical suggestions on how such investment can be more securely justified in the future

CONSTITUTIONAL POSITION

Before looking at some practical examples of what has been tried to date it is important to clarify the extent to which Scottish institutions have the legal authority to promote international activity under the Scotland Act 1998. Section 7 (1) of Schedule 5 of that Act reserves international relations, including relations with territories outside the United Kingdom, the European Communities (and their institutions) and other international organisations, regulation of international trade, and international development assistance and co-operation to the United Kingdom Parliament. It does not, however, reserve observing and implementing international obligations, obligations under the Human Rights Convention and obligations under Community law, nor assisting Ministers of the Crown in relation to any matter to which section 7(1) applies (this latter point is relevant to the exercise of the Executive and its agencies of powers in respect of economic development and other similar policies outwith Scotland). Given the need to involve the Scottish Executive and Parliament in the development of international laws and treaties (including of course EU legislation) that they will have to implement, the Foreign and Commonwealth Office and other UK Government Departments

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agreed a series of procedures in the 'Concordats'¹¹(administrative agreements enshrining good practice on information sharing and joint working), which were put in place as devolution came into force in 1999.

In 1998-99 there were concerns in both the UK Government and the Scottish Executive civil service that a distinct Scottish approach to external action, especially with regard to EU matters, would undermine the traditionally strong single UK line which helped UK negotiators achieve UK goals in negotiation. Henry McLeish, former First Minister, has talked recently (in evidence to the European and External Affairs Committee¹²) of the UK Government being suspicious of his motives in pursuing international links when he was in office. For this reason, aided certainly by the similarity (although not identity) in political affiliations in the London and Edinburgh administrations, in practice EU dealings have been carried out largely in a consensual manner through the bureaucratic machine rather than through the political arena. Executive Ministers and officials, for the most part, have been prepared to follow the UK line and outwith fishing and EU structural funds have largely left the detail of negotiations to the UK authorities. Scottish Executive officials have not attended Whitehall meetings on EU developments unless there has been a strong reason to do so and the Scottish Executive EU Office in Brussels has, with some key exceptions, focused its energies on presentation and promotion rather than mainstream Council business. A study into Devolution and European Policy Making in Britain that was funded by the Economic and Social Research Council¹³ concludes that in the early years at least the emphasis has been on continuity rather than change and that the impact of Parliamentary scrutiny in the Scottish Parliament has been limited.

This early reticence to set out a separate Scottish agenda has not however been driven by any firm barrier set down by the UK Government against such activity, in contrast to the steps taken by the previous Spanish Government to seek to limit the ability of its legislative regions to engage in EU decision

¹¹ see debate in Parliament on 7 October 1999, <http://www.scottish.parliament.uk/business/officialReports/meetingsParliament/or-99/or021202.htm>

¹² <http://www.scottish.parliament.uk/business/committees/europe/or-04/eu04-1902.htm#Col912>

¹³ <http://les1.man.ac.uk/devolution/docs/EARreport.pdf>

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making. Indeed, the Foreign and Commonwealth Office has in recent years made a point of stressing its support for Scottish activity in external affairs and has encouraged Scottish Ministers and officials to continue to be involved in EU business and to develop bilateral links with interested countries and regions. These bilateral links have involved the Executive entering into commitments through bilateral agreements with regions such as Bavaria and Tuscany and through the membership of international organisations such as 'Reg-Leg'. The exact legal status of these commitments is unclear and their implementation almost certainly depends more on the goodwill of the parties than any enforceable provisions, but they do offer the opportunity to develop international links alongside more conventional means.

In certain EU policy areas, the opportunity to develop a more distinct Scottish policy position is currently being explored by the Executive, with tacit support from the UK Government. Through the leadership of the First Minister and with the support of Peter Hain, then the UK European Minister, the Executive made an input into the negotiations on the future constitution of Europe with the aim of ensuring that the position of legislative regions was recognised and that such regions would be consulted at an early stage in the preparation of EU legislation. Since 2003 the Scottish Executive Justice Department has, in partnership with the Crown Office, made efforts to develop a specifically Scottish input into the EU Justice and Home Affairs agenda, with the overall aim of ensuring that the distinct nature of the Scottish criminal and civil legal systems are safeguarded in the development of the EU area of freedom, justice and security¹⁴. Experience so far has shown that the development of a Scottish line in the early stages of the development of EU legislation has not undermined but rather complemented the UK position, and indeed has acted to strengthen the ability of the UK to put across a strong position by articulating the interests of a political community more akin in size to many EU states alongside the larger country, thus facilitating communication with a wider variety of EU interests than would be possible through a single UK interlocutor alone. This has been termed by an official involved in this process as the Heineken effect – Scotland can reach parts the UK Government itself cannot.

¹⁴ <http://www.scotland.gov.uk/Topics/Justice/Civil/17844/10270>

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In practice the prevailing attitude in the Foreign and Commonwealth Office, and increasingly being supported by UK Departments, is that the development of a parallel Scottish position on EU and other international issues as well as the promotion of Scotland will help to strengthen the UK's position and image internationally and not to undermine it. On most issues Scottish interests are similar to that of the UK as a whole and the articulation of these interests within a recognisably Scottish context can help strengthen the UK's case as well as ensure that legitimate Scottish interests are not overlooked in the final package agreed at UK level. This point was put across at a seminar in October 2004 in Glasgow on the importance of foreign policy to Scottish civil society, jointly hosted by FCO Minister Mike O'Brien and Tavish Scott from the Scottish Executive, at which the FCO encouraged Scottish civil society to develop their international activities in line with Scottish priorities. There will be differences in policy on specific occasions but there is political machinery to resolve difficulties: such resolution will be easier to achieve where the Executive and the Scottish Parliament are seized of the issues at the start of the process of legislation and aware of the different forces involved, so that realistic ways to pursue Scottish interests can be articulated at an early stage. Where there are differences (e.g. on fishing, and possibly on the future of structural funds) these tend to be differences of emphasis and prioritisation rather than being of a fundamental nature. As long as Scottish bodies pursuing an autonomous course do not seek to interfere with UK policy interests in the sensitive subjects of defence and anti-terrorism activity, Scottish activity in countries as diverse as the Länder of Germany, the Baltic States, the Czech Republic, China, South Africa and the United States is welcomed by British Embassies as a strengthening of the overall UK impact on that country and of its ability to communicate what is happening in modern Britain to a range of diverse interests rather than as a threat to British foreign policy.

So experience is showing that there is neither a constitutional nor a significant political barrier at UK level to the development of a more proactive Scottish involvement in international affairs designed to internationalise Scottish society. So what is holding back the various Scottish interests from achieving more in this area? We will now look at three areas where such attempts have been made in the past to seek to learn lessons from the experience, before going on to look at how a more effective, evidence-based internationalising strategy could be built for the future.

Scotland the Brand

In the early 1990s the Scottish Enterprise consumer division, dealing with the food, drink and textile industries, carried out research on the opportunities for capitalising on the Scottish image in home and overseas markets to market more effectively Scottish products. This research showed that there was significant potential for collective marketing of certain Scottish products, mainly in the food drinks and textile sectors, under a common Scottish brand which sought to emphasise the cultural and natural strengths of Scotland which had resonance with consumers. A number of potential organisational vehicles for such activity was considered by those concerned in the Executive and Scottish Enterprise for supporting such activity – one such idea, the development of a single quality mark for Scottish food and drinks products, was initially given serious support by Ministers and the farming industry but this dissipated as the costs of running such an exercise in the private sector (necessary because of EU state aids regulations) were highlighted. Eventually, after a major conference at Hopetoun House in 1995, the major players in Scottish industry agreed to lend their support to a common marketing exercise, named Scotland the Brand.

Scotland the Brand developed a brand logo for quality products made in Scotland and undertook a number of collective marketing exercises for participating firms in key target markets. It made a significant amount of progress in its early years when its main source of income was public funding and attracted support from a range of private sector interests. The logo began to achieve a degree of consumer recognition in the UK when it was adopted by several large supermarket chains. Achieving such recognition in overseas markets was more difficult but it did serve to provide the glue which brought together a number of marketing efforts to greater effect than could be achieved individually. Problems emerged, however, in assuring a smooth transition to private funding as public sector funding began to wind down as planned. Unfortunately for the future of the initiative this coincided with a significant revision of the strategy of Scottish Enterprise with the establishment of Scottish Development International, which did not have a place for support of such collective brand marketing. Attempts to float Scotland the Brand as a separate private company were initially successful but business confidence in the exercise had taken a serious knock by its lack of place in the Smart Successful Scotland strategy. According to a number of informed observers, the final nail in the coffin of Scotland the Brand appears to have been the decision of the Scottish Executive to promote a separate

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Promotion of Scotland exercise in which Scotland the Brand did not have a direct role.

In its comment page on 30 May 2004 when Scotland the Brand announced its voluntary liquidation, the **Sunday Herald** Business Section regretted the lack of a joined-up approach to government in tackling the future of Scotland the Brand. It particularly criticised the lack of a long-term approach in public sector support for such activity and the way in which the goodwill and unpaid time and energy provided by the private sector board members had been wasted by the ultimate failure of the initiative. It suggested that the Executive, in taking forward its Promotion of Scotland strategy, would ultimately come to regret the demise of Scotland the Brand and may feel required to set up something similar without the benefit of its track record.

Scottish-Nordic Links

In the early 1990s, as part of a European strategy developed by the then Scottish Office, Scottish officials reacted warmly to requests from the then prospective Nordic members of the European Union (Finland, Sweden and Norway) for assistance in preparing for membership of the European Union. An initial high-level meeting chaired by the then Permanent Secretary identified agriculture, the environment, structural funds and fishing as key areas for work, areas where the Nordic countries were keen to learn from Scottish experience. Fishing went down the agenda when Norway decided not to join, but the rest of the cooperation process continued through the 1990s, with structural funds being a particularly fruitful area for cooperation. Exchanges took place between officials in both directions, there was (a limited degree of) dialogue over policy issues and a further high-level meeting was held at Katilla in Finland. The most practical outcome of these discussions was the development of a transnational cooperation programme for the Northern Periphery funded through the EU's INTERREG programme linking together the Highlands and Islands with Northern Norway, Sweden and Finland, which was extended to cover the Faroes, Iceland and Greenland for the 2000-2006 programme period.

The initiative has however slowed down considerably in the new century, despite attempts to breathe new life into it through the establishment of an

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action plan at the Skibo high level meeting in 2001¹⁵. A follow up analysis in 2004 of progress to date by academics involved in Nordic Scottish relations since their establishment¹⁶ noted that the focus of activity, the Northern Periphery programme, appeared to have run out of steam and to need a new focus if it was to continue. Nordic interest in the Scottish relationship has it is true waned in recent years as the focus of attention has turned to integrating the new Member States, especially the three Baltic states with whom the Nordic countries have a close relationship. But there were countervailing pressures which could have encouraged the Nordic countries to want to rekindle the cooperation, in particular pressure from the 'West Norden' countries and autonomous territories of the North Atlantic islands to produce a counterweight to the eastward pressure of the Baltic States. Scottish interest in the cooperation began to diminish in fact when administrative and later political responsibility for European policy was separated from structural funds and the focus of policy switched to cooperation with European regions. So far no request has been made by the Scottish Executive to participate in the work of the Nordic Council of Ministers, despite the enthusiasm of some members for Scotland to have an associate status. The Parliament has shown more interest by hosting a meeting with the Parliamentary Nordic Council in late 2002, but the lack of follow-up to the Skibo action plan has created a real question mark as to whether Scotland wants to build on valuable links already made or is simply prepared to let them wither as other priorities emerge. The crunch point to judge if this cooperation has a future will be to see if the Executive acts with its existing Nordic partners and other like-minded states to develop one or more worthwhile proposals (hopefully going beyond the existing valuable but limited focus on peripheral areas) for the new round of

¹⁵ see Bachtler J and Yuill D (2001) *'Policies and Strategies for Regional Development in Scotland and the Nordic Countries'*, Paper to the Scottish-Nordic Seminar, Skibo Castle, Caithness, Scotland, 28 February-3 March.

¹⁶ *'Developing Cooperation On The Northern Peripheries Of Europe'*, Hallgeir Aalbu and John Bachtler, unpublished paper. See also EPRC paper *'Regional Policy, Territorial Cooperation and the Future Of Nordic-Scottish Cooperation'*, paper to Highlands & Islands Enterprise by John Bachtler and Irene McMaster, August 2005.

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cross-border cooperation programmes which will become a much more important element of structural funds for the EU 15 post 2006.

Scottish International Forum: Scotland in Sweden/Catalonia/Netherlands

An early initiative of the Europe and External Relations Division of the Scottish Executive was to create the Scottish International Forum. This was a three-monthly meeting of the various Scottish public and representative private sector organisations involved in overseas activity to see if synergies could be found between them. For the most part this has been a forum for information sharing rather than a more proactive body designed to promote a single strategy. Bodies like the Scottish Tourist Board and Scottish Development International have made a point of stressing that their prime purpose is to pursue their own specific strategies rather than any common strategy which might undermine the effectiveness of their own resource allocation by asking them to devote resources to a market for political reasons rather than any more targeted economic benefit.

The most practical project in which the SIF has played a role has been the development of the focused mini festivals of Scottish culture, tourism and politics developed under the Executive's leadership. These festivals, which began with Scotland in Sweden in early 2003 and have since been rolled out in Catalonia and now the Netherlands, seek through concentrated activities marked by Ministerial visits over a series of days to make an impact on the local marketplace to boost tourism and promote Scotland more generally. The first of these, in Sweden, was strongly supported by the British Embassy which devoted a significant amount of its own resources under its Scottish Ambassador John Grant (now at the EU in Brussels) to making an impact on the Swedish political class, media and potential tourists. There has been strong development of the tourism market with now three direct flights in place between the countries. The subsequent events in Catalonia and the Netherlands in October 2004 brought together a range of bodies from the two countries, although they achieved less positive media coverage. The main criticism of these initiatives is that no lasting mechanisms is in place to follow up the investment: UK Embassies now have to devote their resources to the Foreign and Commonwealth Office's new strategic priorities for its network and do not have a standing remit to promote Scotland for its own sake. With the exception of tourism there is no standing Scottish representation in any of these countries. A model for understanding the benefits of overseas events has been developed by the Analytical Services in the Executive, which will be published by the Executive in late 2005. It will be interesting to see how these

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findings are taken forward in the light of the redefinition of the Executive's Promotion of Scotland strategy under the new leadership of Tom McCabe, responsible for the International Strategy, and Patricia Ferguson, who now has responsibility for the Tourism, Sport and Culture portfolio.

Conclusions

These initiatives show some progress in achieving targets in specific countries and markets. But they are all characterised as having initial successes but then fading away as domestic priorities changed. Opportunities to pursue synergies between partners were missed. There was no consistent focus on the benefits of learning from overseas experience to complement the promotion of Scotland. The insensitivity of the Executive to the negative impact the changing of domestic priorities had on overseas partners and the Scottish private sector was marked, since the development of overseas links with close neighbours and in key target markets for trade and tourism is not a tap which can be turned on or off but a constant process which will send negative messages rather than positive ones if not properly attended to. It was as if the Executive officials involved felt that they were taking calculated risks in promoting such activity and were quick to run for cover when the opportunity came to pull out; the idea that an initiative like Scotland the Brand could be hived off to the private sector and flourish without the cement of Executive and Scottish Enterprise support was at best naive. The lack of any oversight of and responsibility for, at official level, the benefits of collective external action has been very marked. All in all, the initiatives have done little to combat the prevalent Scottish perception that internationalising the public sector is not core business.

WAYS FORWARD

The basic premise of this article is that there is real potential to develop a more international approach to pursuing public and private aims if those concerned are prepared to take risks and value the benefits of pursuing learning and business opportunities in overseas markets. The public sector and in particular the Executive has a crucial role to play here in providing the cement on which private sector and individual public sector bodies such as universities and sectoral organisations can pursue their own opportunities. The public sector should not try to substitute for private enterprise; indeed the nature of private-sector links overseas is quite different from that of the public sector in that it seeks to be much more focused on narrow

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opportunities than broad Scottish objectives. The aim should be for the Executive to seek to put in place a base which supports targeted activities by others and the framework within which synergies and coordinated activities can be pursued, followed up and developed further. By working together in this way synergies can be achieved through image projection, networking and learning about overseas markets which will lead over time to a more effective internationalisation of Scottish society and by extension facilitate more effectively the achievement of goals set out in important initiatives such as Fresh Talent and a Smart Successful Scotland. Indeed, trying to achieve successes with such sectoral initiatives without reinforcing them with a more broad-based approach to the internationalisation of Scottish society as a whole will be doomed to failure if the back up resources of Scotland's schools, colleges, training organisations and public institutions are not themselves committed to internationalisation. So how to achieve this in practice?

Reinforcing international learning at home

A first step should be to improve the efficiency of current investment in international learning. All organisations have some contact with the outside world, whether it be receiving outside visits to learn about practice and policy in Scotland, sending staff members and other people abroad to learn about overseas practice, doing business or discussing policy with overseas bodies or training people to deal with overseas environments. Organisations should be encouraged to review the way such contacts work, to review the resource input and to seek to develop synergies between activities to deliver such international contacts more efficiently and effectively. It is not necessarily a question of increasing resource input; organisations may find that at present such contacts are handled haphazardly and create difficulties for untrained or unguided staff rather than being seen as opportunities for motivated staff who have language and other skills that could be used to good effect. Questions to be asked are:

- how much do we spend?
- how many staff members deal with such contacts? Are they motivated to make use of them? If not what can be done to ensure that those who deal with such contacts are best placed to maximise the benefits from them?
- could such contacts be handled more efficiently or effectively?

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- does the organisation have a strategy for such contacts to promote learning and effective use of resources?
- do we have a feedback system in place to ensure that the learning benefits of such contacts are disseminated?
- could we get better outputs from the inputs we make?

A particular area which needs a thorough study and overhaul is the use we make of the very substantial investment made by schools, colleges, universities and businesses and public sector institutions in foreign language skills (estimated at a hundred million pounds a year or more). Many Scots are proficient linguists and make good practical use of their language skills for work, study, cultural or personal development. But they are the exception rather than the rule. For the most part Scots are reluctant linguists, believing that they are poorer than they really are at non-English languages and ready to speak English at any opportunity. It is true that English has become the dominant language of business, science and politics worldwide: even the European Union, following the last two rounds of enlargement to non Latin-speaking countries, has now become a place where English is the main working language. But this does not take away the value of communicating in a foreign language to enhance the learning experience and to strengthen the personal connections forged through international links. Just as importantly not using the foreign language effectively means that Scots institutions are at a disadvantage in understanding the foreign environment and will always be dependent on intermediaries to interpret the foreign situation for a Scottish audience rather than being capable of direct interaction, with all the benefits to both sides direct communication can bring. This is inefficient since it not only requires extra cost to address the peculiarities of different marketplaces but also makes ineffective use of the skills and talents in foreign languages which already exist across many Scottish institutions. Over time it would be sensible to increase the investment in making practical use of foreign languages to promote international learning, but in the short term each organisation should carry out an audit of its language skills against current use and consider how better use of such skills can be made in the future.

Using existing international resources better

There is a series of programmes available already in Scotland to promote the internationalisation of Scottish bodies. These range from the small sums of money put aside by councils to support twinning arrangements with cities and

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regions abroad, to the much more substantial sums of money allocated for overseas marketing by Visit Scotland, the universities, and Scottish Development International. The Executive's new Fresh Talent Initiative will also add a new component to the overseas spend on marketing Scotland, as will the increased effort by the Executive in promoting Scotland through representation abroad in China as well as in Brussels and Washington. There is also funding from the European Union for international links through student exchanges and through interregional cooperation. The last source of funding looks set to be increased from 2007 onwards as funding from the EU for regional policy in the individual regions of the EU 15 diminishes. There are also existing networks of Scots and others abroad keen to help the internationalisation of Scotland, whether through the SDI Globalscot network of some 700 prominent Scots abroad pledged to help the internationalisation of Scottish business, or the parallel Friends of Scotland network, or more informal networks in culture, media and education.

All of these networks and funding programmes have to serve the key purposes for which they were established. It would be wrong to ask them to do things for which they are not suited. But there is real potential in many of these initiatives to do more for the same resources. The recent study by EPRC and Nordregio of the impact of EU-funded cross-border cooperation between Scotland and the Nordic countries, for example, showed that those involved in this initiative had become out of touch with the more dynamic initiatives in their own countries and that a process of renewal could pay real dividends as we look forward to post 2007. Many members of Globalscot have suggested to Scottish Enterprise in the current review of the initiative that they could do more to help Scotland in other areas than the development of individual businesses. Universities could do more to use the EU funding programmes for student exchange and research to develop strategic links with other universities to meet their own objectives. All in all, a review of each body's international resource use would pay real dividends in terms of effective impact.

There is also real scope for improving the synergies between the different initiatives. At present organisations approach the body set up to promote synergies, the Scottish International Forum, with more suspicion than enthusiasm. It has not as yet proved that its coordination function has had much effect. It is therefore to be welcomed that the Scottish Executive Finance and Central Services Department's Analytical Services Division is undertaking a study of the effectiveness of the 'Scotland in the Netherlands'

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event in September-October 2004 in order to develop an evaluation model for the Promotion of Scotland initiative. The model will seek to provide a framework against which to evaluate progress in the Scottish Executive's main objective in relation to Promotion of Scotland – to advance Scotland's place in Europe and the wider world by maximising Scotland's influence within the European Union, building mutually beneficial links with other countries and regions, promoting Scotland abroad, and attracting fresh talent to live and work in Scotland. It will be important that the evidence gathered by the study, to be published in late 2005, be effectively disseminated so that wider initiatives to pursue collaborative efforts of this type are more effectively designed for the future.

Empowering more initiatives to target new opportunities

It will also be important to target specific collaborative opportunities at key opportunities on a regional and sectoral basis, to give more purpose to activities in key geographical areas. The key problem with the 'Scotland In' series so far has been its episodic nature and its failure to ensure follow up to much of the activity. It has focused efforts and resources to certain areas, some could argue at the expense of wider, more sustained collaborative efforts elsewhere. A reason Executive officials have given for not supporting other proposals, for example in the new EU member states of Central and Eastern Europe, is a lack of resource in the External Relations Divisions of the Executive. There must therefore be room for encouraging more collaborative activity coordinated by others, whether private bodies or public agencies. A good example to build on is the Scotland in Estonia trade mission and mini festival organised by Estonia-based Scots in early July 2004. This had a strong local impact since it was able to build on years of investment in Estonia and provided a framework for building new business for new Scottish interests in Estonia. By being organised by local interests it also could form one stage in a series of concerted efforts by Scottish interests and an opportunity to follow up. A small amount of funding was provided by the British Embassy to fund receptions and the trade mission was part funded by the participants and by Scottish Council Development and Industry and Scottish Development International.

The Executive should change its current emphasis on events organised centrally and take on a more facilitating role. The aim should be to encourage Scottish interests present in the key target markets for Scottish bodies (EU, North America, some Commonwealth and some Far East countries), with the support of bodies such as SDI and SCDI at home, to seek to organise

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appropriate collaborative events to develop further local understanding of Scots interests and develop links designed to promote mutual learning. There should be no centrally imposed model as long as core objectives are met; rather the aim should be to empower those who know the local environment best to design events and activities which best suit local needs. The Executive's role would be to provide support in the form of core publicity and marketing support as well as small grants for specific events. The size of the grant need not be large; indeed the most effective activity of this sort should attract a range of private sector and public funders, including often the local British Embassy. It will be important to ensure that there is effective communication at home of such initiatives to avoid duplication and to develop synergies between them.

The Executive should also take a more open empowering approach to developing synergies between Scottish interests to pursue linked objectives across sectors. One key such opportunity is presented by the large investment in training, economic development and environmental protection which will be supported for the foreseeable future in the new EU member states by EU structural funding. Studies for the European Commission before enlargement took place suggested that up to 50% of the tens of billions of euros to be spent in these countries over the next ten years could come back to the existing member states through the purchase of goods and services. Scottish public and many private sector bodies are well regarded in Brussels and elsewhere in Europe for the innovative approaches taken to regional development and employment training in Scotland over the last 20 years. Scottish public sector bodies are at the leading edge of administration systems for structural funds, with particular skills in respect of policy areas such as sustainable development and innovation. Some Scottish private sector project management and consultancy companies have long experience in working with EU funding and are developing markets in Poland, the Baltic States and beyond. There is a real opportunity to develop a stronger and more active Scottish role in advising on structural funds implementation in these countries and in project development. It should not be seen as requiring a single implementing body which acts to stifle private initiative but rather a more supportive role taken by the Executive and the public sector at home, coupled with targeted activity supported if necessary by small grants and human input in key target markets. As knowledge is developed about new markets and societies it should be possible to develop parallel marketing activities to support other key domestic priorities such as selling university training, tourism in Scotland and even (since no UK visas are required by citizens of

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the new EU member states) promoting living and working in Scotland through the Fresh Talent initiative.

A greater Scottish policy impact on Europe and the wider world

Promoting a greater Scottish willingness to make an impact on the world stage will also require a more assertive contribution by Scottish policy interests to the international debate on issues where Scottish bodies have a legitimate interest and the opportunity, in the light of the willingness of the UK Government to allow Scottish bodies to make a measured input to the international debate. This is particularly true in the EU context. Through his contribution to the preparation of the (currently in limbo) EU constitution the First Minister has opened up the opportunity for Scottish bodies to contribute to the policy debate in the EU at the pre-legislative stage, and the Justice Department has made the first ever Scottish response to a Commission green paper (on sentencing in October 2004). It is important that the Executive Departments responsible for agriculture, environment and the future of regional policy and state aids ensure that they also make contributions to the debate on the future of these policy areas. Opportunities should also be taken to use other links (e.g. with European regions, the Nordic countries and Commonwealth countries with which Scotland is developing links) to promote policy areas such as sustainable development in which we have shared interests. The more we take a proactive, measured but assertive position on issues in which the devolved Scottish polity has a direct interest, the more Scottish society will feel confident about its role in the world.

A more active role by the Scottish media on international affairs

Foreign and defence policy may be reserved to the UK Parliament but the Scottish print media has no such reservation. Yet there are no full-time overseas correspondents employed by Scottish newspapers, which depend on the wire services and internet, Scottish based staff and foreign-based part-time reporters to fill up the small amount of space they reserve for foreign stories. In practice much reporting of foreign affairs comes out of London and the Scottish dimension is often neglected. Broadcast media does no better, partly because of BBC and ITV reserving most reporting of foreign affairs to London-based studios but also because of the lack of resources available for Scottish based programming: it is striking that when resources approach the London level as in the case of Eorpa (BBC Scotland) reporting of the Scottish contribution to European affairs can be much more substantial. If Scots are to develop their confidence to deal positively with international affairs then the

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media will play a key role in that process, hopefully supportive, although past experience shows that the media may take a more sceptical position. Those in the Executive and the private and public sector bodies involved should ensure that they have a strong and serious story to tell about the value of such internationalisation and that they take steps to explain and respond to such legitimate media criticism as may arise.

Need for leadership

Taking all or even some of these steps will help to promote a more effective internationalisation of Scottish society than is currently the case. But to be really effective Scottish politicians, senior civil servants and business leaders will need to demonstrate consistent and sustained leadership. The First Minister and the Presiding Officer have shown the way in recent months with strong and convincing statements in favour of a more confident approach to Scotland's place in the world. But this needs to be supported with serious and sustained leadership at the level of Cabinet Ministers and senior officials to ensure that these sincere intentions are turned into real achievements. This will need some key ingredients which have up till now been lacking in the overall approach taken by the Executive: *credibility*, meaning knowledge and understanding of what is required to pursue international objectives and the skills required to do so; *visibility*, being prepared to be present and show leadership at key events and with key internal and external stakeholders; and *determination* to pursue objectives in a flexible manner over time. They will also need to show more willingness to recognise and develop talent in international links than has been the case in recent years, when the ability to pursue short-term domestic fixes has been prized above any other qualities. To quote Jack McConnell at the moving formal opening of the new Scottish Parliament on 9 October 2004:

This Parliament should dare to open minds to the opportunities that change brings and seize those opportunities for the people of Scotland. In the words of our national poet, let us all be thinking persons, let us all be open and adventurous. Most of all, let us be confident that we live in a great country of great talent and opportunity, of enterprise and compassion and tolerance too, and let us indeed pick up that thread of pride and self esteem and make our nation proud again.

AUTHOR'S NOTE ON SOURCES

This paper was prepared by the author on the basis of informal discussions with key stakeholders in late 2004. These were conducted on a non attributable basis. The author has used his knowledge and experience of the system to form judgements on the basis of these discussions. All the views, opinions and facts given by the author are however his responsibility alone and can in no way be ascribed to any institution or other individual.

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