

SCOTTISH GOVERNMENT INTERNATIONAL FRAMEWORK

1. The Scottish Government's international activities make crucial contributions, both directly and indirectly, to the key purpose of this government, namely to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. By supporting Scottish businesses looking to trade abroad; by attracting foreign direct investment; through the work we do to ensure that European legislation takes account of Scottish interests; and by placing Scotland as a great place to live, learn, visit, work, do business and invest, the international work of the Scottish Government and its associated bodies makes a direct contribution to *The Government Economic Strategy*.

2. This framework sets out the context and rationale for the Government's international activities and shows how international work contributes to the Government's purpose of increasing sustainable economic growth. This framework will help focus Government's international activities to ensure maximum cumulative impact both in economic terms and in articulating our identity and strengths as an international partner. We need to be clear about the benefits of government intervention as opposed to supporting links and opportunities created by our stakeholders, and this framework concentrates on the areas where we think Government can add value. Alongside this Framework we are publishing Plans setting out the detail of how we will pursue this work in our engagements with Europe and the EU, China and the developing world through International Development. Further plans on North America and further work on promotion and reputation management will follow during the coming year.

3. The Scottish Government's international engagement is driven by the Government Economic Strategy and the need to place Scotland as a responsible nation and partner on the world stage. This Framework will inform the work not only of the Scottish Government but of our key partners in the public sector. Our international activities will contribute to the Government's purpose of increasing sustainable economic growth by:

- ◆ Creating the conditions for talented people to live, learn, visit, work and remain in Scotland – so that Scottish population growth matches EU average;
- ◆ Bringing a sharp economic growth focus to the promotion of Scotland abroad – so that the Scottish GDP growth rate matches the UK's by 2011; and
- ◆ Managing Scotland's reputation as **a distinctive global identity, an independent minded and responsible nation** at home and abroad and confident of its place in the world.

4. These goals relate to Scotland's performance as a nation. Our work under the Framework will allow us to focus and align the actions and policies of the Scottish Government and other public sector actors to maximise their role in contributing to that performance. Our objectives will underpin visits by Scottish Ministers when they represent Scottish interests abroad; the work of **Scottish Development International** in more than 20 offices overseas to promote international trade and inward investment; the activities of **VisitScotland** and **Eventscotland** in seeking to attract people to come to Scotland as a tourist destination and site of world class events and the evolving role of Creative Scotland in

promoting Scotland's cultural excellence and identity. In financial year 2006-2007, SDI attracted £313million worth of investment business (creating 7,507 new and safeguarded jobs of which 1,744 were high-value); VisitScotland is working towards a target of increasing tourism revenue in Scotland by 50% by 2015 and EventsScotland's aim is to make Scotland one of the world's foremost events destinations by 2015. **Creative Scotland** will champion the potential of Scotland's creative industries which add £4 billion to the value of the Scottish economy and support over 60,000 jobs.

5. We and our partners will continue to position Scotland as a great place to live and work; take action to understand and remove the barriers to attracting high quality talent to Scotland and ensure that we are taking steps to retain the talent we have already attracted by improving the integration of new Scots into our society and ensuring that our young people understand what Scotland has to offer them.

6. Achieving population growth is a key aspect of our strategy for achieving sustainable economic growth and the *Government Economic Strategy* set a challenging target to match average European (EU-15) population growth over the period from 2007 to 2017, supported by increased health life expectancy in Scotland over this period. Achieving this target is a key aspect of our international activities.

Scotland's Story

7. These organisations, and all bodies using public money to pursue Scottish interests overseas, can work together to achieve more. A shared understanding of Scotland's values and strengths must be at the heart of all of our activity. We are putting in place ways of developing our understanding of Scotland's reputation internationally. This knowledge will allow us to develop ways of managing Scotland's reputation more effectively. We will set out a clear and consistent statement of Scotland's story – what we are and how we want to be perceived, and we expect the work of the different parts of Government and those working to achieve its aims to be aligned around that. We will convene a small, structured group of key Government officials and stakeholders to allow cross-sectoral information sharing to inform the activities of the Scottish Government and stakeholders active internationally.

8. This will allow us to be clear where we have a competitive advantage and where Scotland can truly describe what it has to offer as "excellent." Research shows that there is much goodwill towards Scotland but where we assert excellence there must be substance to those claims, and across the Scottish Government and beyond, we must be prepared and ready to evidence these. We must also use an understanding of how others perceive us better to work out what aspects of Scotland's society are interesting to others. We will work with partners and stakeholders to allow for the development of a knowledge base letting people know where we are world class:

9. Education, Lifelong learning and Scientific Research: Scotland's educational policies and institutions have an international footprint and are a focus of much of our international work, not least in our worldwide reputation for educational excellence which is a magnet for further and higher education students, and a strong factor in influencing potential migrants with school-age children to come here. Independent evidence such as the recent OECD review of schooling in Scotland lauded much praise on our schools, A February 2008 report shows that Scottish research is truly world leading – we are first in the world for citation rate for research and second in the world for the impact of research– our institutions continue to

change the world's thinking. This creative thinking attracts investment from around the world, stimulating our economy. Promotion of Scotland's institutions and their innovative capabilities should therefore be a key facet of our overall brand promotion strategy abroad. Target countries such as China only want to invest in countries whose reality lives up to branding – we know that Scotland is truly world beating in research and should play to our strengths.

10. Business: Scotland's success story of recent years has been our financial services sector. Scotland is internationally recognised as the most important UK financial centre outside London. It is also one of the fastest growing sectors of the Scottish economy. Since the start of 2000 financial services in Scotland have grown by over 60 per cent while the overall Scottish economy has grown by 14 per cent. It accounts for around 9 per cent of Scottish jobs, employing 108,000 directly and almost 90,000 in a range of related industries. And Scotland is home to one of the biggest and fastest expanding life science clusters in Europe, thanks partly to a strategic alliance between industry, government, universities and the National Health Service in Scotland. It has more than 15 per cent of the UK's life science companies, nearly 600 organisations, and 30,000 employees. Current company turnover is estimated at more than £2.5bn, with gross value added (GVA) put at well over £1bn. Scottish food and drink enjoys a worldwide reputation for quality and makes an important contribution to Scotland's economy, generating sales of around £10bn per annum. The Scottish food supply chain employs over 355,000, and supports one in five Scottish manufacturing jobs and over a quarter of Scotland's manufacturing exports.

11. Tourism: Another success story is the value Scotland can extract from our wonderful landscape, culture and heritage. VisitScotland has a strong reputation for marketing Scotland to potential visitors and the industry is one of our most important sectors, developing from a revenue of £2.4 billion in 19998 to £4.2 billion in 2005. The industry and Scottish Government have a shared ambition to increase this further by 50% by 2015. However, tourism is an increasingly competitive sector, with over 200 countries seeking to attract overseas tourists. The impression of Scotland that we give in marketing to potential visitors and that tourists gain whilst they visit here will have an influence on peoples' wider views. It is therefore of importance also for our objective to improve our global identity – as well as being a deciding factor in a visitor's decision to return or spread the good word to other potential visitors.

12. Major events: Winning the Commonwealth Games for Glasgow and the Ryder Cup for Scotland in 2014 and hosting annual world class events such as the Edinburgh International Festival has firmly established Scotland as a world leading international events destination. There is clear evidence that major events can drive economic growth and can generate a positive impact and legacy. Our national events agency EventScotland works on our behalf with a range of public and private sector partners to develop a portfolio of international and regional events that delivers clear and lasting impact for Scotland and enhances our international profile and reputation.

13. Our strategy for delivering this involves utilising and developing the assets that Scotland has that make it the perfect stage for sporting and cultural events:

- ◆ **Our cultural identity and heritage** – Our culture and heritage is a strong differentiating factor that we can use to attract major events;

- ◆ **Our people** – Scotland is known for the friendliness of the welcome and the passion of our people. The people of Scotland are proud and have a strong sense of their identity. Our people are ideal ambassadors for Scotland and for Scottish events both at home and abroad and we benefit from large numbers of people across the world who have an affinity for Scotland;
- ◆ **Our natural environment** – Scotland has a rich array of beautiful and dramatic landscapes ranging from mountains to lochs to beaches. Our landscapes are both diverse and unique and are a key asset in attracting major events to Scotland.
- ◆ **Our built facilities** – with a long history and tradition in architecture and a rich heritage in castles, municipal buildings and cityscapes, Scotland has iconic buildings in and around which to stage events and a range of excellent sports facilities and indoor arenas.
- ◆ **Our signature events** – we have a range of signature events which are so large and iconic that they form the heart of our strategy for retaining our status as a world leading international events destination. Events such as the Edinburgh International Festival; the Glasgow Commonwealth Games 2014; the Ryder Cup 2014; our winter festival and Homecoming Scotland 2009 will form the backbone of our events portfolio.

14. Generating a lasting impact and legacy from all of our events is key. Our national events agency, EventScotland is already acknowledged as a world leader in evaluation of the impact of events. We will ask EventScotland to build on this by enhancing and developing its methodology, and ensuring that it is assessing the impact of events in relation to all five of our strategic objectives, and in relation to tourism; business; culture; media; sport and health; the environment; and partnership working. Further details will be set out in due course.

15. Environment: Scotland can demonstrate world leadership in climate change and natural resource protection in particular through our ambitious approach to reducing greenhouse gas emissions by 80% by 2050 which should attract early investment in renewable energy and carbon capture technologies.

16. Finally, we need to be clear about where Scotland can work in partnership with others for mutual benefit. UK, EU and international collaboration is central to much of the work of our science, educational and research sectors, and that will continue. Finding ways for Scotland and young Scots to learn from the experience of those in other countries is a key part of preparing our young people for success in a globalised world. Scotland also has a good reputation in protecting its valuable environment and is proposing to set particularly challenging targets in relation to climate change. Finally, a regard for universal human values and the spirit of mutuality will continue to be a vital part of the Scottish identity in the future and our work on international development is a key expression of that outward looking approach.

17. Scotland's Diaspora population around the world and across other parts of the UK consists of large numbers of people with a good will towards Scotland, who have the potential to improve our reputation and drive economic growth by acting as ambassadors for Scotland.

18. We continue to work with Global Scots and our Global Friends of Scotland to put in place mutually beneficial relationships and to understand how Scotland and the Diaspora can work together to develop mutually beneficial partnerships. The year of Homecoming in 2009 will be a real focus for energising and engaging our Diaspora, and we will ensure it has a lasting legacy in terms of better, more effective and higher impact communication with Scotland's Diaspora.

A Fresh Approach

19. This document is a Framework out of which other, more detailed Plans fall. This Framework together with those plans and our actions over the last 11 months sets out our:

- ◆ **Fresh approaches to existing relationships** with a revised more proactive approach to the EU and our key EU priorities which is contained within our statement on our **Current EU priorities and Action Plan on European Engagement**. In addition to its office in Brussels, the Scottish Government has officials in Washington and Beijing. Our presence in **China and North America** will continue and has already been strengthened. The work of Scottish universities and educational authorities in both North America and China as well as other key markets, means that there are good reasons to see a good fit with our aim of taking opportunities there. The **US and North America** are key trade and tourism markets; again **China** is already an identified priority market for SDI and VisitScotland has identified it as a key emerging market. Following consultation with key stakeholders, we are publishing a refreshed **China Plan**; we have established a new structure and strengthened our representation in North America. That will lead to a sharper more focused programme of events representing our interests in the US and Canada.
- ◆ **New priorities:** Scotland is a nation and we will continue to work to learn from the economic and educational successes of our comparators in the **Arc of Prosperity (Norway, Finland, Iceland, Ireland and Denmark)**; Diaspora as a vehicle for strategic development and profile raising; the Commonwealth and other key 'spheres of influence'; St. Andrew's Day; and a focus on the links between Fresh Talent work, population growth and economic success and portraying Scotland as open for business. The **Commonwealth in India, Pakistan, Canada, Australia and New Zealand**, contains significant international players at the same time as being either the origin of those who identify closely with, or now reside in, Scotland. We will in particular look to further work we can do to strengthen links with India, recognising its tremendous potential research ability and capability that exists within this developing economy and the strong and growing educational links between Scotland and India. We will also continue to build on our cultural, historical and political links with the **Celtic nations**.
- ◆ Intention to better align the international activities of Scottish Government policies and these of our key delivery partners in the public sector. **We will develop closer relations on international work between the Scottish Government, Scottish Development International, VisitScotland and EventScotland, and Creative Scotland**. We will ensure the Scottish Government and its partners are proactive in communicating and sharing information and

identifying and pursuing areas with scope for greater joint working. This approach will allow the Scottish Government and our stakeholders to extract maximum value from a Team Scotland approach and extract best value from the offices the Scottish Government and Scottish Development International support overseas.

- ◆ Maximising the resources at our disposal. While we represent Scotland through a lens of independence of thought, we **must make full use of the UK resources** at our disposal. In particular, we will continue to work with the Foreign and Commonwealth Office network around the world to maximise business, cultural and educational opportunities for Scotland. We will also engage more directly with the British Council in our priority markets with a view to maximising the opportunities to showcase Scotland's cultural and educational excellence abroad; and to identify new opportunities for bilateral educational and cultural exchange. We will also ensure that where our participation in international bodies such as the UN, OECD and WHO depends upon UK sovereign state membership we work to extract maximum value from those engagements. For the most part that means working with and through UK Government Departments to gain access to formal member state level programmes and to allow for informal direct contacts where they progress our objectives. The work we have already done with the OECD continues to inform how we learn from other countries about the strengths and challenges we have in our education system. We can use our recognised policy achievements and research capability as a platform to enable OECD nations to learn from each other how best to progress rural development (e.g. a Scottish Government official is the UK appointee chairing the Rural Development work in the OECD).
- ◆ We are committed to a more structured approach to the resources we have at our disposal to promote Scotland. We will work with the **Consular Corps in Scotland** to ensure both that they are equipped to communicate Scotland's international aspirations and areas of excellence to their home countries; and that we learn from them in assessing the best opportunities internationally, and perception of us abroad.
- ◆ We will also ensure **expanded use of our cultural assets** as a means to communicate with a wider audience about Scotland and its role in the world; and as part of that we will work to maximise the impact of Scottish cultural events in our priority markets through supporting use of Government branding and promotional opportunities.
- ◆ **New international development policy.** Our development work is important in articulating our vision of Scotland's place in the world as a responsible nation. Development work is less about our own economic prosperity, than it is about articulating a place for Scotland in the world which recognises that we will be stronger as a nation by working with developing countries. The Scottish Government will continue to work with Africa and other parts of the developing world. The refreshed policy will provide a stronger focus to that work including the strengthening of the relationship with Malawi.

20. This approach is based on developing our understanding how Scotland can set out its stall as a willing partner on the world stage. Being confident about Scotland and who we are as Scots does not cut across our willingness to work with those in the UK, EU and international community to play Scotland's part in the world. The work we do in understanding better how others see us will enable us to better co-ordinate and facilitate the work which the Scottish Government does in **influencing people to choose Scotland as a great place to live, learn, visit, work, do business and invest.**