



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Thursday 21 January 2016

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**Thursday 21 January 2016**

**CONTENTS**

|   | <b>Col.</b> |
|---|-------------|
| <b>INTERESTS</b> .....                            | 1           |
| <b>EUROPEAN UNION REFORM AND REFERENDUM</b> ..... | 2           |
| <b>“BRUSSELS BULLETIN”</b> .....                  | 27          |

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**EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**  
**2<sup>nd</sup> Meeting 2016, Session 4**

**CONVENER**

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

**DEPUTY CONVENER**

\*Hanzala Malik (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*Roderick Campbell (North East Fife) (SNP)  
\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)  
Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)  
\*Jamie McGrigor (Highlands and Islands) (Con)  
\*Anne McTaggart (Glasgow) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Professor Dr Andreas Auer (Universities of Zurich and Geneva)  
Niels Engelschiøn (Norwegian Ministry of Foreign Affairs)  
Knut Hermansen (Norwegian Mission to the European Union)  
Kenny MacAskill (Edinburgh Eastern) (SNP) (Committee Substitute)  
Dáithí O’Ceallaigh (Institute of International and European Affairs)

**CLERK TO THE COMMITTEE**

Katy Orr (Clerk)

**LOCATION**

The Robert Burns Room (CR1)



## Scottish Parliament

### European and External Relations Committee

Thursday 21 January 2016

*[The Convener opened the meeting at 09:32]*

### Interests

**The Convener (Christina McKelvie):** Good morning and welcome to the second meeting in 2016 of the European and External Relations Committee. I ask that mobile phones and other electronic devices be put into flight mode, please.

We have received apologies this morning from Adam Ingram, and we welcome to the meeting his substitute, Kenny MacAskill. Do you have any relevant interests to declare, Kenny?

**Kenny MacAskill (Edinburgh Eastern) (SNP):** None at all, convener.

**The Convener:** Thank you.

## European Union Reform and Referendum

09:33

**The Convener:** We move swiftly on to our first agenda item, which is the continuation of our inquiry into European Union reform and the EU referendum. Today we are looking at alternatives to the EU. I welcome to the meeting all of today's guests, who I believe have travelled from four different parts of Europe this morning. We are very grateful that you made the time to rise early in order to come and join us.

We have with us Professor Dr Andreas Auer, emeritus professor at the universities of Zurich and Geneva; Niels Engelschiøn, deputy director general, department for European affairs, Ministry of Foreign Affairs in Oslo; Knut Hermansen, minister counsellor, the Norwegian mission to the EU in Brussels; and Dáithí O'Ceallaigh—nice to see you again, sir—who is chair of the United Kingdom project group, Institute of International and European Affairs and former Irish ambassador to the UK. As you can see, we have a very interesting spread of interests and experience here this morning.

I believe, gentlemen, that you are all going to make a brief opening statement. We will start with Mr Engelschiøn.

**Niels Engelschiøn (Norwegian Ministry of Foreign Affairs):** First of all, thank you very much for inviting us to Edinburgh. We are very pleased to be here. It is the first time for me, and it is a great pleasure to see your beautiful city. I will give a very brief introduction, and then Knut Hermansen and I will share the responsibility for answering your questions.

As you will know, Norway has said no twice—in 1972 and 1994—to membership of the European Union or, as it was, the European Economic Community. We believe that three elements contributed to our not wanting to join the EU in 1994: the situation in the agriculture sector, fisheries management and the sovereignty principle. Those were perhaps the three main reasons for the Norwegian population not joining in 1994, and much the same applied to the decision in 1972, too.

After that, we had the European Economic Area agreement, which has worked as a political compromise for about 22 years now and is the backbone of our relations with the European Union. It is important to note that every Government and Parliament in question has based its European policy on the EEA agreement

as the main agreement in its relations with the European Union.

We believe that our EEA agreement effectively ensures equal treatment and predictability for operators and gives us a certain degree of participation in EU processes. It ensures full access to the internal market, with the exception of fisheries and agriculture, and it means that the same rules and regulations apply in Norway as in Scotland, Portugal or any other EU state.

Although we have a lot of other agreements—around 74 bilateral or other international agreements—with the European Union, the EEA agreement is by far the most important. I should also mention the Schengen agreement on justice and home affairs and the Dublin co-operation, as a result of which Norway is actually more integrated with the European Union than the United Kingdom.

Our co-operation in the area of foreign and security policy is less formalised, but it is still very strong. We align ourselves with a lot of the EU declarations—more than 90 per cent of them last year; participate in the EU battle groups and military and civilian common security and defence policy operations; and have strong dialogue at political and civil service levels. We also take part in the European Defence Agency.

All in all, we have a very close relationship with the European Union, which means that we are fully integrated with the internal market. We have to remember that the European Union accounts for around 80 per cent of our imports and exports and that Sweden, Germany, the Netherlands and, of course, the UK are very important commercial partners, so there is no option for not co-operating strongly with it. However, membership is not on the political agenda; indeed, perhaps around 20 per cent of the Norwegian population are in favour of Norway becoming a member of the EU.

**Professor Dr Andreas Auer (Universities of Zurich and Geneva):** I, too, thank the committee very much for inviting me to this beautiful city so that I can inform members about the relationship between Switzerland and the European Union.

Like Norway, Switzerland is not an EU member state, and becoming a member state is not on the political agenda. Also like Norway, however, our economic system is densely integrated with the single market. Some 55 per cent of Swiss exports go to and 75 per cent of imports come from EU countries. Switzerland has been very strongly integrated since 1972, when the first free trade agreement on industrial products was signed between the European Community and Switzerland. That is the basis of our integration with the EU economy.

The first shock came in 1992 when we did not integrate the EEA agreement. As in Norway, the agreement had at least in part been built up for Switzerland as a compromise, but in a very important vote in December 1992, the Swiss people said no to it. We were therefore in a new situation, and we had to start a complex process of negotiating bilateral agreements with the EU and the different member states. That was concluded in two waves, the first in 2000 and the second in 2004. Legally speaking, they are among the most complicated treaties that you can imagine. After all, on one side, you had Switzerland and, on the other, you had the EU and its member states, which at the time did not yet number 28.

Those complex bilateral agreements have been approved by Swiss voters five times now. There were many referendums, each of which was successful. Perhaps the most important was the one on the free movement of persons that was part of the first package of bilateral treatments. That very important treaty shows how deeply Switzerland is integrated with the EU, especially in relation to the member states of Germany, Italy, France and Austria but also in relation to the UK and other EU member states. Many treaties and agreements—about 135—are part of the package. The first five huge bilateral treaties are tied together by what we call a guillotine clause; if one party negates one of them, all of the others will automatically fall. That will prove to be an important point pretty soon.

Then we had bilaterals II, of which the Dublin and Schengen agreements formed an integral part. As a result of those agreements, Switzerland is now more integrated with the European Union than the UK is. As you will also know, we had some problems with taxation, but we finally managed—even in Switzerland—to agree the automatic exchange of information. That agreement was concluded last year and will come into force in about two years' time.

Then we had the second shock: the populist Swiss People's Party—which, with about 30 per cent of the voters, is the strongest party in Switzerland—managed in February 2014 to pass an initiative to stop mass immigration. It put into our constitution a number of provisions that are incompatible with the agreement on the free movement of persons and which are now open to implementation and discussion. So that constitutional provision exists, but it must be implemented by a statute; according to the constitution, if the Parliament is unable to do that, the Government has to implement it by decree within three years. That is a huge problem.

The new provision in the constitution basically says that Switzerland will regulate immigration

autonomously; you will now see the importance of the sovereignty issue. It also says that we will regulate immigration with annual quantitative limits and quotas, that we will give Swiss nationals priority when hiring people—which is, of course, absolutely contrary to EU law—and, worst of all, that we will have to renegotiate all treaties that are not in accordance with that new provision, with the agreement on the free movement of persons being singled out.

Naturally, the EU said that there was no way that we could discuss or negotiate on the free movement of persons. It is one of the EU's basic liberties, and everybody understands that there can be no renegotiation on it. Therefore, it is not negotiating on it. It is, however, talking about it; there seems to be a big difference in diplomatic terms, but as a lawyer I have not yet got it. That is where we are today. A quite tough political debate is continuing inside Switzerland and between Switzerland and the European Union.

A few months ago, someone had the idea of implementing the new provision with a safeguard clause that could, if the EU agreed, be bilateral. On the basis of the agreement, there is what is called provision 42 under which a mixed committee can vote through a special measure if there is a special danger to the Swiss economy. However, the Swiss economy is doing very well, so, by invoking the prospect of serious social and economic problems, the EU countries probably do not have much understanding of what is happening in Switzerland. Moreover, the Government announced just three weeks ago that if the EU does not agree the bilateral safeguard clause, Switzerland might impose one unilaterally, which of course would be a violation of the same provisions.

That is where we stand, and I am ready to answer the committee's questions.

09:45

**The Convener:** Thank you very much indeed. Dáithí, do you want to go next?

**Dáithí O'Ceallaigh (Institute of International and European Affairs):** Thank you very much. I join my colleagues in thanking you for inviting me.

About a year ago, the Institute of International and European Affairs, which is based in Dublin, produced a book that some of you might have seen called "Britain and Europe: The Endgame—An Irish Perspective". In case you have not read it, I will leave it behind after the meeting so that you can have a look at it.

Why did we call it "the endgame"? We felt that it was now time for the UK's relationship with the EU, which has been uneasy for a very long time

now, to be regulated and fixed for the foreseeable future one way or the other—whether that means being in or out—and that there was a need for a bespoke solution that took account of the UK's specifics.

Looking ahead a little bit, we thought that the European Union might consist of four unions—if you want to call them that—and that the UK, if it were to remain within the European Union, could participate fully in three of them. What are the four unions? The first is obviously the single market. Whether it stays inside or leaves the EU, the UK wants to remain in the single market. Secondly, there is economic and monetary union. There is no doubt in my mind that, even if the United Kingdom remains within the EU, it will not join the euro for the foreseeable future. However, all the other member states—except Denmark—have a treaty commitment to join the euro at some stage or another.

As the European Union evolves, we can imagine a situation in which all member states except perhaps the United Kingdom and Denmark had the euro, and we think that it would be possible to negotiate a system between the countries with the euro and those that do not have it that took sufficient account of the interests of the various member states. In other words, we think that it is possible to find a solution to the particular issue that Mr Cameron raised in his negotiation about the relationship between the ins and the outs.

The third area where we thought there might be a union—in fact, we are moving quite rapidly towards it—is the capital markets. I recently visited the office of the European commissioner in charge of that portfolio—who is, in fact, an Englishman and the UK European commissioner—and I know that he is moving ahead very rapidly on such a union. Lastly, we thought that the area of security was another area where there could be an albeit looser union that took account of factors such as energy security and dealt with the issue of immigration into the European Union from outwith it. In short, therefore, our book envisages the EU having at some point in the future more or less four interconnected unions, with the United Kingdom participating fully in at least three of them and a solution being found for the fourth one that would be fair to both the United Kingdom and the other members of the European Union.

We then looked at the question of Brexit. I should tell you, by the way, that the book argues very strongly that it is in the interests of the United Kingdom, Europe and, certainly, of my country for the United Kingdom to remain in the European Union. However, we looked at what might happen should the UK exit by considering the Norwegian solution, the Swiss solution and the Turkish

solution, and we felt that none of those provided answers to the UK Government's questions about its position within the EU.

Jean-Claude Piris, the formal legal counsel for the European Council and the Commission, has just produced a short but interesting paper for the Centre for European Reform. I presume that members have seen it, but if you have not, I strongly recommend it to you, because it looks at the alternatives that might be available to the UK if there were to be a Brexit. Interestingly, his conclusions, which are set out in much greater detail than those in our book, are exactly the same as ours. He does not think that anything outside the EU would provide the UK with answers to the problems that it has inside it.

**The Convener:** Thank you very much. I invite questions from members.

**Jamie McGrigor (Highlands and Islands) (Con):** I should say at the outset that I am not a Eurosceptic. I agree with the idea that the UK should stay in the EU.

I find it interesting that, in Norway, some 70 per cent of the population appear to be against joining the EU although the political establishment is very pro the idea. Within the seven parties, there would be a majority in favour of joining the EU, yet the general population is against it. I suspect that the same is true in Switzerland. Why is the population against joining the EU while the political establishment is in favour of joining it?

**The Convener:** Who is that question for?

**Jamie McGrigor:** It is for the Norwegian witnesses primarily, but it is also for the Swiss representative.

**Niels Engelschiøn:** It is not entirely correct to say that the political establishment in Norway is pro-EU, because several parties in Parliament are against Norwegian membership of the EU. Also, just one party has Norway becoming a member of the EU in its programme, and that is the Conservative Party, which forms part of the Government.

The other parties are either against membership or pro the EEA agreement. Two parties are strongly against membership of the EU. The Labour Party is split, as is the Progress Party, which is the other party in the Government, and there are two parties in the centre that see the EEA as a fairly good solution. That boils down to the fact that the EEA is seen as the lowest common denominator or a compromise. Since the beginning, the political establishment has accepted—and, in many ways, has ruled on—the EEA agreement, and there is a clear majority in the population in favour of remaining within the

EEA. At least, that is what the opinion polls say; there has never been a referendum on the EEA.

Therefore, although it might be true to say that there is a lack of full consistency between the percentage of the population who are against membership of the EU and the percentage of those in Parliament who are against it, the Parliament has very much followed the population in saying that membership is not on the agenda.

**Jamie McGrigor:** What is putting the population off Norway's becoming a full member of the EU instead of its being, in a way, a member without having the ability to influence the policy very much?

**Niels Engelschiøn:** I have mentioned fisheries, agriculture and the sovereignty issue. There is no precise answer—this is just speculation—but the Norwegian economy and the work of Norwegian society over the past 20 years suggest that the Norwegian population is content with the situation as it is, which means that there is no strong push for EU membership. The status quo is acceptable and it works.

**Jamie McGrigor:** Is there nothing that you can put your finger on and say, "They don't like that"?

**Niels Engelschiøn:** No, it is difficult to say. However, given the difficult economic situation that many European countries—particularly those in the eurozone—have faced since at least 2008, and given the situation in Norway, why would a Norwegian say that we should become a member?

**Jamie McGrigor:** Do you think that Norwegians are particularly against joining the euro?

**Niels Engelschiøn:** It is about the whole thing. Eighty per cent of Norwegians would say no to EU membership because they know what they have and they do not know what membership would mean. People do not wake up in the morning thinking that the EEA agreement is fantastic, but it works for us. It is a compromise that is acceptable to most people.

**The Convener:** Do you want to put the same question to Professor Auer?

**Jamie McGrigor:** Yes, please. I do not want to hog the discussion, but I would like to hear the Swiss perspective.

**Professor Auer:** I would never consider the Swiss situation as being a solution for anyone—not even for Switzerland, which is currently in a very difficult position. Let me explain why Switzerland is not a member of the EU.

Excuse me, but you are wrong to say that the Swiss Government is in favour of membership—it is not. As in Norway, only one major political party—the Socialist Party—still has accession in

its manifesto, although it does not really believe in it any longer and will probably drop it.

One of the reasons why Switzerland said no to the EEA in 1992 was our direct democracy system. People got the impression that, if we transferred powers that belong to the Swiss Parliament and the people to the quasi-union, people's right to participate in government would be reduced and that would be a danger for Swiss direct democracy. Legally speaking, that is not a sound argument, but it was quite efficient politically at the time. The Swiss people have never been asked to join the European Union because the Government has never had the courage to ask the question—perhaps because it knows the answer. It is strange, because Switzerland and the European Union are very similar. We have the same kind of federalist polity, both have been built from the bottom up rather than from the top down, we have the same mechanism of immediate application of federal law, and so on. I will not go into details.

The bilateral treaty system has been very successful for us, in a way. According to some economists, the gross national product has increased significantly with the treaties. Most people are happy with the solution although not with the new provision in the constitution, which has not yet been implemented, as I discussed earlier. That question remains unresolved and open to political debate.

**Jamie McGrigor:** Thank you.

**The Convener:** Dáithí O'Ceallaigh, you have done some analysis of the other models. You mentioned both the Swiss and Norwegian models, but you also mentioned the Turkish model. Do you have a perspective on that in answer to Jamie McGrigor's question?

10:00

**Dáithí O'Ceallaigh:** Throughout the European Union, there is an increasing general dissatisfaction with Brussels. Within all our populations, there is a feeling that the political systems are not dealing with their problems.

Look at my country, for example, where opinion polls give the independents between 20 and 30 per cent of the vote in the forthcoming election. There is dissatisfaction with politics and there is, equally, dissatisfaction with Brussels. It is even further away, and people do not understand how it works. If things go wrong, they blame Westminster, Brussels or whoever it might be. That is happening throughout Europe, not only in the UK, Norway and Switzerland. Dissatisfaction is a deep factor. There are anti-politician and anti-establishment feelings out there among people

who believe that those bodies are not able to resolve our problems. That is a general point.

Let us look at what people in the United Kingdom feel and what the problems are. Let us also presume that the Prime Minister's request to Brussels is an expression of some of the problems that need to be resolved if the UK is to remain in the European Union. By the way, I think that solutions can be found to all the issues that the PM has raised in his letter, although two or three of them are difficult, including the welfare issue.

The question of the relationship between the Euro-ins and the Euro-outs is, in theory, easy to resolve, but putting that down on paper is more difficult. The whole question of sovereignty is a difficulty, too. Sovereignty is tied up with the notion of whether we can look after our own affairs and resolve our own problems. I strongly believe that the independence of my state has been increased rather than reduced by the fact that we have engaged with Brussels. We have been able to look after and advance our interests by being at the table in Brussels. The problem with the Norwegian and Swiss solutions—and even more so with the Turkish solution—is that they are not at the table where decisions are made about the regulations under which they have to operate. Given the experience on my own island, I firmly believe that we are less sovereign but more independent than we were 40 years ago.

**Jamie McGrigor:** Was monetary union a bridge too far?

**Dáithí O'Ceallaigh:** No. The regulation of the monetary union was there without a bridge, because the individual treasuries and finance ministries were not prepared to give up their sovereign powers.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** I will pick up Mr O'Ceallaigh's point about the four unions. You said that the Norwegian, Swiss and Turkish models would not lend themselves to being a UK solution—in fact, Professor Auer said that the Swiss model did not even lend itself to being a Swiss solution. How can you reconcile that with saying that the UK could find common ground within three of the four other unions? What would those relationships look like? Would the UK negotiate a go-it-alone hotchpotch for itself? Would its solution not look like any of the arrangements that the other countries have?

**Dáithí O'Ceallaigh:** I honestly think that, were the UK negotiating on its own, its position would be much weaker than it would be were the UK to remain negotiating on the inside. Let us take the immigration issue, for example. There is no question but that immigration from outside the union into the union is a serious problem. There are also questions—not only in the UK—about

movement within the union. Look at what is happening in France, in Denmark, in Sweden and even in my own country, to a degree. Those are issues that the European Union will have to resolve. We must answer the questions of energy security and immigration. How do we deal with the massive movement of refugees from the middle east?

I think that the UK would be in a much better position to resolve those issues if it were within the union rather than outside the union. The union is moving towards a common position on those issues—in our book, for shorthand, we speak of a security union. The same is true in the capital markets. In the union, there is a shift towards the free movement of capital in a way that it did not exist in the past. I personally think that the UK would be in a better position to look after its interests if it were within the EU rather than outside it.

Does that answer your question?

**Willie Coffey:** Partially.

I would love to ask Professor Auer for his view. Professor, you have already said that the Swiss relationship is not a particularly good one for the people of Switzerland. If the UK were to withdraw from the EU, what sort of relationship could it establish in its best interests?

**Professor Auer:** I am sorry, but I did not understand the question.

**Willie Coffey:** You have said that the arrangement that Switzerland has is not a particularly good one. What relationship do you think that the UK would have with the EU if it were to withdraw? Would it be as bad as the Swiss example, or could the UK develop a closer and better relationship?

**Professor Auer:** I am sorry, but that is a very difficult question for me to answer. I am convinced that, because it is a strong and important country, the UK could negotiate better solutions than Switzerland can. We have small dimensions even though we are strongly integrated.

I would not dare to predict what kind of solution the UK could find, but I think that the bilateral treaty solution would be unacceptable. That has also come to an end in Switzerland, in a way. Those 120 treaties do not include the *acquis communautaire*; they only integrate EU law in so far as it was developed at the time when the agreements were concluded, and there are negotiations on particular issues. The EU has now told Switzerland that the treaty solution is no longer workable, that we need a framework agreement and that we should agree to automatically adapt and accept the development of the *acquis communautaire*.

Of course, that is a huge sovereignty issue in Switzerland, especially with regard to the question of who will have the final word. What court is going to decide whether Switzerland must obey the new *acquis communautaire*? The Government has proposed that it could be the European Court of Justice. Legally speaking, that is probably the only court that could solve all those problems. However, that would raise sovereignty issues, and the idea of involving foreign judges is a red flag in the Swiss political system. Our populists are extremely happy with that solution because it allows them to say, "We don't want foreign judges in our country," and, because of that, the idea has no chance politically. However, talks are still under way.

**Willie Coffey:** I have a question for the gentlemen from Norway and from Switzerland. What is the net financial contribution that gets you access to the European Union? What do your countries pay and what do you get back in terms of finance?

**Knut Hermansen (Norwegian Mission to the European Union):** Of course, it is entirely up to the UK to decide what kind of relationship it wants to have with the EU. However, there is the option that is known as the Norwegian option or the EEA option. If the UK decides that it would like to enter the EEA, the first thing that it would have to do is become a member of the European Free Trade Association; of course, there would have to be negotiations with the other EFTA member states to achieve that. Article 128 of the EEA agreement stipulates that all new countries that accede to the EU should apply for EEA membership and that the new members of EFTA may apply for EEA membership. Switzerland, for example, is a member of EFTA but not a member of the EEA.

If the UK decides to apply for participation in the EEA agreement, there will be negotiations with all EEA contracting parties, including the three EEA-EFTA states and the EU side with its member states. The UK will have to accept the four freedoms that are the backbone of the EEA agreement. That includes, of course, the free movement of persons, which will be a part of the *acquis communautaire*. There will also be negotiations on financial contributions, because the EEA-EFTA states contribute financially to social and economic cohesion in the EEA.

Of course, it will be a challenge for the UK to take the *acquis communautaire* on the EFTA pillar of EEA co-operation, and the common agricultural policy and the common fisheries policy will not apply because they are not part of the EEA. The procedure is set up, and there will be negotiations. I would say that there will be some difficult negotiations.

**Willie Coffey:** I was trying to get closer to a figure for the contributions from Norway and Switzerland. It is not free access. There must be an annual cost associated with it.

**Niels Engelschiøn:** We do not pay a fee for participating in the internal market. That is an important issue for us. In a sense, our fee for participating in the internal market is taking in EEA legislation, or EU-relevant legislation. However, we do pay for what Mr Hermansen called social and economic cohesion. Last summer, we finished negotiations on how much we should pay for the next seven-year period, and that amounts to €2.8 billion over seven years. That goes to the 15 countries with the lowest economic gross domestic product in the European Union. That amount was agreed after long and difficult negotiations—I was part of them.

We negotiate with the European Commission and the European External Action Service, which negotiates on behalf of the member states on the mandate from the member states. Those negotiations took a year and a half. They were difficult, but we managed to come to a solution that was acceptable to both the EU and us. That is one part of what we pay for economic and social cohesion in Europe. In addition, we pay for participation in programmes, the most important one being the horizon 2020 research programme. We also take part in other important programmes such as Erasmus+, but that is more on a voluntary basis.

We are not legally obliged to pay for economic and social cohesion, but a political obligation is quite present. In addition, we pay for the EFTA institutions and participation in various agencies—everything from Frontex to the food agency and so on.

We then get a return—from horizon 2020, for instance—so the total cost is difficult to assess in detail, but if I said that we pay about €75 per capita in cohesion money, that would be about right. That means that we are at the higher end of the European Union members in what we pay per capita for cohesion.

10:15

**Willie Coffey:** Thank you. I do not know whether there is an equivalent figure for Switzerland.

**Professor Auer:** I think that the answer is pretty much the same as the answer that we just heard for Norway. There is no general fee for participation in the single market and all the treaty agreements that we have concluded. There is no general contribution, but we pay to participate in the different projects, such as the research framework programmes and Galileo, but the

returns from those programmes are important. For instance, I found that 2.4 billion Swiss francs was paid into research framework programme 7 between 2007 and 2014, but the returns were important for the Swiss researchers.

The contribution for air transport is about 10 million Swiss francs, and the contribution for overland transport is not really significant. For the Schengen agreement, which was approved by popular vote, we contribute to Frontex and the IT programmes within that. There is also a very important framework programme on media. Unfortunately, after 9 February 2014, Switzerland was excluded from horizon 2020, which is dramatic for young researchers, students and professors at our universities—as it is for Swiss youth in general.

We follow the same principle of contributing towards social and economic cohesion, especially after the 2005 enlargement of the European Union, and we have agreed to pay 1.6 billion Swiss francs towards the cohesion principle. Not all the money has yet been spent, but that is under way and it has been approved by popular referendum. That is probably the only vote that has taken place in which the enlargement of the EU has been approved by a whole people that is not the people of a member state.

It is impossible to give you a figure for how much Switzerland contributes annually to all the programmes. However, we must take into account the fact that the Swiss economy and Swiss society have greatly benefited from the relationship and that that benefit is difficult to calculate and put into fine figures.

**Willie Coffey:** It is clear that, despite Switzerland and Norway not being formal members of the European Union, they make a significant financial contribution to the European Union. The presumption is that, were the UK to exit the European Union, it would still have to make a significant financial contribution to the affairs of the European Union.

**Professor Auer:** I would definitely say so.

**Roderick Campbell (North East Fife) (SNP):** I am interested in hearing about the Swiss experience of problems with freedom of movement, but my question is primarily about the Norwegian experience of the freedom of movement issue. What impact has that had in Norway, and are there particular pressures in that area at the current time?

**Niels Engelschiøn:** We all recognise the current migration issue. Norway is a member of the Schengen group, and a lot of refugees coming from the middle east have ended up in Norway because the Schengen area is check free. It is important to say, at the outset, that the free

movement of persons has benefited us. We are totally dependent on foreign workers in a lot of sectors, such as services and construction. The most prominent group of foreigners in Norway is Polish people, and the second most prominent group is Swedes. Norway has a population of 5.2 million people, with 96,000 Poles, 36,000 Swedes—Sweden is our closest neighbour—and 33,000 Lithuanians. Most of the Poles and Lithuanians are in the construction and service sectors, and they have largely contributed to Norway's economy over the years. As a result, we have benefited from the free movement of persons.

However, there is also the migration issue, which although not the same is often interlinked and mixed with the other issue through Schengen. It is, as I have indicated, a different issue, as has been demonstrated not least since last summer with the refugees coming to Norway. The last figure for 2015 was 26,000 refugees coming to Norway either through other Schengen countries such as Denmark or, in particular, Sweden or, strangely enough, over the border with Russia—a non-Schengen country—up in the north. Quite a significant number came that way until last November, and then it stopped completely for several reasons.

**Roderick Campbell:** Can you expand on the political reaction to both categories—those who come from the rest of Europe and the refugees? Is the public reaction different?

**Niels Engelschiøn:** It goes in waves a little bit. There was a lot of sympathy with the refugees until last autumn, when the reaction turned slightly after the numbers became so many. You saw that with the media attention and so on.

That said, one can perhaps detect a more positive attitude in the media since we became more restrictive and closed—on a non-permanent basis—the border to Sweden in the same way that Sweden closed the border to Denmark and Denmark closed the border to Germany. There has been a bit of a domino effect in several European countries, and we have done the same thing, which has given us more control now and means that we can have a discussion about whether this is the right way to do this. My Government has made it clear that we had no choice; with thousands of people coming in, it was all getting—and, indeed, will be—extremely expensive. We do not know how 2016 will be yet.

As for public opinion, I have to say that there is no strong support for extremist right-wing parties—we just do not have that—but there is fairly strong support, not least in Parliament, for the measures that the Norwegian Government has taken. I should also point out that there is no popular negative feeling against the refugees.

Very little negative attention has been paid to migration from EEA countries. Of course, questions have been raised about social dumping, and issues of labour law, labour security and so on have been highlighted, but in general most people accept it and it goes fairly well.

**Roderick Campbell:** Can we also hear about the Swiss experience?

**Professor Auer:** I should give you the quite significant information that Switzerland is, of course, very strong on immigration. Our population of foreign people working, living and paying taxes in Switzerland is close to 25 per cent; in comparison, the figure for Britain is 7 per cent, Germany something like 8 per cent and Italy something like 6 per cent. What is the figure for Norway?

**Niels Engelschiøn:** It is 10 per cent.

**Professor Auer:** So the proportion of the Swiss population that is made up of foreign people is very strong. That, in some ways, might explain why this right-wing movement has found itself in such a strong position over the past few years; the people involved say, "We are no longer at home here. They're taking our jobs away." You can imagine the political debates that have been had.

One of the reasons for the unfortunate result of the vote on 9 February 2014 was the annual immigration figure—I am talking not about the immigrants of last year but about immigration from mainly EU countries—which showed that close to 80,000 additional people had moved into and were working in the country. That was thought to be too many, which is why people said, "Stop mass immigration," which is, of course, a very difficult term. That is the general situation for us.

Also, like in Norway, with what happened last year with migration from the middle east and Africa, people associated the two. They said that they did not want more immigration, whether it be from outside the EU or from within it, and that they wanted to decide themselves how to regulate immigration. We had that 10 years ago when we had quotas and maximum annual figures for immigration. It did not stop immigration because it all depends on the state of the country. If the economy is blooming, immigrants will come. The Swiss economy is quite successful and totally dependent on foreign workers in many fields, such as construction, health and other services. I cannot imagine the Swiss economy without foreign workers.

**Roderick Campbell:** Thank you. I am conscious that Mr Hermansen might want to join the debate.

**Knut Hermansen:** The concept of free movement of persons also implies that

Norwegians could go to other EEA countries to work or study. That also has a positive effect.

**The Convener:** Would you like to give us the Irish perspective, Mr O’Ceallaigh? You have a slightly different view.

**Dáithí O’Ceallaigh:** We have a fairly large immigrant community now. About 20 per cent of the population of the greater Dublin area is immigrant, mostly from within the EU. We do not have as many refugees as there might be elsewhere in Europe.

The important thing for the UK to remember is that neither the UK nor Ireland is within the Schengen area. We are outside and we have our own relationship between ourselves. So far, in Ireland, there has been very little anti-immigrant reaction, largely because the immigrants are all working and contributing to the economy. We have large numbers of Poles and Lithuanians, as does Norway. Just as the Irish did for many generations, they are moving away to look for work. On the whole, therefore, I would say that the attitude towards immigrants who come to Ireland from within the EU is positive.

The attitude to refugees is untested because we do not have a lot of refugees. I understand that, although we are prepared to accept quite large numbers from Syria, for example, very few are coming. More are going to places where they already have existing networks or relations.

**The Convener:** Jamie McGrigor, did you want to ask a quick supplementary?

**Jamie McGrigor:** It has been answered, thank you. I might have another question later.

**Anne McTaggart (Glasgow) (Lab):** He is putting his bid in now.

Good morning, panel. One of the queries that the committee has discussed is about EU law, how it impacts on our law, what that body of law would look like if we had to exit the EU and whether it would be dismantled. To what extent have Norway and Switzerland adopted the body of EU law in their own legislation? Have you gone beyond what is formally required?

**The Convener:** Do you want to go first, Professor Auer?

**Professor Auer:** We have not gone beyond but have pretty much stuck to the requirements of EU law. We said that we were not obliged to do that; it was an autonomous decision, although the word “autonomous” needs to be put in brackets. As my Norwegian neighbour has said, it is somewhat disappointing that we adopt and accept most EU regulations without saying a word about their contents and how they work.

However, that argument is now secondary in the political debate. There is just no way that Switzerland could one day join the EU. The political debate is so anti-EU. EU bashing is very popular among politicians in all parties in Switzerland, whether they are on the left or the right. They like to do it because, seemingly, it puts Switzerland in a better position, which of course is not the case.

10:30

**Niels Engelschiøn:** In the EEA, the EFTA countries take in all legislation that is relevant to the internal market, which means everything under the free movement of persons, goods, capital and services, as well as public procurement and state aid. We take in all the regulations and directives that are linked to that—all secondary legislation that is linked to the internal market function—except those that relate to agriculture and fisheries. That is part of the internal market but, in our system, we define it as being a bit outside the internal market. Everything is in the EEA.

That happens through a particular procedure that is often talked about in relation to the democratic deficit. I will briefly say how it works. As an EEA-EFTA country, we are allowed to participate with experts when the decisions are shaped and the proposals are made in the European Commission. As you know, the Commission is the only institution with the right of initiative. In that phase, until the proposal is tabled to the member states and the European Parliament, we can take part in the same way as any other EU country, as experts in working groups and so on.

However, the day that the proposal goes from the Commission as a formal proposal to the member states and Parliament, we are formally out of that process. It is processed within the institutions, in Parliament and in negotiations with the member states and so on, and then it comes out the other end.

That is when it goes into the EEA system again. We then have a look at the final text, assess it and consider whether we should take it into our legislation. We have said yes every time. We have some issues when we are not in agreement with the EU, which might be to do with relevance, for instance. Is the legislation relevant to the EEA internal market or not? We have a few issues such as that, but mainly we agree to what comes out of the process and we take it into our own legislation. Sometimes that will not happen until some time afterwards, but the main bulk of EU legislation goes into Norwegian legislation.

It is important to say that most of the legislation is unproblematic. Sometimes it is better than what

we already have or it may be something that we do not have. It is uncontroversial and unproblematic in most cases, but we do not take part in the formal decision making in the EU when the final text of the legislation is considered.

**Dáithí O’Ceallaigh:** I will just add a little something. It is not so much about dealing with EU law; it is more about dealing with co-operation in the justice and home affairs area. There was very considerable—and I mean very considerable—concern in Dublin two or three years ago, when the then British Government decided that it was going to remove itself from the European arrest warrant and co-operation on Frontex and all those areas.

I am old enough to remember when there was no extradition—I was involved in relations between the UK and Ireland at that time. People were being murdered in one jurisdiction and those accused of the crimes could not be extradited to the other jurisdiction. That is all done away with under the European arrest warrant—now the process is, in effect, automatic. We were very concerned about the UK Government changing that situation two or three years ago. Eventually, as you know, the UK Government changed its mind and renegotiated its way back into those areas. Should there be a Brexit, that will all be up in the air again.

**The Convener:** Okay, Anne—has that covered your questions?

**Anne McTaggart:** I think that Mr Engelschiøn has another comment.

**Niels Engelschiøn:** I will just add one thing. The EEA legislative process is slightly different from our Schengen process. In Schengen, we can also take part in the discussions under the Council. Formally, we have more access under Schengen legislation than we do under EEA legislation. Again, we do not participate in the final voting, but that is not necessarily a problem, because there is not that much voting. We often reach a compromise that we can live with perfectly well.

**Hanzala Malik (Glasgow) (Lab):** I have two points. First, I am interested in the Irish viewpoint on your independence and interests. You seem to have a very strong opinion that you are more independent than you were before you joined the European Union. Can you give me an example of that?

**Dáithí O’Ceallaigh:** Yes: agriculture. Before we joined the European Union, our main market for agricultural produce was the United Kingdom—it still is the main market for our agricultural produce, by the way. Before we joined the EU, we had absolutely no say in the prices that we received for our agricultural produce. In 1972, a pound of Irish butter was available in Birmingham for

considerably less than that same pound of butter was available for in my home town of Dublin. The difference was not paid by the British Government; it was paid by Irish taxpayers. In Brussels, we are now able to negotiate the circumstances in which our agricultural produce is sold. That goes right across the board, so we are able to negotiate on whatever we wish.

A prime example of where British and Irish interests are very similar is in financial services. The two Governments, working within the EU, have ensured that the sort of regulation that governs financial services reflects and serves our interests.

Before we joined the European Union, nobody would listen to us. The population of my country is about the size of the population of greater Manchester. We had no say whatsoever, but now we do have a say. That is what I mean when I say that we are more independent. Before we joined the Union, we lived on a little island out in the middle of the Atlantic. We could sing to the birds and we could sing to the wind, but it did not have any effect. We can now have an effect. We can make a contribution to the world that we could not make before—think of the contribution made by people such as Peter Sutherland and Ray MacSharry. That contribution—made by Irish people in a way that helps us all—could not have been made if we were not members of the Union.

**Hanzala Malik:** Thank you. That is a good example. Butter from Ireland is still cheap, by the way.

I have another point. At the moment, Norway and Sweden in particular seem to be under the impression that there is not an issue with minority communities entering their part of the world. I want to say that the reason for that is that they currently have the first generation, who seem to be working outside the public arena and out of the public gaze. However, when the next generation come along—who will be educated locally and will bid for jobs in hospitals, banks and industry—it will be a different ball game. That is when those countries will need to get their act together in relation to equal opportunities. There will be issues then.

The Norwegian witnesses can maybe take that back home as a polite warning. You need to be ready for what will happen in the next generation. Bosnia is an example in Europe. In Bosnia, when a lot of the minority communities came out of the farms and into the cities, problems started. We need to learn those lessons.

**The Convener:** Some of the conversation that we have had has been about capital markets and the security union.

We have also touched on the energy union, and energy is obviously very important in Scotland in

particular. We have an oil and gas industry, and we also have—against some tough prevailing winds—a developing renewables industry. How does the EEA operate for Norway's oil industry and emerging renewables industries? Is it easier to operate your energy needs and what you give to the rest of the world without the EU, or would it be easier to operate within the EU? What sort of tensions would arise there?

**Niels Engelschiøn:** It is difficult to see how it would work in the EU. The way that it works now is that we take in most legislation in the energy field—whether that is for renewables, energy efficiency, energy safety and so on—although I must admit that it is one of the areas in which we have the most difficulty in the adoption of the *acquis communautaire*, because we do not necessarily have exactly the same interests, not least because of Norway's own discussions on sovereignty.

Europe is our main market. We would probably have sold the gas and oil whether we had the EEA or not, but our clear view is that the EEA has helped us to have access to an internal market for our oil and gas products. Admittedly, some of the issues in the energy field are a bit more contentious than others, but we have managed to find solutions every time, and I am confident that we will do so for the outstanding issues.

There is sometimes a difficulty—in a small minority of cases—about whether we consider something to be EEA-relevant. We believe that the geographical scope of the EEA agreement does not cover our offshore or continental shelf, whereas the European Union believes that it covers the continental shelf, so there are slightly different views and interests.

However, we are very clear that we do not believe that the EEA agreement has any relevance for the continental shelf as such. One example in that respect is the offshore safety directive, which is also important to Scotland. It is not that the content is that difficult but that we do not believe that it has any relevance because it applies on the continental shelf, which we do not think comes under the EEA. The argument from the EU side is that it is relevant to the internal market and thus relevant to the EEA. There is an imbalance or difference in view on that, but I am confident that we will manage to find solutions.

**The Convener:** We have some challenges in the oil and gas industry in Scotland right now and we have very serious challenges in our emerging renewables market because of regulation and—in my opinion—a United Kingdom Government that prefers one over the other. The upshot is that energy security in Scotland is becoming less all over. That is one of my concerns.

Both sides of the argument—people who want to leave the EU and those who want to stay—use the oil and gas industry as an example. I am trying to cut through some of that. Are the challenges that we face in energy and sustainability made better or better supported because we are a member of the EU, or are the challenges a consequence of being a member of the EU? We hear both arguments all the time and never seem to reach a resolution. You have a different set up in Norway, so can you give us some insight?

**Niels Engelschiøn:** All legislation that is linked to the energy market is part of the EEA, or will be. There is a third energy market package that has not yet been taken into the EEA, but which is definitely EEA-relevant. In that sense, I do not see that there would be a huge difference between being inside the EU and having the EEA, because the agreement takes in all legislation.

Now, there is a lot of talk about the energy union in the EU. We are following that with keen interest and are trying to play in our views. We recognise that a lot of what could come out of the energy union will be applicable to us in the future through the EEA agreement. That is why we have those obligations.

10:45

**The Convener:** Do you think that Norway's circumstances are much more stable because you have a sovereign oil fund and because, 30 or 40 years ago, you took the decision to ensure that that money was invested?

**Niels Engelschiøn:** It is difficult to say. I do not know.

**The Convener:** Okay—maybe that was not a fair question.

**Jamie McGrigor:** There is already asymmetry in EFTA and the EEA as regards the respective sizes of the members. What challenges do you think would result from a considerably larger country, such as the UK, joining? How would a country such as Norway feel about the prospect of a country with a population of 60 million trying to join EFTA and the EEA? What would the timescale be, if that could be agreed?

**Professor Auer:** I would like to say one thing. In Switzerland, membership of the EEA is again being discussed among the alternatives to the status quo. The answer that our diplomats got from the Norwegian side was that Norway is not extremely keen on Switzerland joining the EEA. That is what we heard; I do not know whether it is true. We would not be particularly welcome because our membership would change the power structure within the EEA. If the UK were to join the

EEA, the situation would probably be even worse—or better, depending on your view.

**Jamie McGrigor:** What is the Norwegian angle on that?

**Knut Hermansen:** The UK joining would change the power structure within the EFTA pillar of the EEA.

The EEA has proved to be a solid platform for co-operation between Norway and the EU because of its flexibility. We have a pragmatic approach that allows us to solve problems. Because Norway, Iceland and Liechtenstein are small countries, our interests do not have such a great impact on the EU internal market. However, if the UK decided to join the EEA on the EFTA side, the EU would be more interested. With such a large country coming in, it is more likely that there would be conflicting interests, so it might in the future be more difficult to find pragmatic solutions.

**Jamie McGrigor:** Thank you very much.

**The Convener:** The UK currently has a set of opt-outs and derogations. Would the flexibility that it has now as a member of the EU be available to it if it were to take up one of the models that you operate?

**Knut Hermansen:** The EEA countries have some derogations; it is possible for the EU to accept that because we are small countries. For instance, Iceland has a derogation for animal diseases and things like that because of the geographical location of Iceland. I think that it will in the future be more difficult to achieve such derogations or exceptions if the EFTA side of the EEA has a bigger impact on the internal market. That would be a shift.

**The Convener:** I think that Mr O’Ceallaigh’s institute has looked at some of those aspects in work that it has done. Do you have a perspective to give us?

**Dáithí O’Ceallaigh:** The reality is that our relationships within or without the European Union are governed by regulations. We have listened to our Norwegian and Swiss colleagues, and I conclude—I do not know whether members would agree with me—that most of the regulations under which they operate are made elsewhere. They are made in the European Union and that will continue even if Britain exits the European Union. The regulations will not be made in London; they will be made in Brussels.

It seems to me that the question is really this: does the UK wish to be at the table when the regulations are being made or does it just want to pay for them and operate them after they have been made? That is a little simplistic, but it is the reality.

Over the past 30 or more years—I have dealt with the United Kingdom very closely for a very long time—it has always struck me that the United Kingdom has had a huge influence in the drafting of the regulations under which we all live. The single market is largely a British invention, but somehow or other British Governments have never been able to accept that they have had huge success with many of the regulations, as opposed to failure.

I remember when what eventually became the Lisbon treaty was being negotiated. The British negotiators would go over it every week or fortnight and would make 10 demands. They would get nine of them but would come back and complain about the one that they did not get, instead of waving the flag, as we would have done, and saying, “We got nine!”

Whether Britain is in or out of the EU, the reality will be that regulations—this is all about the regulatory framework—will continue to be made in Brussels. Regulations will not be made in London that the rest of Europe will have to co-operate with. This is not about Britain creating a new world; it is about Britain pulling out of the existing world, if it exits the EU.

**Willie Coffey:** I enjoyed that contribution.

I have a final question. Mr Cameron, on behalf of the UK, has four demands for EU reform—on governance, competitiveness, immigration and sovereignty. Sadly, Switzerland and Norway will not have any influence on the outcome of those negotiations, but Ireland probably will. Are those four priorities shared by your countries? Do you think that Mr Cameron will ultimately be successful in achieving progress in those four areas?

**Dáithí O’Ceallaigh:** I think that he will be successful in the negotiation and that a lot of his concerns are shared widely around the table. The Irish Government will certainly be as helpful as possible, although there are one or two areas with which it might have difficulty, because it wants the United Kingdom to remain in the European Union.

It was extraordinary, when Mr Cameron gave a speech a couple of weeks ago in the House of Commons to report on the previous European Council meeting, that he singled out the Irish Prime Minister for praise in a way that no British Prime Minister has ever talked about an Irish Prime Minister before.

I think that Mr Cameron will be successful in the negotiation, but there are a couple of difficult areas. The treatment of workers is a difficulty, and it will be difficult to get down on paper a satisfactory relationship between the eurozone area and the non-eurozone area, although up until now there have not been any difficulties and that has worked reasonably well. I think that the

question of the powers of national Parliaments versus those of the European Parliament could be a little difficult, as well, but I think that Mr Cameron could and will end up with a successful negotiation. However, I wonder whether that is the question.

As an outsider who has a long relationship with the United Kingdom—I have a grandmother and a grandfather buried in Birmingham—it seems to me that the issue is much more cultural, historical and, to some extent, emotional. I am not so much talking about Scotland, I am not talking about Wales and I am certainly not talking about Northern Ireland, but about England. There seems to be a resurgence—in emotional terms—of English nationalism. Even if David Cameron were to get a successful negotiation, and I think that he will, those who are arguing against continued membership of the European Union have written that off. They are talking about coming back from Munich with a piece of paper. The Europeans will do everything possible to bring about a successful outcome to the negotiation, but I do not know whether that will have a positive effect on the populace.

**Willie Coffey:** The Prime Minister could hardly recommend a yes vote if he gets none of the issues agreed, could he?

**Dáithí O'Ceallaigh:** No, he could not, but I think that he will get all the issues agreed.

**Willie Coffey:** Do the other witnesses have a view on the four priorities and whether they are shared by your countries?

**Niels Engelschiøn:** Being on the outside of the EU, Norway has not said anything about David Cameron's demands. However, my Government has said that it is in Europe's interests—I am not talking about the European Union—for the United Kingdom to stay in the European Union.

We share many of the same values and ideas as the UK on cutting red tape, having less bureaucracy and the importance of the single market. However, we also see the value of free movement of persons, so we would not want that to be endangered. My Government has clearly said that it is in its interests that the UK stay in the European Union.

**Professor Auer:** There is one point on which the outcome of the negotiations between the UK and the EU touches on a topic that is very much at the heart of our political debate in Switzerland: that is immigration, of course. I cannot speak in my Government's name—I am just a professor of law—but quite a few people and parties in Switzerland have the idea that if the UK were to get something on the immigration issue, then maybe the EU could give something to Switzerland on the same issue in terms of not

respecting fully the free movement of labour and of persons. That is not quite reasonable because the discussions in both countries on the means of achieving that are totally different.

If I understand it well, Britain wants to reduce foreign workers' access to social security, which is not the problem in Switzerland. Switzerland wants a quota and quantitative limits, which is not the case with the UK. Those are totally different, and I do not think that there will be a direct influence. Of course, Switzerland now waits while the negotiations with the UK continue and perhaps reach a solution before it then comes back and finally opens negotiations with the European Union about implementation of the relevant provision in our constitution. There are some relationships, but they are not as direct as many people hope.

**The Convener:** We have exhausted our questions for the panel. On behalf of the committee, I thank all the witnesses—we really appreciate your being here. It is always extremely helpful to get a range of perspectives on our work; you have made an excellent contribution. When our final report is published, we will ensure that you get copies.

10:59

*Meeting suspended.*

11:08

*On resuming—*

## “Brussels Bulletin”

**The Convener:** Welcome back. Agenda item 2 is consideration of our “Brussels Bulletin”. Members have a copy in front of them. Are there any questions or requests for clarification?

**Willie Coffey:** A little section on employment, skills and education talks about the digital skills agenda. It refers to

“Digital Champions, Ambassadors for the European Union’s Digital Agenda”.

Can we find out who those digital champions are? Is there a UK one? Are there Scottish, Northern Irish or Welsh equivalents?

The bulletin also says:

“100 million EU citizens have insufficient digital skills”.

That is a message for us all to pay attention to. I would be grateful for any follow-up information and detail on that issue that we can find.

**The Convener:** We will get that for you, Willie.

**Anne McTaggart:** The last page of the bulletin refers to women innovators. It says that there are

“nine finalists for the EU Prize for Women Innovators 2016 competition”.

Do we have or is there any way in which we can get the names of the nine finalists? Are any of them from Scotland?

**The Convener:** They have been announced, so we should be able to get that information for you.

**Anne McTaggart:** Thank you.

**Jamie McGrigor:** I have a couple of points. The bulletin says:

“Migration was once again at top of the agenda”.

at the European Council summit. It says:

“Meeting in the wake of the attacks in Paris and amidst a subdued atmosphere in Brussels, the fight against terrorism was also an area of focus.”

Again, the bulletin does not say anything about what was discussed. It seems unbelievable to me that it cannot say what was discussed. The bulletin is very weak compared with what it used to be. Those issues are very important.

Secondly, under “Agriculture and Fisheries”, the bulletin says:

“The most significant feature of the meeting was the annual negotiations for fish quotas, attended by Cabinet Secretary Richard Lochhead.”

It does not say that it has now been decided, apparently, that the pelagic discard ban for herring

and mackerel, which started last year, will also cover the demersal fleet. That is not even mentioned in the bulletin, although it is incredibly important for the guys in the North Sea, as they thought that they had another year to play with.

**The Convener:** We can clarify that.

**Jamie McGrigor:** I would like that to be clarified. Again, the flipping bulletin is no good. That is my view.

**The Convener:** We will put that in our legacy paper.

The meetings on security issues are in private, so we get only the published note. We do not get some of the details, as they deal with terrorism and security, for example. It is always difficult to get those details, but we can certainly get clarification on the other point.

**Jamie McGrigor:** Okay. Sorry. Perhaps I was jumping the gun a bit, but the whole layout of the bulletin is not what it was. I know that I have said that around five times.

**The Convener:** We have recommendations to give to Scotland Europa. We can do that.

**Roderick Campbell:** I noted the comments in relation to climate change issues following the Paris conference. The bulletin says:

“The European Parliament, whilst generally positive, has however argued that there is still much work to be done.”

From looking at the bulletin, that seems to be a realistic assessment. Although the conference was an important milestone, it is certainly not the end of the road.

I also noticed, under the heading “Aviation”, that an aviation summit should be taking place as we speak. The bulletin says:

“European air traffic is expected to increase by 50% by 2035.”

That is obviously important in the context of the Scottish Parliament having some sway over air passenger duty.

**Hanzala Malik:** I go back to Jamie McGrigor’s comments on the bulletin. We had an officer who physically spent days in Brussels and was able to dig into a lot of stuff that is perhaps missing now. I recall that, some time back, a conversation took place on revisiting the matter to see whether we are still missing that. It is clear that we are missing the additional support that the officials would get by somebody being physically in Brussels. Could we explore that further? I know that it is perhaps too late to do that in this session.

**The Convener:** We can definitely discuss that in considering the legacy paper.

**Hanzala Malik:** Okay. Thank you.

**Jamie McGrigor:** I have one other little point about alcohol. I am rather disappointed that Mr MacAskill has left the meeting. The bulletin says:

“the European Court of Justice (ECJ) ruled that introducing Minimum Unit Pricing, such as that proposed in Scotland, would restrict the Single Market ... but the decision should be left to the Scottish courts”.

That is quite interesting. I thought that the European Court of Justice came above the Scottish courts.

**The Convener:** You are right on the determination that was made, but a determination was also made that the Government could decide whether there would be an impact on health. The issue comes back here because Governments may have some free rein if the impact on health outweighs the economic impact. However, the argument has not been too clear, especially when we have received determinations from Brussels. I think that the issue will be on-going.

Are members happy to share the bulletin with other committees and to highlight to them the issues that we have raised which are pertinent to them?

**Members** *indicated agreement.*

**The Convener:** That concludes our business in public. We will now go into private session to discuss the evidence that we have heard this morning.

11:15

*Meeting continued in private until 11:28.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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