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Centre for Contemporary European Studies

Scotland, Poland and the European Union

Euan Robson MSP

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The Centre for Contemporary European Studies (CCES) at Paisley

The *Centre for Contemporary European Studies* at the University of Paisley was set up in 1997 following a successful outcome in the Research Assessment Exercise in 1996 (RAE1996) when the Centre was awarded a 3a grade. In RAE2001 the Centre consolidated its position in research in European Studies by earning a grade 4. The Centre brings together in seminars and joint projects staff from all parts of the University with shared European Studies research interests.

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- ✂✂ Contemporary East-Central Europe and post-Communist transformation;
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Scotland, Poland and the European Union

A speech delivered at the University of Paisley on November 6th 2002 by Euan Robson MSP for Roxburgh and Berwickshire and Deputy Minister for Parliamentary Business in the Scottish Executive

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Chair, Professor John Macklin, Vice Chancellor and Principal, University of Paisley:

Ladies and gentlemen, permit me to welcome you all here to the University of Paisley this evening. Let me start by describing some of the University's international links. The University of Paisley's Business School has strong connections not just with partners in Western Europe but also in Central Europe. For many years those links (especially with Poland but also with the Czech and Slovak Republics) have supported joint research projects through the University's interdisciplinary *Centre for Contemporary European Studies*, a centre awarded a grade 4 in the recent UK wide Research Assessment Exercise, an outstanding achievement for a 'new' university like Paisley.

The centre's recent comparative research has focussed on matters of considerable, interest, importance and relevance. Let me give two examples:

Regional development – managing problems of heavy industry restructuring, drawing on the experience of the West of Scotland to inform debate and policy development in 'over-industrialised' Upper Silesia. A joint Paisley-Katowice seminar was held here in October 2001 the deliberations of which will be published next year in a book, *Restructuring Regional and Local Economies: Towards a Comparative Study of Scotland and Upper Silesia*. Katowice has invited Paisley for a 'return seminar' in March 2003 which will focus on transition, enterprise and the knowledge economy. That partnership continues to gather strength;

Society and politics – other research (with a Czech/Slovak focus) examines democratisation and development of civil society, and another book *Local Communities and Post-Communist Transformation: Czechoslovakia, The Czech Republic and Slovakia*, will shortly appear, brought together by the Czech/Slovak research team.

But research apart, what may be less well known is that opportunities – unique in Scotland – also exist for our Business Studies undergraduate students to spend one semester studying at the prestigious *Akademia Ekonomiczna* in the beautiful and ancient city of Kraków in southern Poland, a 'European City of Culture' in the year 2000. The first Paisley students to study in Kraków went in 1996 and were soon followed by Polish students in the opposite direction thirsty, especially for the applied business courses on offer at Paisley – in Business Economics, Marketing, Management and Finance – all key components of the emerging market economy and all, especially in the 1990s, in short supply in Poland.

Today Paisley's Polish partners include the prestigious Warsaw School of Economics as well as the Academies of Economics (Business Schools) in Kraków and in Katowice.

So you can see, as an institution we are already gearing up for EU enlargement and we look forward to ever more fruitful partnerships with our colleagues, students and friends in Poland and the other soon to be new EU members from Central Europe.

This evening's lecture is being supported also by the government of Poland through its Consul-General in Poland, Mr Wojciech Tycinski, and by the Federation of Poles in Great Britain through its secretary-general, Mr Jan Mokrzycki, and we are delighted to see you both here this evening.

Our speaker, Mr Euan Robson, needs little introduction. A graduate of both Newcastle and Strathclyde Universities, Mr Robson, now MSP for Roxburgh and Berwickshire and Deputy Minister for Parliamentary Business in the Scottish Executive, is our distinguished guest who has kindly agreed to share with us the thinking of the Executive on the matter of EU enlargement. Let me give the floor to Mr Robson.

Vice-Chancellor, Consul-General, ladies and gentlemen,

Dobry wieczór, dziękuję sie za zaproszenie byc tutaj dzisiaj wieczór

Introduction

I am delighted to have this opportunity to speak on a subject that is of substantial importance to Scotland, to Poland and to Europe. I am also grateful to the Federation of Poles in Great Britain for coming to Scotland this evening as part of their wider programme of 'enlargement' seminars being held across the UK.

The imminent wave of enlargement is one of the largest projects which the European Union has ever undertaken. By the end of the process, the EU will stretch from Lisbon in the west to Bucharest in the east and will take in the islands of Malta and Cyprus. It will grow from the existing 15 Member States to a membership of 27, with the accession of Turkey somewhat further into the future. That represents a massive change to the nature of the Union as we know it. In my view it will be a very welcome change that will bring real long-term benefits to both the existing and future member states of the EU. Enlargement will strengthen, not weaken the European Union. Naturally however, change of this magnitude will undoubtedly bring new challenges as well and we need to be prepared for that. The enlargement process is already posing some demanding, but very necessary, questions about the future direction and structure of the EU.

This evening I want to talk about the enlargement process in general, as well as set out what I think enlargement means for Scotland and Poland specifically, and the relationship between the two countries.

General background

I will start with some general scene-setting. As I hope you already know, the Scottish Executive – and the UK government – firmly support the enlargement process. Our view is that all of the accession countries should be able to join the Union as soon as they are ready. We base this support on an assessment of the benefits that enlargement will bring.

Enlargement presents an historic opportunity to re-unite Europe after the divisions of the Cold War – not this time by force of arms, but instead by a shared purpose and the pursuit of common goals. Enlargement will extend peace and stability across Europe. It will also increase the EU's weight in world affairs.

Enlargement will help the fight against terrorism and crime – the proponents of which are no respecters of boundaries. EU anti-terrorist measures, such as the European arrest warrant, will be more effective when they apply to 27 instead of 15 Member States. Enlargement will also strengthen the EU's anti-crime institutions – Europol for example.

Here in the UK, we can reasonably expect enlargement to deliver increased prosperity. Independent research estimates that UK GDP will be boosted by some £1.75 billion. We can be optimistic that enlargement will create more jobs for the UK. A survey by the European Round Table of Industrialists suggested a figure of some 300,000 extra British jobs across the EU. And we can expect a boost to UK trade, with enlargement growing the population of the EU to some 500 million people, the largest Single Market in the world.

So there are sizeable benefits to be won for Britain and for Scotland. And, of course, we recognise only too clearly how important the enlargement process is to the accession countries. We understand well that membership of the EU is seen as a significant economic and political prize, upon which so many future aspirations hinge.

The way in which news of the Irish referendum was received in Poland, and elsewhere, provided clear evidence of the depth of feeling. I understand that Prime Minister Miller was even moved to sink a pint of Guinness to mark the occasion!

Progress in the enlargement negotiations

Against this background, it is little surprise that the accession countries have striven to make considerable progress in the task of implementing the 31 Chapters of what is known as the *Acquis Communautaire*. This is no mean task, because it comprises around 80,000 pages of EU law and practices. We must applaud these efforts.

Some of you may have seen the Commission's Enlargement Strategy Paper and Regular Reports on progress in each accession country, which were published last month. The Commission's reports provided welcome confirmation of how much has been achieved - for example, Poland has closed 27 of the 30 chapters of the *Acquis* - and points us ever more firmly towards an accession date in 2004.

So these are the headline issues at a European level. Solid and encouraging progress has been made towards delivering a future from which we will all benefit. But moving beyond these generic objectives and aspirations, what can we say about the specifically Scottish perspective on the process?

What are our particular expectations and aspirations?

How are we engaging with the process?

How do we see our links with the accession countries, and in particular Poland, developing?

The Scottish perspective

There are a range of economic, political and cultural factors which together give Scotland a distinctive connection with the enlargement process.

I've already mentioned **economic** opportunities in general terms, but we should give that a Scottish focus. According to 1998 figures, exports to the countries of Central and Eastern Europe accounted for only 2.3% of total Scottish exports. However, the potential exists for a significant increase in such economic activity. The increased prosperity we expect EU membership to deliver in the accession countries, and the opening up of markets upon accession, suggests there could be considerable change in the near future. Scotland has a strong history of seizing such opportunities and we are encouraging more Scottish businesses to be global in their outlook and operations. Unsurprisingly, Poland accounts for the largest share of our existing trade with the accession countries. Figures for trade in 2000 indicate that Poland is already our 29th largest export market, which testifies to the potential that exists there. And, of course, we are talking about a two-way process. The other accession countries anticipate EU membership delivering a significant export boost. Poland is already performing well.

To throw yet more figures at you, total UK exports to Poland in 2001 were £1.3 bn, compared to UK imports from Poland of some £1.2 bn, which was an increase of 28% over the previous year. The top five imports from Poland were furniture; road vehicles; power generating machinery; electrical machinery; and petroleum products. The opening of the EU's markets to Polish exporters can only benefit these industries and others.

While some have voiced concerns that the next wave of enlargement represents a threat to Scottish exports, I believe we can look forward positively. Due to the sectoral composition of Scottish exports research has concluded that the overall effect of increased manufacturing trade will result in an increase of output. Scottish business also enjoys considerable competitive advantages, such as existing technology, infrastructure, the commercialisation of university work and a highly skilled, trained and productive workforce. It will take time for the new EU Member States to reach this level of development, just as, for example, it will take time for labour costs to even out across an expanded Europe.

Of course enlargement will bring both new challenges and opportunities to business and industry, on both sides of the existing EU boundaries. I think we need to have faith in the capacity of business to adapt to changing circumstances; in the willingness of government, in Scotland, Poland and elsewhere to support their business sectors; and in the fact that a significantly enlarged EU market place should be able to accommodate the needs of all the EU Member States – old and new.

At a **political** level, there are a number of connections which drive Scottish interest. Scotland is of a similar size and population to many of the accession countries (though not of course Poland), with the issues that holds for infrastructure requirements, for example. We must contend with a relative peripherality to the principal EU markets. And there are environmental issues in common between Scotland and the more northerly countries of Eastern Europe. It is worth mentioning that, as a recently devolved region with legislative power, we consider ourselves to be something of a new kid on the European block, albeit one with considerable past and ongoing experience of operating in Europe as part of the UK. Nevertheless, we know something of the experience of adjusting to the many new relationships and processes

that the EU will present for new Member States on accession. As you would expect, the Executive is actively engaging with the constantly evolving layer of regional government in Europe. We have strong links with some of the most influential Sub-Member State Administrations – Bavaria, Catalonia, Tuscany for example – and view the increasingly vocal regional lobby as an important channel for making the Scottish voice heard in the EU. We recognise that regional government in some accession countries may, over time, develop similar aspirations. The situation varies greatly from country to country, but because of its size and administrative structure, Polish regions in particular may be among the first to engage in this way.

Post-devolution, there are also renewed opportunities for **cultural and social** exchange, to expand our horizons and to win new friends and informal influence in the EU. We already enjoy strong links with Poland. Over the centuries Scots have formed communities in Poland and Poles have come to live in Scotland. Today there are a number of Polish Societies in Edinburgh and Glasgow, and there is an informal twinning arrangement between Edinburgh and Kraków. We have similar links with other accession countries, and a particular connection to the Baltic region in general. And I am very aware of the links the Business School here at the University of Paisley has developed with Poland and other areas of Eastern Europe, which has produced significant joint research and student exchange.

For all these reasons then, enlargement will have a profound impact on Scotland and Poland. I will say something about how the Scottish Executive has already engaged with the enlargement process and then offer some thoughts on the future.

Executive involvement in the process so far

With regard to the enlargement negotiations themselves, it is important to say first that the Executive contributes fully to the UK position. We enjoy a constructive and effective relationship with Whitehall colleagues and continue to benefit, as a devolved administration, from the political clout of the UK in the EU. Enlargement holds some issues of particular importance to Scotland - Agriculture and Fisheries for example. We have been working hard with the UK government in these areas.

At home, we have sought to raise awareness of the enlargement process and the opportunities it presents. In May the Deputy First Minister and the Minister for Enterprise and Lifelong Learning spoke to key business representatives, at a Business Breakfast organised in conjunction with the Scottish Council for Development & Industry. The SCDI have themselves produced a very useful *Business Guide to Enlargement*, which offers case studies of Scottish firms already operating successfully in the accession countries.

The Executive has also made significant efforts to develop policy links with some of the accession countries. For example, we are the lead partner in a Twinning project, along with France and Ireland, which is working to deliver the expertise we have gained on Structural Funds to assist the Czech Republic prepare for the very considerable receipts they will be entitled to on accession. We are also a junior partner in a similar project that is assisting Estonia. In addition, we have hosted visits by a range of delegations from various accession countries keen to learn about Structural Funds practices in Scotland. We have been happy to help. In turn, we have taken Scottish messages to the accession countries. Jack McConnell spoke in Kraków last year, Andy Kerr visited the Czech Republic this September, to build on existing Structural Funds links and to talk at a seminar on enlargement. Looking further back, we held a series of events in 2000 to mark Scotland Week in Brussels, which drew in participants from the majority of the accession countries, links which have since been built upon by the Executive's EU Office in Brussels. Looking at Poland in particular, Scotland has played a significant part in the development of the Polish Education system. For example, the Scottish Council for Research in Education have worked with Polish counterparts on the reform of examinations and developing a new system for monitoring pupil performance.

The future

I am pleased with the depth and range of our engagement to date. I believe we have laid significant and lasting foundations that suggest a bright future for Scotland in an enlarged Europe. However, as accession rapidly approaches, we need to consider what will happen, and needs to happen, next. In the early days of an enlarged Europe many of the economic opportunities will be in the public sector and infrastructure

development. This early work will provide a bridge to opportunity for Scottish businesses.

Global Connections Strategy

For the Executive's part, we need to put science and skills at the core of our economic strategy for Scotland. We need an approach based on the better exploitation of our knowledge and of our technology and innovation to make Scotland a key player in the global economy. This focus was reflected in the Executive's *Global Connections Strategy*, launched in October last year. Our future international priorities will now be on taking Scottish knowledge and skills and ideas out to the rest of the world and to bring global knowledge and skills and ideas into Scotland.

We need to build a whole range of new business partnerships between Scotland and the rest of the world built on knowledge, technology, ideas, skills and people. This more holistic approach will allow us to identify and address opportunities that were previously less apparent. This will be particularly relevant when we are helping companies work in the emerging economies of Europe. As a key part of the *Global Connections Strategy* *Scottish Development International* was created to drive forward the delivery of the strategy. It brings together the expertise and experience of Scottish Trade International and Locate in Scotland. We have also merged our overseas offices to create a single international economic development sales force for Scotland. Scottish Development International has representatives in all the world's major economies who can offer invaluable in-market insight and assistance. Companies can also access the business services offered by the extensive world-wide British Embassy and Consular networks. Scottish Development International has been working alongside Trade Partners UK to further develop the commercial services offered by Embassies and Consulates to ensure that they better meet the needs of our companies. These changes will be particularly beneficial to those wishing to do business in smaller and less developed economies such as those typified by the enlargement countries. Through Scottish Development International and the Enterprise Networks we are now taking forward a range of initiatives to help businesses develop and implement globalisation strategies and assist in the development of trading links, global alliances and strategic partnerships. This

challenge will remain and indeed become even more important in a new and expanding Europe.

National Culture Strategy

The Executive is giving priority to developing international cultural links. We have a *National Culture Strategy* in place that will drive Scotland's overall activity. The sheer amount of activity undertaken, and currently being planned, may be a revelation to many. Our artists, our national companies, museums and galleries continue to play a very significant and proactive role, which is key to Scotland's international standing on the world stage. A wide range of organisations is involved in developing cultural links. They and the Executive are open-minded about the impact of enlargement and excited by the potential it holds.

At a political level, we look forward to working with Poland and the other accession countries in the various European fora we are involved with, such as the Committee of the Regions and the Congress of Local and Regional Assemblies. I expect that our new colleagues on these and other bodies will have much to offer, and the relationships we develop through such co-operation will no doubt produce other opportunities in themselves. I spoke to Sir David Steel the Parliament's Presiding Officer just today and he agrees that we would welcome an exchange visit with members of the Polish Parliament and perhaps we can take that forward this evening.

On the enlargement process itself, from now until the end of the accession process, I look forward to continuing productive relations with the UK government. We will continue to feed in Scottish views – we have much to contribute.

We will continue to develop our links in the accession countries. I have mentioned our structural funds links with the Czech Republic and Estonia. We will look carefully at what other links might be developed. And we will continue to consider the need to promote awareness of the enlargement process here. Events like this help, the recent referendum in Ireland undoubtedly made enlargement front-page news, but more needs to be done. A recent Eurobarometer poll found that only 21% of people across the EU felt well informed about the process. The Executive will look at what might be done in Scotland.

Conclusion

So a range of issues lie ahead. The next few years promise to be exciting ones for Europe. I have attempted to summarise tonight the Executive's position on what is undeniably a large-scale process. Enlargement promises many changes. I have sought to explain how we are engaging with the process and with the countries that will soon join the EU. I have set out some of our aspirations and objectives, and some of the strategies we will adopt to make sure we realise these objectives. And I have sought to emphasise that there is an affinity between Poland and Scotland, and, I think, a sense of potential opportunity in both countries, which we can look forward to building upon. I believe therefore that Scotland and Poland can, together, approach an enlarged EU with real confidence. Confident in the opportunities that enlargement presents – to existing and future Member States - and confident in our ability to make the most of these opportunities.

Thank you.

Scotland, Poland and the EU - Discussion

Q Stephen Green, Tutor, Glasgow University: How is Scotland to make the most of its opportunities? I heard Jack McConnell speak in Krakow and I'd like to put a question to you that I put to him then to which I didn't get a satisfactory answer. I'm wondering if I will this evening. Other countries have much greater regional autonomy (you gave interesting examples of Spain and Germany) and can do much more at the regional level. The question is this: Can Scotland match them? Does the existing devolution settlement (and I support devolution) go far enough? Does Scotland have enough autonomy?

A. Euan Robson: The Lib Dem view is that there should be no major change in constitutional arrangements for about 10 years or 3 Parliaments to allow the Scottish Parliament to bed down. The further dimension is devolution within England and to an extent we will need to await development there. We expect however Scottish devolution to develop. Ours is a new parliament and much learning is going on and there is more to understand about devolved administration. Our links with some of the accession countries (e.g. Estonia) are teaching us a lot too.

Q. The media coverage of enlargement is poor. There is no proper media coverage. How will the Scottish Executive publicise the issue and its Scottish-Polish links?

A. Euan Robson: There's no doubt we need to do more here and with Poland we must have an exchange of parliamentarians. There's room too to promote cultural exchange, for example, at the level of gallery/exhibition/picture exchanges and theatre companies. More needs to be done.

Q. George Blazyca, Professor of European Economic Studies, University of Paisley: My father is Polish. He uses the zloty. My mother is Italian, she uses the € I'm Scottish, I use the £. Do you think that the € will be used in Bydgoszcz before it's used in Barrhead?

A. Euan Robson: It's possible. But our view as LibDems is clear we want to get into the €zone as quickly as possible. If you've been travelling there since its launch you can see how easily its been accepted and how useful it is.

Q. Jan Mokrzycki, Secretary-General Federation of Poles in Great Britain: Perhaps more twinning arrangements will help? Also, we should remember that there is a mighty 3-way battle in EU enlargement between net payers, net contributors and the accession countries. There are complicated issues like how free movement of labour will be handled. I'd like to suggest that Scotland should try to find ways of coming to more bilateral arrangements where it's permitted over such issues.

A. Euan Robson: I'm certainly happy to take that back to the Scottish executive for further discussion. But I do think that the best way forward is to get in first then sort out the details later. Get the extra trade going that will also help compensate for (in the Scottish case) loss of subsidies.

Q. James Wardrop, Deputy Lieutenant of Renfrewshire and Member of Court, University of Paisley: As a local resident I know that Paisley and North Ayrshire, that

is the Paisley ruck going east to the Garnock valley had strong links in the past with Poles, many who settled here to work in mining and the steel industry. We should be in a position to capitalise on those links and perhaps we're not doing enough.

A. *Euan Robson*: Such links exist not only in Paisley but all over Scotland. Even in my own constituency in the Scottish Borders there are well known Polish characters and names. I believe there was a postman called 'Rosy Jack' from his Polish name, Roziak, or something similar and his descendants still live in my home town of Kelso. The town of Duns in Berwickshire is twined with Zagan in the west of Poland.

Q. *Tomek Borkowy, Director/Actor Edinburgh*: As a theatre director and actor I have been deeply involved into cultural sector. My question is why does Scotland not use culture as a promotional factor for itself within the EU more strongly? I think that Scotland is not well presented as a separate nation outside the UK. I am wondering what do you, Mr. Robson, think about this?

A. *Euan Robson*: We can offer our culture to the other countries including Poland of course. We can exchange exhibitions. We can promote our culture within the EU in a much wider way. I agree that there is a strong need to strengthen our cultural and educational links with European states.

Q. *Timothy O'Connor, from Galway, MPhil student Glasgow University*: Can I play devil's advocate? Is there anything in this enlargement for Scotland? Its industry and its tourism will lose through the uncompetitive level of the pound, for so long as Scotland is not in the €system. Its agriculture, in the Scottish borders too, will lose through the lost CAP subsidies that the UK government is so keen to see reduced/reformed. So, is there anything in this enlargement for Scotland?

A. *Euan Robson*: Enlargement, and Polish accession, will contribute to forming a much larger market and that's the key gain. But also there will be scope for Scotland, Scottish businesses to get into new markets not only to sell goods and services but to pass on expertise and share best practice. Scotland is in my opinion better off in EU terms thanks to existing arrangements. These give Scotland 12 votes in EU decision-making rather than the 3 it would otherwise have and this is a much better basis for making alliances in the EU.

Professor John Macklin, Vice-Chancellor and Principal, University of Paisley. We thank you for the opportunity you have given us this evening in providing an insight into the Scottish Executive's thinking on enlargement. The wealth of statistical detail you added was also, clearly, much appreciated by our audience. I'd like to add just 2 points regarding the idea of the university. The university has a critical role to play here because it is both a source of knowledge, the repository of society's knowledge, and a unique location of networks. This combination of knowledge and network has the potential to offer much to the enlargement process and to ensure that Scotland benefits to the greatest extent possible in the next accession wave. Once again we thank you for your lecture this evening.