

1. Themes from the evidence

1. 1. Overview

Overall, the evidence gathered suggested that the Welsh Government has engaged in multiple forms of international activity, particularly within the EU, despite the significant constitutional restraints it operates within. Dr Dafydd's written evidence, for example, described the Welsh Government's approach as 'characterised by creativity as it explores various channels to promote its interests' while the breadth of fields it has engaged in has also been commended by witnesses.

However, the evidence gathered suggests that there is more that can be done to raise Wales' international profile and boost its international brand, particularly through better coordination of its international activities. These themes are discussed in more depth in the following sections.

The inquiry consisted of two oral evidence sessions with academic experts, on:

- 8 May 2018, Dr Einion Dafydd, lecturer in Parliamentary and Legislative Studies and Professor Jo Hunt, Reader in Law from the Wales Governance Centre provided evidence; and on
- 5 June 2018, Dr Elin Royles, Lecturer in Welsh Politics at Aberystwyth University and Professor Michael Keating, Director of the Centre on Constitutional Change, Edinburgh University provided evidence.

These academics submitted the following articles for the rapporteur's consideration:

- Dafydd, E. 2013. Cautious and creative: Understanding the Welsh Government's EU interest representation strategy. *Contemporary Wales* 26(1), pp. 162-181;
- Hunt, J and Minto, R. 2017. Between intergovernmental relations and paradiplomacy: Wales and the Brexit of the regions. *British Journal of Politics and International Relations*. 19 (4), pp. 647-662;

- Royles, E. 2016. Substate Diplomacy, Culture, and Wales: Investigating a Historical Institutional Approach. Publius: *The Journal of Federalism* 46 (2) pp. 224-247; and
- Royles, E. 2017. Sub-state diplomacy: Understanding the international opportunity structures, *Regional & Federal Studies*, 27:4, 393-416;
- Keating, M. 2010. **The International Engagement of Sub-State Governments**. Produced for the Scottish Parliament.

The main themes from that evidence are summarised here.

1. 2. The growing importance of international relations

In their own way, each witness stressed that in light of the UK's decision to withdraw from the European Union, the Welsh Government's international relations activity and strategy will become increasingly important. These reasons included:

- Professor Hunt highlighted that, outside the EU, the competitive international environment is not as finely tuned, or as accommodating, to the needs and concerns of sub-states. Consequently, Wales will have to work harder to have influence in Brussels and elsewhere;
- Professor Keating outlined how much more of the Welsh Government's activity, which currently sits under EU regulation, will relate and be governed by new international treaties signed by the UK Government with the EU and other trading partners; and
- Dr Dafydd argued that inward investment, to offset any potential loss of EU regional funds, will become even more important to the Welsh economy and the lives of those living in Wales. As such, its political salience will also increase.

1. 3. Mixed success in international activity to date

The Welsh Government's international activity has been identified as falling under four main strands:

- involvement with and influencing EU policy through EU networks and forums;

- involvement and engagement with other international networks, mainly around the issues of sustainable development and climate change;
- international cultural relations, through bodies such as Wales Arts International and the British Council Wales;
- encouraging inward investment and tourism; and
- supporting international development work in Wales and Africa.

Dr Dafydd noted that these strands are very distinct, requiring very different programmes and activities to achieve different outcomes, but they are not always treated as such.

Dr Royles commended the Welsh Government for pursuing these various strands despite being amongst the ‘least likely’ international actors given its very limited competence in relation to international relations.

Both Dr Dafydd and Dr Royles said the Welsh Government’s 2015 international agenda was too descriptive, and lacking in key outcomes and targets [see section 1.4 for more on this theme].

The Welsh Government’s **international offices** were highlighted as an example of its mixed success internationally. Professor Hunt cited the **Federation of Small Businesses’ (FSB) research from 2017**, which suggests that ‘the location of overseas offices doesn’t seem to have had a noticeable impact on export performance’. She suggested these offices need to be more effectively woven into a trade and investment strategy and questioned the Welsh Government’s methodology for identifying the location for its international offices and the objectives the Welsh Government sets them.

Professor Hunt went on to suggest that international offices could work best when different Welsh interests are co-located, citing Wales House in Brussels as an example. Dr Royles called on the Welsh Government to ensure that international offices are appropriately staffed and multi-functional, in order to act as ‘mini-embassies’ for Wales, rather than just having an economic function¹.

¹ The Welsh Government website does state that its ‘offices are multi-functional. They are responsible for trade and investment, government relations, tourism, culture and education’. However, the **majority of its offices have 1 or 2 full time staff** members.

The Welsh Government is **expanding its overseas offices** in 2018, emphasising that ‘overseas teams promote Wales as a potential investment destination and have helped secure some of Wales’ largest foreign investments’. In oral evidence to the **EIS Committee in October 2017**, a Welsh Government official explained that:

...moving forward with the offices, we’ve put together business plans so that we know exactly what subsectors we’re interested in, whether it be talking about foreign direct investment, what opportunities there are in terms of exporters and also the interest, whether it be from a tourism or higher education perspective.

Dr Royles argued that the Welsh Government should think strategically about where sharing premises with existing UK international missions would and would not help it promote Welsh interests internationally.

1. 4. Calls for clear, focused international objectives

Dr Royles suggested the Welsh Government’s 2015 international agenda lacked meaningful outputs and outcomes and failed to provide strategic direction for its various work strands. Dr Dafydd said that the Welsh Government needed to have clearer idea of what it is trying to achieve and it should develop more stringent evaluative processes.

Dr Royles called for a longer term vision and better co-ordination of its international strategy and mentioned research that suggests that the more powerful sub states are more successful at coordinating the broad range of international activities they undertake. She highlighted that a number of the Welsh Government international actions and objectives are the historical legacies of previous administrations and ministers and do not necessarily relate to each other or may not still be as relevant. Brexit, Dr Royles argued, provides an opportunity for the Welsh Government to take stock of its current approach and to think again about its long term objectives.

Dr Dafydd and Professor Keating noted the importance of Wales defining or developing its ‘unique selling point’ or ‘niche’. It was argued that developing a speciality in a field boosts international recognition in a crowded market. Developing Welsh national expertise, it was argued, would lead to other countries proactively seeking to engage with Wales. The Scottish Government’s promotion of its offshore energy expertise, Finland’s

promotion of smart cities and the Netherlands expertise in advanced agriculture were highlighted as examples of good practice.

The witnesses did not provide a suggestion for what this unique selling point could be. Dr Dafydd thought that Wales could develop a good story if it thought creatively about its strengths, arguing that its unique speciality needed to be 'plausible, even if not true' initially.

Professor Keating recognised that the Welsh Government is limited in what it can achieve internationally, both in terms of resource and competence. However, in order to improve its international effectiveness he recommended that the Welsh Government takes a geographic and/or sectoral approach to its international affairs, identifying specific priorities for economic/technological/cultural sectors or regions in Wales and using them as a basis for its international objectives and activity.

1. 5. Best practice

Dr Royles noted that the identification of best practice is affected by the way in which sub state international relations are often politicised. She reported that some of the best examples of sub states engaging internationally stems from states headed by strongly nationalist Governments who are seeking to engage in proto-diplomacy, with a view of building on those networks if it achieves independence.

However, Professor Hunt highlighted Quebec and Dr Dafydd highlighted Scotland as examples of best practice in regards to sub states engaging in international relations. **Quebec's new international strategy** is focused on a small number of 'policy thrusts' that, these are to:

- make Quebecers more prosperous;
- contribute to a more sustainable, just and secure world; and
- promote creativity, culture, knowledge and Quebec's specificity.

The Scottish Government's 2017 **International Framework** sets out its international ambitions and its international strategic objectives. This Framework is supported by **five engagement strategies for different countries**: United States of America, China, Canada, India and Pakistan and an **International Development Strategy**, which focuses on Malawi, Rwanda, Zambia, and Pakistan. This work is overseen by a **Cabinet Secretary for**

Culture, Tourism and External Affairs and a **Minister for International Development and Europe**.

In contrast, Wales has an international agenda published in 2015 and no country specific engagement or international development strategies, while responsibility for international affairs is spread over several portfolios. These portfolio include the:

- **First Minister**, responsible for 'managing relationships with the rest of the UK and internationally';
- **Cabinet Secretary for Finance**, responsible for 'chairing the European Advisory Group' and representing Wales on the **Joint Ministerial Council (Europe Negotiations)**;
- **Cabinet Secretary for Economy and Transport**, responsible for the promotion of Wales as a location for business and investment; and the
- **Minister for Culture, Tourism and Sport**, responsible for tourism in and to Wales and marketing and promotion of Wales as a tourist destination.

1. 6. The power of the diaspora

To boost its overseas profile and to improve inward investment into Wales. Professor Hunt suggested that the Welsh Government, should better utilise the Welsh diaspora, i.e. those with strong ties to Wales who now live overseas.

On 7 July 2016 the Cabinet Secretary for Economy and Infrastructure **agreed to support the establishment** of a Community Interest Company 'Global Welsh' to develop a network and engage with Welsh diaspora. Walter May, a founding member of GlobalWelsh, gave an **interview to Wales Online**, published on 22 July 2016. The article notes that

GlobalWelsh has its **origins within the private sector**, emerging four years ago during the inaugural Welsh Entrepreneurs conference in Cardiff. A group of ambitious entrepreneurs and business leaders...have invested time and money amounting to hundreds of thousands of pounds, resulting in a detail plan of how the Welsh diaspora can have a profound effect on Wales' economic future.

In it Walter May explains that

We already have pledges of private sector investment, which under our proposed model will total 75% of the first year's funding and 100% thereafter.

However, while GlobalWelsh has been supported by the Welsh Government, in other nations these movements have Government ministers specifically for developing these movements over the longer term.

For example, the Republic of Ireland and Scotland were highlighted as examples where Governments are actively seeking to utilise the power of the diaspora. Both have Government ministers responsible for developing diaspora movements. In Ireland, through the Global Irish programme, headed by a Minister of State for the Diaspora and International Development. In Scotland, it is a responsibility of the Scottish Minister for International Development and Europe.

1. 7. The value of maintaining access to EU networks

Dr Royles, Professor Hunt and Professor Keating stressed the importance of Wales maintaining, as far as possible, access to the EU, and other international, networks of which it is currently a part. In particular, Dr Dafydd commended the Welsh Government for its relatively large and active presence in Brussels. At the time of reporting, the Welsh Government had the equivalent of nine full time staff working there. Professor Keating suggested that businesses and civil society organisations can and should play a part in maintaining access to European networks.

Professor Hunt argued that access to these networks will be more important in the future, not just to maintain the current benefits that Wales derives from participation. Professor Hunt said that post-Brexit, if Wales wants to influence and learn from the EU, it will need to have the intelligence and connections these networks can provide.

Dr Dafydd and Professor Hunt highlighted that non-EU regions and sub-states have offices and participate in networks in Brussels. Dr Royles called on the Welsh Government to develop a clear position on the European networks it wants to engage with post-Brexit and what it wants to gain from that engagement.

The evidence received appears consistent with that received during the course of the Committee's inquiry into Wales' Future Relationship with the EU. The Committee made recommendations on the maintenance of EU networks and relationships in its Part 1 Report and is currently exploring this further in its Part 2 report.

1. 8. Further thinking needed around devolved involvement in post-Brexit international agreements

Professor Hunt, Dr Royles and Professor Keating highlighted the constitutional challenges created by the UK's Withdrawal from the European Union and threat it poses to the Welsh Government's international influence.

Professor Hunt highlighted that the Welsh Government is currently able to influence EU policy via the UK Government², through the EU's policy making processes and regional networks. Professor Hunt went on to suggest that comparable avenues to influence international policy may not be available to the Welsh Government in the future.

Both Dr Dafydd and Dr Royles suggested that the Foreign and Commonwealth Office ('the FCO') has, to date, been quite accommodating in allowing the Welsh Government to pursue its international objectives. Dr Dafydd suggested that there is no reason to suspect that the FCO would substantially change its position on this. Dr Royles noted that other UK Government Departments, such as the Department for Environment, Food and Rural Affairs (DEFRA), have been less accommodating.

As result, both characterised the current set up as often built on co-operative relationships, with Wales working with or through the UK state to pursue its interests. Although they do also act independently and autonomously as the Welsh Government in some networks.

Professor Hunt and Dr Minto, in their written evidence, summarises the Welsh approach as being a 'Good European' and a 'Good Unionist'. But Dr Royles raised questions as to whether this is the most successful approach, indicating that Welsh interests are rarely high on the UK Government's agenda.

Professor Keating explained that the current system of intergovernment relationships relating to international relations will need to be reviewed as the 'division between domestic policy and international policy has almost completely broken down' as international agreements now cover so many devolved policy domains. This will be exacerbated, he argued, post Brexit, as former EU regulation and processes which impact on devolved competencies will be covered by international agreements which, at the moment, the devolved nations have no formal role in shaping.

Professor Keating went on to suggest that, in future, there needs to be a more balanced, or federal, approach to international agreements where devolved competencies will be affected. He suggested that devolved administrations should have an equal chance of influencing the agreement, with an option for them to prevent the UK Government agreeing to terms unilaterally. Dr Royles also called for a greater formalisation of the role of devolved administrations in shaping international agreements that affect them.

Professor Hunt warned of the danger of existing devolved powers being chipped away by UK legislation and international treaties associated with Brexit that will bind devolved Governments and legislatures. Professor Keating shared these concerns, and warned that constitutional precedents which, by and large, bypass the devolved administrations, are inadvertently being set at a rapid pace, often without sufficient scrutiny, as the UK Government seeks to push through all the necessary legislation and arrangements needed to deliver on withdrawal from the EU.

Dr Royles recommended that the Welsh Government ensures that, as the devolution settlement develops and Brexit proceeds, it secures the same rights and powers to engage in the EU context and internationally as its Scottish counterparts. Dr Royles argued that this is desirable because the Scottish Government is in a stronger negotiating position than the Welsh Government. Therefore, it has a better chance of negotiating a settlement that maintains or increases the powers available to devolved administrations (when compared to the Welsh Government's prospects). Additionally, a common arrangement across the devolved countries of the UK would be simpler and promote greater understanding of where powers are devolved or reserved.

The Welsh Government's current position on these issues are contained within its **[Brexit and Devolution policy paper](#)**, published in January 2017.