

REGENERATING RURAL COMMUNITIES THROUGH ACTIVATING LOCAL AND SOCIAL ENTREPRENEURSHIP

Lessons for government & communities in a new world

An International Specialised Skills Institute Fellowship

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Economic Innovation in Regional Victoria

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1. ACKNOWLEDGEMENTS

The Fellow, Matt Pfahlert would firstly like to acknowledge the International Specialised Skills Institute for providing this opportunity to further the practical investigation into the best ways to enable and rejuvenate rural communities.

Awarding Body – International Specialised Skills Institute (ISS Institute)

The ISS Institute plays a pivotal role in creating value and opportunity, encouraging new thinking and early adoption of ideas and practice by investing in individuals.

The overarching aim of the ISS Institute is to support the development of a 'Better Skilled Australia'. The Institute does this via the provision of Fellowships that provide the opportunity for Australians to undertake international skills development and applied research that will have a positive impact on Australian industry and the broader community.

The International Specialised Skills Institute was founded 29 years ago, by a small group of innovators including Sir James Gobbo AC, CVO, QC and former governor of Victoria, who had a vision of building a community of industry specialists who would lead the up-skilling of the Australian workforce. The Fellowship program builds shared learning, leadership and innovation across the broad range of industry sectors worked with. Fellows are supported to disseminate learning's and ideas, facilitate change and advocate for best practice through the sharing of their Fellowship learnings with peers, colleagues, government, industry and community. Since its establishment, ISS Institute has supported over 450 Fellows to undertake skill and knowledge enhancement across a wide range of sectors

which has led to positive change, the adoption of best practice approaches and new ways of working in Australia.

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The Fellow would also like to thank the Dal Zotto family for their generosity and commitment to economic development in our region. Their hard work combined with leadership and innovation as a family has resulted in the establishment of Australian Prosecco, a leading light of the wine industry in our region and nationally.

As well, the Fellow would like to thank the Social Enterprise World Forum (SEWF) board for inviting him to be a co-convenor of the inaugural Rural Symposium and his co-convenors;

Gerry Higgins – Founder and Managing Director of the Social Enterprise World Forum (Scotland)

Mairi Buchanan – Senior Development Manager - Highlands and Islands Enterprise (Outer Hebrides – Isle of Lewis)

David Upton – Founder and Managing Director - Common Good Solutions (Nova Scotia – Canada)

Finally, the Fellow would like to thank the board and staff of ACRE for their unwavering support and encouragement in relation to the Fellowship and all our work. <https://acre.org.au/>

2. EXECUTIVE SUMMARY

If we don't play a role in supporting our fragile and remote communities and the people who inhabit them, within a generation or two, we will have lost connection to our national identity and who we are as Scots.

Lorne Crerar (Chair of Highlands and Islands Enterprise)

In remote and rural communities across the northern hemisphere we see common themes; population loss to urban centres and the struggle to retain young people; land ownership issues and public asset sell offs; as well as reduced access to digital services and its adverse impact on business development.

In response to this, economic development agencies like Highlands and Islands Enterprise (HIE) in Scotland are adopting a place-based focus on development which includes turning to communities to drive new locally led initiatives to regenerate themselves from within.

A key pillar of this work is the establishment of successful social enterprises. The creation of social, cultural and environmental value is an inherent characteristic of a social enterprise, which trades to deliver financial returns that are invested into solving local issues.

Social enterprise is playing a key role in addressing rural decline in many communities, with Scotland at the forefront of developing market-based approaches to solving community challenges. Scotland's National 10 Year Social Enterprise Strategy is in its second cycle, has bi-partisan support and funding and its impact is captured in a national census and demonstrates the game changing role social enterprise is playing across Scottish society (Social Enterprise Census,



Rural living on the Crofts of the Outer Hebrides

2019). The strategy identifies the sector as a vital partner in the economy, civil society and in creating a fairer, more inclusive Scotland. It sees social enterprise as key to sustainable delivery of public services and to realising the potential within Scotland's communities. Through Scotland's recent Social Enterprise Export Strategy, 12 countries are piloting their initiatives including NZ, South Africa, Australia, Taiwan, Malaysia, India, Canada and others.

Successful social enterprises in rural communities build on existing, emerging or remnant knowhow. They seek to offer value-added products and services to the marketplace, utilising local markets as well as global markets, often through digital platforms.

Across Scotland there is:

- » Acknowledgement that community driven initiatives can and are driving the future of resilient and thriving rural communities
- » Belief in ecosystem approaches to local entrepreneurship through long term partnerships, capability development across all sectors, skilled staff and low political interference.
- » Recognition that thriving rural economies build economic, social and creative/cultural capital simultaneously.

And that:

- » Social enterprise is offering an effective vehicle for building more inclusive, just and regenerative rural economies

The Rural Symposium was a gathering of global social entrepreneurs and policy makers who operate for rural and regional prosperity. It was hosted by Highland and Islands Enterprise (HIE), the leading government economic development agency for the northern region of Scotland, including the fragile and remote Isle communities.

As a renowned world leader in regenerative economic development, HIE helps rural communities to rejuvenate through adopting a specific focus on 'place' which includes building transformational local capacity and aligning with principles of community development. A key ingredient to HIE's success is highly skilled employees who live and work in the communities they serve. As trusted community members, HIE's workforce provides advice and support across economic, community and cultural/creative projects.

The Rural Symposium was held on the Isles of Lewis and Harris in the Outer Hebrides of Scotland. This location was chosen to highlight a community that has been transformed by social enterprise business models and future focused social entrepreneurs.

3. FELLOWSHIP BACKGROUND

Fellowship context

Matt Pfahlert's Fellowship involved playing a leadership role to co-produce the world's first Social Enterprise Rural Symposium, a three-day event to coincide with the 10th anniversary Social Enterprise World Forum in Edinburgh Scotland.

The event was held on the Isles of Lewis and Harris in the Outer Hebrides off the North West coast of Scotland. Leading into the symposium, delegates travelled from Edinburgh to the Isle of Skye, visiting several Highland social enterprises.

Policy makers and practitioners discussed how social enterprise models can rejuvenate rural communities. Matt was one of four international rural leaders invited to co-produce the event and represented the southern hemisphere.

Social enterprise is a growing global movement. Businesses trade to deliver financial returns that are invested into solving local issues. There are 100,000 social enterprises in the United Kingdom, employing over 2 million people and contributing £60 billion to GDP. (Social Enterprise UK).

“Social enterprises are long-standing agents of inclusive growth and democratisation of the economic and social spheres, and they have proved resilient to economic adversity all the while addressing socio-economic challenges in innovative ways, re-integrating people back to the labour market, and contributing to overall social cohesion”.

Source: OECD/EU (2017), Boosting Social Enterprise Development: Good Practice Compendium, OECD Publishing, Paris, <https://doi.org/10.1787/9789264268500-en>.



The Scottish Government's commitment to inclusive growth means social enterprise is treated seriously with a welcome reception hosted by the First Minister at Edinburgh Castle

Scotland are the world leaders in social enterprise policy and practice. They are pioneering a business model that is a key enabler for creating a more equitable, just and prosperous society. Social Enterprise in Scotland has strong high-level political support and a well-resourced network of practitioners operating in all sectors of the Scottish economy.

Scotland is implementing its second ten-year national strategy for social enterprise. This has bi-partisan support and is fully funded through the central government. Scotland held the first Social Enterprise World Forum in Edinburgh in 2008.

The 10th Anniversary Social Enterprise World Forum in late 2018 represented an opportunity for Scotland to showcase the local and global growth of the movement.



The 10th Social Enterprise World Forum – the importance of social enterprise to rejuvenating rural communities

The Rural Symposium was a forerunner to the World Forum. It was a gathering of global social entrepreneurs who operate for rural and regional prosperity. It was hosted by Highland and Islands Enterprise (HIE), the leading government economic development agency for the northern region of Scotland, including the fragile and remote Isle communities.

As a renowned world leader in regenerative economic development, HIE helps rural communities to rejuvenate through building transformational local capacity and aligning with principles of community development. A key ingredient to HIE's success is highly skilled employees who live and work in the communities they serve. As trusted community members, HIE's workforce provides advice and support across economic, community and cultural/creative projects.

The rural symposium was a unique opportunity for policy makers and practitioners from across the world to visit pioneering Scottish communities to gain a deeper understanding of the role social enterprise plays in the community's prosperity.

Social enterprises in the Highland and Islands of Scotland are growing and despite a small population are contributing around \$1 Billion annually to the economy. <http://www.thehighlandtimes.com/news/2019/11/22/report-highlights-importance-of-social-enterprises-to-scotland%E2%80%99s-rural-economy/>.

Malcolm Maclean a Rural Symposium presenter and pioneer of arts, heritage and tourism projects reported that social enterprises in the Highlands and Islands now employ more people than the traditional industries of forestry, fisheries and agriculture combined.

Fellow biography

One of Australia's pioneering social entrepreneurs, Matt Pfahlert is helping to shape regional and rural Australia through igniting entrepreneurship in young people and their communities.

With a background in Outdoor Education and Family/Systems Therapy, Matt started his first social enterprise in 1993 at the age of 25, working with 'at risk' young people in wilderness settings. His passion and drive for young people self-determining their futures whilst contributing to society, saw him receive the prestigious Young Australian of the Year Award in 1996.

Matt's career since that time has traversed the business, community and government sectors always with a focus on youth development and projects which combine economic and community development principles in rural communities.

Motivated by a desire for lasting change in these areas, in 2012 Matt co-founded the Australian Centre for Rural Entrepreneurship (ACRE) with a mission to build a thriving rural Australia through igniting entrepreneurship in youth people and their communities.

In 2013, Matt was awarded a Churchill Fellowship to study youth entrepreneurship education models and the role social enterprises are playing in shifting entire rural economies in Scotland Canada, the US and England.

Inspired by these rural communities in the northern hemisphere, in 2016 Matt led a \$2.7M community buy-back of the Old Beechworth Gaol. A neglected Australian heritage icon famed for its connection to Ned Kelly and the Kelly Gang and located in Matt's hometown. The site is being re-purposed as an exemplar of social enterprise, impact investment and rural rejuvenation through community owned assets.

In collaboration with international partners; the Social Enterprise Academy (Scotland) SecondMuse (global); the Co-working Accelerator Network (Europe) and the Social Enterprise Institute (Canada), ACRE is supporting communities and the next generation to learn the mindset, skills and behaviours required to activate enterprising approaches to community rejuvenation. For example, Social ACRE's highly successful Social Enterprise Schools initiative has been independently tested and evaluated across 20 schools and resultantly mapped to the Victorian

curriculum with teacher resources and assessment. This initiative is ready to expand from over 3000 students to 20,000 over the coming years.

Recently Matt also initiated the Social Enterprise Network of Victoria (SENVIC), the first practitioner led organisation and voice for the sector. The key role of SENVIC is to support social entrepreneurs engage, learn and collaborate.

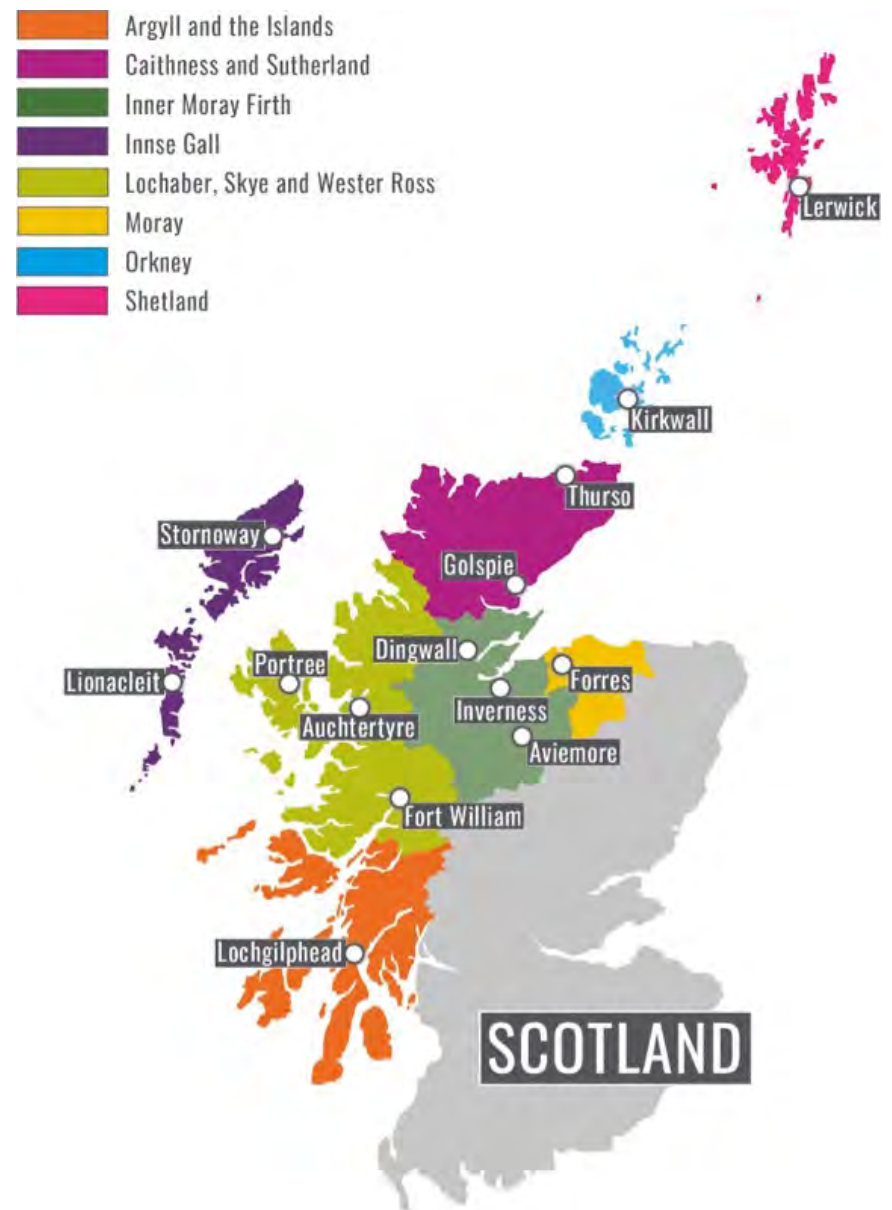
Fellowship methodology

The Rural Symposium was held over a three-day period with a 2-day lead-in event for international participants. Leaving Edinburgh by bus, 46 rural policy makers and social enterprise practitioners travelled into the Scottish Highlands to meet key social enterprise projects and communities. From the Isle of Skye the group took a ferry across to the The Isle of Lewis where the Symposium kicked off in the township of Stornaway.



The cultural exchange of gifts – Dalzotto (ISSI Sponsor) and Isle of Skye

The Highlands and Islands of Scotland
The Outer Hebrides (Stornaway & Lionacleit)





Isle of Harris Distillery – specifically established to drive the future of local employment

The township of Stornaway on the Isle of Lewis

Definitions

Social enterprises are businesses that trade to intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment. The enterprise has a defined primary social purpose, environmental or other public benefit and derives a substantial portion of its income from trade. Social enterprises reinvest 50% or more of annual profits towards achieving the social purpose. (Social Traders) <https://www.socialtraders.com.au/about-social-enterprise/what-is-a-social-enterprise/social-enterprise-definition/>

Site visits on the way to the Outer Hebrides (all rural communities)

- » Perth - The Giraffe Mill Café (transitional employment social enterprise)
- » Laggan - Wolftrax Mountain Bike Park and community forestry (local employment social enterprise)
- » Isle of Skye - Isle of Skye Brewery

Key Case Studies on the Isle of Lewis & Harris

- » Callanish Stones
- » Harris Tweed

- » Harris 'Social' Distillery
- » An Lanntair Cultural Arts Centre
- » Talla na Mara Community Enterprise Centre

Interactive session topics (conference style sessions between delegates and local leaders)

- » Rural Economic Policy – The role of social enterprises
- » Community land and asset ownership – transforming rural areas
- » Creative and cultural industries – A skills and jobs engine in rural areas
- » Tourism – A critical economic sector
- » Digital economy opportunities for rural social enterprises
- » Community engagement and empowerment
- » Youth engagement and retention
- » Collaboration and future initiatives

The first ever Rural Symposium in the Outer Hebrides – off the North West coast of Scotland, Social Enterprise Policy makers and practitioners from all over the world



4. FELLOWSHIP LEARNINGS

A key learning from the Rural Symposium is that government economic policy frameworks across the world do play an important role and do significantly impact the health and vibrancy of rural communities in both constructive and destructive ways.

Also, the traditional approach to providing infrastructure and tax incentives to big business (most not locally owned) to relocate to rural areas to stimulate economic activity no longer works. This is due to changes in global employment trends. For example, in the US, young enterprises (life of 0-5 years) create jobs with net employment growth of 8.6 percent. Older and larger firms shed more jobs than they create (Sources: U.S. Census Bureau Business Dynamics Statistics; Ewing Marion Kauffman Foundation).

It is the experience of the northern hemisphere that these approaches are costly, ineffective and in the most part disempowering of local communities.

On the flip side, where rural communities are regenerating themselves from within sustainably, and government agencies are playing an enabling role, it is working because they are taking a long-term partnership approach, whilst building on the capacity and knowhow of local people and their initiatives.

Communities and governments together are leveraging local assets whether they be human, physical, environmental, historical, cultural or creative to enable a new culture of local entrepreneurship and collaboration. These partnerships are characterised by a long-term commitment from government together with the provision of skilled local staff based in the region working across all sectors.

These approaches break from the traditional approach of government providing services 'to and for' rural communities and instead drives initiatives led 'by' communities where government works 'with' local leaders.

The inaugural Social Enterprise World Forum – Rural Symposium was held in the Outer Hebrides off the North West coast of Scotland. This location provides a particularly relevant case study for the re-population of fragile and remote rural communities. The field trip visited several key projects where the Scottish government's economic development agency Highlands and Islands Enterprise (HIE) played a critical role in supporting. HIE has key staff located across the regions and plays a combined community and economic development function.

There is strong evidence that locally initiated economic development is rejuvenating fragile and remote communities, through taking a place-based approach with a focus on community development.

The outstanding results being achieved witnessed first-hand in the Outer Hebrides of Scotland and reinforced by international delegates at the symposium include:

- » Acknowledgement that community driven initiatives can and are, driving the future of resilient and thriving rural communities
- » Having a mindset of working with locally driven initiatives led by them and not doing things to and for communities is liberating for both communities and government agencies
- » That taking an ecosystem approach to local entrepreneurship works; especially where long term partnerships can form, capability development occurs across all sectors,

- » there are skilled staff in place with government and low political interference in their activities.
- » Recognising that thriving rural economies build economic, social and creative/cultural capital simultaneously.

And that:

- » Social enterprise is offering an effective vehicle for building more inclusive, just and regenerative rural economies

The learnings below reflect some of the insights, ideas and approaches that we could consider improving our policy and practice here in Australia.

Governments can build trust and connection with rural communities (HIE case study)

The symposium was hosted by the Highlands and Islands Enterprise (HIE), a Scottish government agency dedicated to building community capacity as a means of fostering inclusive economic development. A community development approach to economic development if you like. Their Case Managers work with communities to provide planning and capability development and matched seed funding to support community led projects to achieve sustainability.

And the world is watching HIE! After 50 years of determined effort, their success in re-populating rural communities is now a world-leading model, from which we can learn so much.

As the key agency for economic development in the north of Scotland, HIE has invested in their people, basing them in the rural communities serviced by HIE. When the Fellow asked about the key reason for their success, all of the HIE representatives suggested it was the time they've spent in the community, the trust built and the ability to be genuinely responsive to community needs.

All staff the Fellow spoke to had been with HIE for 10 years or more (some over 20). They're experienced and savvy in their understanding of the community and the economic drivers of their region. They all feel humbled by the role they're able to play to support sustainable growth in their communities. When asked about political interference, there wasn't a department restructure in sight (unfortunately Australian public servants seem to have their departments restructured every 18 months or so, often with staff having to re-apply for their positions, making concerted, long-term change almost impossible to achieve).

HIE's stated role is:

"We support ambitious businesses, social enterprises and communities whose vision, skills and hard work can help the Highlands and Islands achieve sustainable economic growth".

Bi-partisan political commitment over the long term

Scotland has a 10 Year Strategy for Social Enterprise that is bi-partisan supported and funded.

Scotland takes a long-term approach to regional economic development providing the stability necessary for the conversion of 'policy to practice', including real outcomes and impacts.

This is a dramatic contrast to Australia, where (as evidenced at the recent 'Regions Rising Summit' hosted by the Regional Australia Institute), almost without exception, all of our regional economic development approaches currently undertaken by government focus on physical infrastructure development and incentives for existing and already established businesses, often with a trajectory towards employing less people not more.

This approach ignores where the growth in jobs is coming from. In rural Scotland job growth is occurring mostly through the development of locally owned social

enterprises. (Scottish SE Census 2017). In the USA, 90% of all new jobs in the past 10 years have come from locally owned businesses. (Michael Shuman, 2019).

In relation to the development of Social Enterprise (SE) strategies, Victoria is the only state with a strategy. This strategy was created in 2017 and has had modest funding of \$12.5 million over 4 years to support a sector with approximately 3,500 SE's.

Scotland's Social Enterprise Strategy has been in existence for over 15 years. The Australian government has so far taken little notice of the opportunity social enterprise allows most developed countries in providing social dividends and sustainable outcomes for under-served populations. We have no line of sight on a long-term national strategy.

In the Scottish context, Deputy First Minister John Swinney, has been the key political champion for social enterprise over almost two decades, understanding its potential across a range of sectors in the economy. In a recent address to the SEWF 2018, he reiterated his key motivation for championing the sector being that "social enterprises positively impact those 'hard to reach' members of the community that government has struggled to support. Developing a vibrant social enterprise sector is an effective investment in delivering a more just and inclusive society, our latest Census demonstrates this."

The long term and bi-partisan supported Scottish Social Enterprise Strategy goes beyond the 'policy by announceables' approach many Australian politicians so keenly employ. Both of Australia's major parties are without a policy for regional Australia, which makes policy creation for social enterprise in rural Australia feel like a very distant dream.

Big business is not the answer

For approximately 15 years leading up to 2007, Scotland courted large national and multi-national companies to attract them to relocate to Scottish shores.

The Scots explained that this approach failed, with millions of pounds spent on courting investment to drive economic growth in rural areas. The result most often was described to us as a 'Leaky Bucket Economy', where money flows into the community before flowing right back out again – thereby creating limited local employment or sustainable long-term economic benefit to the community.

Social enterprises in the Highlands and Islands of Scotland employ more people than the combined sectors of Forestry, Fisheries and Agriculture and are a far better investment of Scottish taxes.

Similarly, our Canadian colleagues at the Symposium discussed the work of Michael Shuman who is a US based author, entrepreneur, and a globally recognised expert on community economics. Michael actively espouses the virtues of building new local economies through ground-up approaches that identify where expenditure to multi-national companies can be replaced by goods and services supplied by locally owned businesses. In doing so, local employment is generated (because it is a key objective at the outset), profits and taxes are recirculated locally, and fertile ground is uncovered for further local entrepreneurship.

Shuman reports that 90% of all new jobs in the US over the past 10 years have been created by locally owned and operated businesses (Michael Shuman, MAV conference, Melbourne 2019).

This concept and local ecosystem approach are well articulated by a term widely used in North America called 'localism'. The Business Alliance for Local Living Economies (BALLE) founded in 2001 was formed to accelerate the emergence of local economies that are regenerative and sustainable. They have recently morphed into an organisation and movement called Common Future. <https://www.commonfuture.co/>

The BALLE localism framework

Local Economy Ecosystem

How to Build a Healthy, Equitable Local Economy




Leveraging local assets and a sense of place

Rural businesses that are thriving in the Outer Hebrides and other rural locations, all have an authenticity about them. They have a strong and obvious connection to the place, its people, culture and heritage. If we use a wine analogy, the businesses are like 'terroir' – they are the product of their location and have a sense of place.

Fellow's favourite example is Harris Tweed (Isle of Harris) where a 'Scottish Act of Parliament' ensures that a rigid quality regime is upheld, where local artisans weave tweed in their homes on the island as part of a production system that guarantees both local employment and a stamp of authenticity. This business deliberately honours local people being able to live on the Crofts (engage in a traditional Crofting lifestyle) whilst supplementing their income through on-farm weaving. Harris Tweed is sold globally.



Harris Tweed's - artisan made and hand woven products from the Outer Hebrides The authenticity of their products are protected by a Scottish Act of Parliament

Successful social enterprises build on existing, emerging or remnant knowhow. They seek to offer value-added products and services to the marketplace, utilising local markets as well as global markets through web enabled platforms.

People who are connected to a place by birth, experience, ancestry or interests are people who may want to invest in rural economies. These are people who

already care about a destination, town or location. They have means and may have grown up in the area and moved away or, they have a special connection with a given community through holidays, family, friends or pursuit. 'Connected investors' are paving the way for many new and exciting rural social enterprises.

An outstanding example is Harris Distillery, a new business that is proud of the role it is playing in building employment for the island. Musicologist Anderson Blakewell, with an affinity for the Isle of Harris, founded the distillery with a view to providing economic regeneration for the fragile local community.

'There is a deep belief that the Island's natural assets can best be harnessed to address our acute economic problems through ambitious projects like our own, bringing this special place and its qualities to the attention of a wider audience'.

Anderson Blackwell (founder of Harris Distillery)

The capital to fund this enterprise (now employing 68 local people), has been a combination of local investment, public grants from the Scottish government and private investors with an affinity for rural life and an interest in the vision of the project. Over 20 million pounds was contributed by 'connected investors' referred to as 'Scots abroad'.

Access to Capital

There are many opportunities in Scotland for communities who are prepared to invest in themselves to secure further support from philanthropic and government agencies.

The Scottish Government through a range of organisations and intermediaries it supports, recognises the need to provide community-led projects with access to appropriate capital, through grants and patient loans. Patient loans are characterised by extended re-payment timelines and sometimes provided at

interest rates below market rates. Grants and patient loans recognise that social enterprises often need more time to achieve financial breakeven and that there are often significant barriers to securing finance for projects operating outside the major cities. **The Scottish Land fund provides 10 million pounds per annum in grant funding alone to support local communities own their own assets.**

The Big Lottery Fund in the UK dedicates a percentage of its profits to community and heritage projects in the form of grants. Their plaque is on many preserved buildings across the UK.

Big Issue Invest is a spin-off of the Big Issue, a global social enterprise magazine tackling homelessness. They provide patient finance to projects of community benefit that wouldn't ordinarily be able to secure commercial finance.

The Federal government of Canada has recently announced an \$805M investment in social innovation. By creating a Social Finance Fund (\$755M over 10 years) and a capacity building Investment and Readiness fund (\$50M over 2 years), Canada will help unlock the potential of the millions of people working in social purpose organisations across the country. Canadian social innovation has grown from the bottom-up, and this Federal investment will jump Canada into a position of global leadership to rival Scotland. <https://markets.businessinsider.com/news/stocks/new-federal-fund-will-make-canada-a-leader-in-social-innovation-1027752243>

Community Owned Assets

There is a recognition by the Scottish Government that local communities are best at owning and managing their own assets sustainably. In fact, there is legislation that allows communities 'the right to buy' their valued assets when they have 'registered an interest' prior to it coming onto the open market. For assets in public ownership the community can request to lease or purchase at any time where they can demonstrate added value for the community and public purse.

The Development Trusts Association of Scotland (DTAS) is a membership organisation that provides advice and support to local communities embarking on their community asset ownership journey. In rural communities, this often starts with the retention of a valued local service. Over time, and with the confidence success brings, these groups often extend their interests to bold and ambitious community renewal enterprises. DTAS supports nearly 300 Development Trusts across Scotland to develop and implement long term plans that regenerate local economies. <https://dtascot.org.uk/>

The Callanish Standing Stones on the Isle of Lewis are second only in fame to Stonehenge for their links to the late Neolithic era, where they were a focus for ritualistic activity during the bronze age. The local people have built a community café and visitor centre close to the site. It provides a hub for local meetings and functions as well as a thriving tourism driver for local employment. The young self-taught local chef, who runs the café, is building a great local business focussed on the best of regional produce, blending contemporary and traditional cuisine. The site is providing sustainable local employment and Gregor has just started a cooking show on Gaelic TV. A global star in the making!

First Nations

When Lorne Crerar (Chair of Highlands and Islands Enterprise) was asked why it was so important that HIE exists with a mandate beyond economic development to include community and cultural development, his response was:

"If we don't play a role in supporting our fragile and remote communities and the people who inhabit them, within a generation or two, we will have lost connection to our national identity and who we are as Scots".

Lorne was speaking about their own first nations people and in reference to key events like the 'Scottish Clearances' a time in Scottish history where the local Gaelic communities were forced off their land by the British and were dispersed across the globe.

With Canadian Inuit and Australian indigenous delegates, there was a broader discussion that followed which centred on the role authentic cultural experiences and their direct connection to tourism can play on the emerging global trend towards locally driven authentic experience-based travel opportunities.



Cultural exchange in action between first nations Inuit, Gaelic and Australian indigenous participants and speakers

The next generation, or a place to retire

All countries represented at the Symposium have a very real challenge in common. A significant number of retirees in rural communities are resistant to and fearful of

new ideas and initiatives, technology enabled businesses and the re-purposing of local assets.

With a lifetime of education and resources at their disposal, some are actively resistant to change in the rural communities they inhabit, wanting a ‘quiet life’ in their later years.

Our Scottish, Canadian and New Zealand counterparts cited examples where entrepreneurial and ambitious endeavours required to lead rural communities out of de-population were often thwarted. Families and young people not able to find the support necessary for new ideas can be eventually forced to move away often back to metropolitan locations.

Interestingly, the opposition to these projects rarely comes from multi-generational inhabitants, as these residents have an investment in the next generation being able to forge a local future.

Symposium delegates all concurred that the next generation of social enterprise practitioners are incredibly bright, capable and willing to lead the change required to navigate a complex and uncertain future in rural economies. The majority of under 35's are unwilling to pursue a career that doesn't consider people and the planet at the centre of all their future decision making. This provides great hope for the change our global society desperately needs.

The key role of intermediaries

There are a small number of independent organisations (intermediaries) that support the social enterprise sector in Scotland. They are funded to provide specialist services to social enterprises in the areas of leadership and enterprise development, community engagement, investment readiness and scaling. All successful social enterprises in the Highlands and Islands regularly access their services. They are highly valued by the sector for their expert knowledge, reliability and political independence. A number of these sector support organisations

formed an alliance and won a collective bid to provide a seamless suite of support and advisory services to the Scottish government through their 'Just Enterprise' social enterprise industry support package. <https://justenterprise.org/>

The state of play in countries like ours

Scotland

HIE and its relationship with rural communities represents a genuine partnership model that has trust, mutual benefit and low political interference at its heart. Australia could benefit greatly from taking a community development approach to achieving inclusive economic development.

Scottish social enterprise practitioners enjoy a mature ecosystem of national support.

Canada

At least five provinces across Canada have social enterprise strategies. A national strategy is currently being developed with \$805M already committed to a national social innovation fund supporting capacity building and investment readiness initiatives for purpose led organisations.

New Zealand

After hosting the Social Enterprise World Forum in Christchurch in 2017, the New Zealand government is highly engaged in the development of a national strategy. Senior Ministers in the NZ government attended the Social Enterprise World Forum in Edinburgh 2018 to gather intelligence and learn from existing and emerging best practice. Leading NZ intermediary organisation the Akina Foundation are developing and implementing incubator programs with the support of the NZ government.

Australia

Except for retired independent member for Indi Cathy McGowan, few Federal politicians have taken an interest in the social enterprise sector in Australia, despite there being an estimated 20,000 social enterprises operating here.

Victoria is leading the way with the recent development of a Victorian Strategy 2017-20. This strategy has a modest budget but still represents real effort with some good thinking behind it. For example, the Social Procurement Framework is world class. Hopefully there are some political champions emerging to build on a good start!

5. PERSONAL, PROFESSIONAL AND SECTORAL IMPACT

Personal impact

The most extraordinary personal impact has been the confidence the Fellow has gained from being chosen as one of the convenors of the Inaugural Social Enterprise Rural Symposium and the only one from the southern hemisphere. It is interesting how you perceive yourself differently when international leaders, both policy makers and practitioners validate your 'lived experience' as a social entrepreneur.

The Fellow also feels more resilient and less isolated through the personal and professional relationships he has forged with participants on the symposium. The Fellow stays in touch with many, as friends, colleagues and co-coaches.

Professional impact

The Fellowship has given the Fellow greater resolve to keep challenging many of the ineffective and expensive approaches our governments across Australia continue to utilise in relation to rural economic development.

The Fellow is also driven to proving that these innovative approaches are demonstrated to work in Australia, so that communities gain the tools and knowhow to regenerate themselves.

Matt Pfahlert is committed to advocating (especially to government) for long term partnership approaches that recognise, and value the role rural and regional communities play in our future prosperity and identity.

Sectorial impact

Advocating for an Australian bid for the 2022 Social Enterprise World Forum given that other countries have used the event as a catalyst for a national strategy.

These include:

- » ACRE hosting a rural symposium in Australia if we are successful in our bid for the SEWF in 2022
- » Continuing to play an executive role on the Social Enterprise Practitioners Network for Victoria (SENVIC)
- » Continuing to advocate for a National Social Enterprise Strategy
- » Continue to represent Australia as a speaker at the Social Enterprise World Forum
- » Grow ACRE as a key organisation for reversing rural decline in Australia
- » Advocate for policies and legal reforms that encourage and support SE and pro-regional/rural initiatives
- » Advocate for a Regional Australia Policy.
- » Serve on the organising committee for the Australian Social Enterprise Conference.

Knowledge Transfer, Application and Dissemination

Matt Pfahlert remains committed to leveraging every opportunity to share his insights and learnings gleaned through the Fellowship. This includes providing information, advice and presentations to the following:

- » Australian Rural Leadership Program
- » Victorian Rural Community Leadership Program
- » Alpine Valley Community Leadership Program
- » Ovens Murray Regional Partnership
- » Social Enterprise Network Victoria
- » Jaclyn Symes – Victorian Minister for Regional Development
- » Senior Bureaucrats in the Commonwealth Government
- » Rural Councils Victoria
- » Philanthropic foundations with a focus on Social Enterprise and rural issues
- » Foundation for Young Australians.

6. RECOMMENDATIONS AND CONSIDERATIONS

1. Build awareness and understanding for approaches by government that cease to do things 'to and for' rural communities. Rather, encourage government agencies to understand that they have an important enabling role to play with a focus on working 'with' communities on strategies and projects initiated 'by' them. This could have a profound impact on communities being able to build on their existing capabilities to regenerate themselves from within.
2. Provide information to politicians, policy makers, key influencers and public servants on the success of the Highlands & Islands Enterprise agency from Scotland and its potential application in rural & regional Australia. Profile some of the core practices and policy innovations that are contributing to their success including 'community right to buy'.
3. Provide direct support to rural communities who have the vision and commitment to regenerate themselves through building collaborative cultures for local entrepreneurship. Use these communities as demonstration sites for practice that combines the development of economic, social and creative/cultural capital simultaneously.
4. That rural communities in Australia consider starting local 'Development Trusts', which act like a community board to drive long term local priorities related to economic, community and creative/cultural development. This could encourage communities to own and operate their valued local assets and in doing so develop a new culture and collaborative local entrepreneurship.
5. Advocate for a National Social Enterprise Strategy that is bi-partisan supported and funded over a 10-year period which includes a 'patient capital' fund for social enterprise nationally. Advocate for a Plan for Regional/Rural Australia.
6. Establish a national network for social enterprise practitioners as a key voice for developing the sector in Australia. Work collaboratively with others including philanthropy, government agencies, education institutions and intermediaries to achieve this.
7. Collaborate with others to bid to host a future Social Enterprise World Forum in Australia. Countries like Korea, Italy and New Zealand have used the world forum as a political advocacy tool to promote a national policy framework and strategy. Canada are embarking on the same journey.
8. Work with philanthropy and government to create effective programs that provide capacity building and access to appropriate capital for social enterprise projects and rural enterprises.
9. Highlight and profile the work social and rural entrepreneurs and their communities are doing across Australia, despite the odds stacked against them. Use their knowledge and insights to inform future advocacy efforts.
10. Develop and implement a place-based entrepreneurship ecosystem measurement tool to measure a baseline set of indicators in a community to determine the existing level of local entrepreneurship. This would provide strategy insights to better understand existing assets as well as how to address gaps over time.

7. REFERENCES

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