

Rural & Island Women in Enterprise

When we got together in early June 2023, eight women in person and two women in spirit, to explore our collective experience of women's enterprise in rural and island places, we wanted to escape the norms of our daily lives. We stretched ourselves to meet each other in new places, and the places themselves held significance. We started at An Talla Mòr, one of the oldest community spaces in Sleat, on the Isle of Skye, and continued in An Crùbh, Sleat's newest community space.

We also stretched ourselves to connect across the different forms of enterprise we engage in. We are sole traders, founders of private companies, founders of social enterprises, builders of community enterprises. None of us generate millions, nor do we particularly wish to do so, but during the 36 hours we spent together one of us sold £70,000 worth of artwork and another of us was nominated for an award for most promising tech start-up. Alongside the day to day work, we celebrated these achievements and all the big and small things that inspire us.

Our reflections, captured in this document, are anchored in the current policy context as summarised in the first four sections:

- 1. How government counts women's enterprise
- 2. How government recognises and understands women's enterprise
- 3. How government seeks to support women's enterprise

4. How government seeks to support rural and island women's enterprise

We did not aim to construct recommendations for government, or for any other decision-makers involved in supporting women's enterprise. Instead, we provide a narrative on the things that matter to us as women entrepreneurs, and some reflections on how these things may relate to policy:

5. Themes from our discussions

We will explore these themes with a wider constituency of women leading up to the Scottish Rural & Islands Parliament.

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1. <u>How government counts women's</u> enterprise

On women's enterprise in Scotland, a lot has been said. The following excerpt is from the Scottish Government's <u>Social Enterprise Action Plan</u>, published in 2021:

"The last Social Enterprise Census showed that across small, medium and large social enterprises the majority are led by women this is positive, but we must push on, ensuring that organisations and boards are inclusive and reflective of the diverse society within which they operate." p.22

(We've noted that sometimes what is said lacks meaningful punctuation.)

It may also be misleading.

Because when you look across the sum total of all small, medium and large social enterprises, the majority are indeed led by women. Discount the small and medium ones, however, and only look across the large ones then the majority are not led by women.

But we must push on.

If you are not specifically a woman in the social enterprise sector, <u>Pathways: A New Approach for Women in Entrepreneurship</u> (henceforth referred to simply as Pathways) which was published in February 2023, offers a different picture:

"Only 1 in 5 of Scotland's entrepreneurs are women." p.9

We decided this stat is probably also misleading. Does it count entrepreneurs in social enterprise, in community enterprise? Does it count sole traders?

It is not clear.

The only thing that is clear is that women's enterprise is counted by different sectors and different government policy divisions in different ways. The truth is somewhere in between.

2. <u>How government recognises and</u> understands women's enterprise

<u>Georgina Sturge</u>, who knows a lot about how governments use data noted that:

"Things only start to get counted after they become important."

The UK and Scottish administrations do not hold gender disaggregated data on enterprises. In fact government has no idea how many enterprises exist in the first place. Yet during the past decade the UK and Scotland have separately tried to count women's enterprise. How come it has become important?

The answer is frequently framed in economic growth. As Alison Rose DBE, CEO of NatWest and author of the 2019 Alison Rose Review of Female Entrepreneurship in the UK writes, the aim is to unlock £250 billion of potential new value, achievable if:

"... UK women matched UK men in starting and scaling businesses." (p.15)

But should that indeed be the aim?

Maybe the aim should be more nuanced. Maybe it should be both about the high turnover, scaled-up enterprises and equally, about modest turnover, scaled-deep enterprises which sustain good lives and have environmental and cultural outcomes. Maybe it should be about creating essential services.

Abundant women-led enterprises across all sectors focus on community, wellbeing, culture and environment without wishing to turn large profits. These enterprises may be delivered under the banner of a sole trader or a volunteer-led unincorporated association; entities which may not be counted, and their intrinsic value may therefore not be recognised.

Instead, women's enterprise is benchmarked against something that most definitely is recognised - men's enterprise.

As women we are told we should start and scale enterprises at the same rate as men.

We must push on.

3. <u>How government seeks to support</u> <u>women's enterprise</u>

All government reports agree that women face institutional barriers to progressing in enterprise. The Pathways report is explicit about the impacts of entrenched sexism and misogyny, and suggests different measures to address this, including education programmes for school pupils, equality & diversity training for staff involved in the entrepreneurial ecosystem, quotas for female representation in senior roles of investment firms and the implementation of the Misogyny and Criminal Justice Working Group recommendations.

Pathways also presents a comprehensive plan for taking pop-up enterprise advice centres to the places where women are likely to be – schools, shopping centres and suchlike - given women take on the majority of caring and home management responsibilities.

The proposed centres will be called PUPS (Pop Up Pre-Starters). PUPS will not be women-only spaces

because Pathway's authors felt that creating women-only incubators is "adding on top of a broken system" whereas the focus should be to make enterprise incubators in general work for everyone.

One of the last things that then First Minister Nicola Sturgeon did before she stepped down in February 2023 was to welcome the Pathways report and pledge to consider its recommendations.

Her resignation notwithstanding, this seemed like an encouraging statement.

Only...consider that in May 2021 First Minister Nicola Sturgeon committed £50 million to Scotland's inaugural Women's Business Centre, a women-only incubator to support pre start-ups and start-ups. Two years later, there has been no sign of this investment. We're hanging in there...women-only or not women-only?

Anything at all in fact?

4. <u>How government seeks to support</u> rural and island women's enterprise

It does not really. The Scottish Government has struggled with the concept of a rural economy beyond agriculture, tourism and natural capital, let alone with the concept of women driving this economy forward. Very recently, there were encouraging signs that this struggle was abating.

There was going to be a Rural Entrepreneurs Fund, with tailored support for start-ups embedded in the process. The Fund was not specifically targeted at women, but the combination of the Fund and the Women's Business Centre was likely to have a positive impact on rural and island women looking to create and sustain enterprises. The Fund was included in Scotland's' National Strategy for Economic Transformation In March 2022.

That was very exciting,

It was pulled, without any explanation, in May 2022.

That was very disappointing.

At the same time as Scotland struggled to place rural and island women's enterprise, it was nice to note that the European Commission published a Long Term Vision for its Rural Areas with 9 Flagship Initiatives, Initiative 8 being about promoting rural women's enterprise.

5. Themes from our discussion

Below are described the things that are important to us together with a narrative on how they may relate to the most recent policy thinking, in particular as described in Pathways:

To be properly counted: Represented at the residential were sole traders, founders of private businesses, founders of social enterprises, leaders of community enterprises. We work across all sectors from tech to agriculture. We are all mutually dependent. We are all entrepreneurs, Some of us get counted. Some not. Policy will be incomplete if we are not all counted.

And by counted, we do not just mean in terms of official stats. That, we realise, is difficult to achieve. Foremostly we mean in terms of who is around the table when you are talking about enterprise at any level, including at strategic level.

To be properly valued: The contribution we make to our places, our communities, our environment and our heritage is a big part of women's rural and island enterprise, even when big profits are not. Institutional sexism, including perceptions of so-called 'women's work', partially accounts for why our contributions are not valued. The growth-focused and extractivist nature of Scotland's economic policy accounts for a lot too.

It is great that Pathways is strong on sexism and misogyny but in many ways that is passing the buck to teachers, to the Misogyny and Criminal Justice Working Group, to others. Pathways is written by people who have influence over Scotland's economy. It is written for people who can fundamentally re-wire Scotland's economy. The absence of a narrative on wellbeing economics, which are feminist economics, is an odd and telling silence.

To plan our enterprise around our lives, not plan our lives around our enterprise: At different points in our lives, we want different things from our enterprise ventures – sometimes it is to have greater flexibility, sometimes it is to help us adapt to a new place, sometimes it is to plug a gap in local services or in services for those we care about, sometimes to make a profit – and our journey through enterprise tends not to be linear. Enterprise support should mirror this personal lifecycle, focusing on where we are in our lives,

rather than whether our venture is in a pre-starter or accelerator phase.

To plan in decades and hardwire endings: Some of our ventures, including our private ventures, have long-term social aims. When we realise them, we will put ourselves out of business. This is intentional but it is not an enterprise model that is embraced by the current system with its focus on 'sustainable' growth and love affair with quick ROIs and 3-5 year business plans.

It should be.

To have autonomy: We all got involved in enterprise because, individually or collectively, it enables us to exercise autonomy and agency. The last thing we need are layers of unnecessary gatekeepers. People, for example, in PUPS called Ecosystem Builders, who decide whether we move from one stage of our enterprise journey to another stage. People who will judge whether we deserve to be a 'full member' or an 'associate member' of PUPS, and people who will decide whether to give us childcare vouchers (which we will not anyways be able to use in remote and island locations) depending how 'scalable' our enterprise may be.

To have autonomy, but not always to lead: Exercising autonomy and agency does not mean we wish to influence others to follow. Some of us see ourselves as leaders, sometimes. Some of us don't. We are 'heads down' and get on with the job. Overemphasis on leaders and leadership in the context of enterprise, especially when we are flying solo, is exhausting no matter where we are in our journey.

If we wish for a role for government, it is not necessarily to turn us into leaders. Instead, it is to enable us to take the multitude of calculated risks our enterprise requires to succeed.

- To have the choice to work collectively: When we choose to work collectively it is because it will strengthen the impact of our enterprise venture. We waste a lot of time trying to explain why collective leadership models make business sense, only to end up navigating programmes that focus support on individual endeavour.
- To challenge orthodox systems and structures: Hierarchies can be helpful, until they try to keep us in place. Rules and structures can also be helpful, but they do not always serve women

well. Pathways did not specifically mention impostor syndrome – something we all recognise - but it noted that many women feel the need to adapt to existing systems and structures in order to succeed.

We have examples of how working outside orthodox structures, for example to recruit people, to own our governance processes, to expand our services or to market our products, enables us to strengthen our enterprise and succeed on our own terms. We need somewhere to plug these examples in, so they shape future enterprise strategy and the systems that support it.

❖ To be part of informal networks and communities of practice that we create ourselves: When we all came together, we made a conscious choice to create a women-only space. It was fun, uncomplicated and productive, and conducive to the work at hand.

We do not need women-only spaces all the time, but informal peer networks and communities of practice are important to us. These are platforms and spaces where we can share learning without downplaying ourselves, or diluting the challenges we face and the achievements we clock up. Some of us build enterprise ventures around creating such platforms for different communities of practice. The rest of us contribute to them and use them. There is a large, dynamic and evolving market for women-led platforms and informal networks,

Which is why it was interesting to see that Pathways did not grasp their potential. The report rightly noted that well-established informal networks – things like golf circuits and old boys' clubs - underserve women who wish to progress in enterprise.

But it did not suggest a remedy.

The remedy is here. It could do with a little recognition and investment but otherwise, we are pretty much forging ahead with it.

To be connected to our community: The opening paragraph of this document noted the significance of the venues – village halls and community spaces - hosting our residential.

Community connections give resilience to our enterprise ventures, just as our enterprise ventures give resilience to our communities. These inter-connections are complex, and they are place based.

An enterprise ecosystem which seeks to support women in enterprise, especially rural and island women, must embrace place-based delivery and in itself, give resilience to communities. If PUPs, for example, ever becomes a reality the franchise element of the model may work where it is delivered in community venues, drawing on local assets, employing local staff and largely independent from a centralised structure of programme design. It can be pop-up but still rooted in local economies and culture.

Postscript: on 29th June 2023, as we put the final touches to this document, Wellbeing Economy & Fair Work

Secretary Neil Gray set out, in a <u>statement to Parliament</u>, a range of actions and investments that aim to boost Scotland's start up economy. The statement included a £17.5 million funding package up to March 2024, and a commitment to take forward the recommendations in Pathways.

Looking at the statement closely, there is no link between the £17.5 million and Pathways. Indeed, the only concrete investment in women's enterprise in this financial year is ongoing support for a number of key organisations including Scottish Edge, and for the Scottish Government's Tech Ecosystem Fund. Neither of these ongoing initiatives are recommendations within Pathways, not because they are unworthy but because they exist already and have done for a while. So...no new moneys and no new ideas, just a continuation of what is there already and supposedly a commitment to consider how best to implement the rest.

We must push on....