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CREATIVE PHILANTHROPY: DEVELOPMENT OF SOCIAL ENTERPRISE IN HONG KONG

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ABSTRACT

This paper is based on a research study of the social enterprises in Hong Kong SAR Government, undertaken by the Centre for Third Sector Studies (CTSS), of the Hong Kong Polytechnic University. The major purpose is to understand the phenomena of social enterprise as an emerging entity in the Hong Kong context, especially the work-integrated models. More specifically, the key questions addressed include: (1) what are the features and characteristics of social enterprises attending to work-integration in Hong Kong? (2) To what extent the work integration social enterprise has contributed to the employment-related poverty? (3) What are the critical success factors of work integration social enterprises? and (4) What are the barriers, constraints and challenges facing by the enterprises which have limited their development?

In reviewing the development of social enterprises in Hong Kong, it is observed that both the concept and its format are emerging as well as evolving. The initiative was first started in the rehabilitation services which aimed at enhancing the employability of the disabled. Such initiative has then been further diversified in assisting various disadvantaged groups including women, ex-offenders and unemployed youth groups. The conception of social enterprise is also found vague and there is no universal definition of social enterprise in Hong Kong. However, it is observed that most of the non-governmental organizations have consent that the key feature of social enterprise will be adopting the "enterprise strategies" but achieving "social goals".

The employment for the various disadvantaged groups (namely rehabilitants and disabled; ex-offenders; new immigrants; middle-aged; non-engaged youth; and women) is the main mission of running social enterprises. The integration of the target people in most of the social enterprises are largely employment-bounded and thus transitional by nature, offering employment opportunities to serve as a leeway for the needy re-entering the job market. The status of the target people can then be categorized into "trainees" and "employees" of the social enterprise while some are "members" of the co-operative. Concerning training received, it is largely on-the-job bases. It is no doubt that social enterprises provide an important platform for those who have great difficulties in engaging in the competitive labour market. In some cases, not only participants have obtained an increase in salary, but also enhancement of self esteem.

The business activities of the social enterprises can be broadly classified into three types: production, retailing and servicing, including food production, retail or wholesale services, cleansing services, domestic services, transportation services and even a new service called eco-tourism. They design their marketing strategies attending to the goals of work integration and the pragmatic needs in business operation. In facing the competition at the market, the social enterprises have introduced various measures to maximize their products/services in order to meet the needs of the customers, such as quality control and brand building. For the prices of the products and services, they are both market-determined and cost-determined. When considering the place where the business operates, social enterprises take into consideration the cost of the venues and the prospects of business in the location. Some operate in the premises which belong to the host organizations, with minimum or even no rent charged; some might turn to other venues with low rental payment. Regarding the governance of social enterprises being studied, some registered as a separate subsidiary company of the host organizations while some operated as a cooperative. However, many of them are operated as "non-subsidized services" of the existing service provision.

In examining the critical success factors for launching social enterprises, it is identified there are some important attributes affecting their development, including: (1) tuning the mindsets of host organizations and social entrepreneurs in line with the mission of social enterprise; (2) providing the products and services that meet the market niche; (3) equipping the social enterprise with essential knowledge, attitude and skills; (4) building a brand name. Though social enterprises have expanded tremendously in these few years, they also encounter various challenges which hindered their development, including (1) degree of professionalization and formalization; (2) challenges in human and financial resources; and (3) constraints in bidding mechanism, and so on.

Keyword: Social Enterprise, Anti-poverty, Tripartite Partnership

INTRODUCTION: BACKGROUND

In a review of the official figures released by the Census and Statistics Department (C&SD) in the past decade, it was found that the overall unemployment rate increased persistently since 1997 and went to the peak between 2002 and 2003.

Table 1 - Unemployment rates in Hong Kong between 1995 and 2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<i>Population</i>	3.2%	2.8%	2.2%	4.7%	6.2%	4.9%	5.1%	7.3%	7.9%	6.8%

Source: Census and Statistics Department

Actually, the community has long assumed prominent roles in facing of poverty problem. Traditionally, there are many third sector organizations, in particular philanthropy which gave charity to the poor. While the era changes constantly, the economy evolves, so does the ways the community help their neighboring poor. In recent years, there are some initiatives on community economic development (such as waste recycling, second-hand goodies market, maternity care, and clinic care, etc.) launched by the non-government organizations (HKCSS 2005; Wong 2001), which are per se the "social enterprise" in western literatures. These social enterprises serve an essential purpose to absorb those who are economically disadvantaged and excluded from labor market, heighten their skill levels and therefore increase their employability; being an emerging endeavor in many developed countries. The establishment of Social Enterprise Resources Center by the Hong Kong Council of Social Service in 2006 demonstrates that the importance of which deserves attention in Hong Kong henceforward. In order to document the general picture of the development and typology of social enterprise in Hong Kong, an exploratory study on this entity was conducted by Yuen and Lee (2004). Five distinctive types of social enterprises were distinguished in their study, which includes social enterprises as: 1) a business undertakings for revenue generation with limited direct service impact; 2) a strategy for employment-related services in the rehabilitation field; 3) a vehicle for enhancing community economy and dealing with unemployment; 4) moves followed by NGOs to commercialize existing fee-charging activities and 5) cause-related commercial undertakings with the expressed objective of making significant direct service impact. This study portrayed the general perspectives, trends and prospects of the development of social enterprises in Hong Kong.

On the part of the government, the Commission on Poverty (CoP) was formed on January 27, 2005; which was an initiative announced in the Chief Executive's 2005 Policy Address, aiming to "provide a forum for different sectors of the community to work together to study and explore practical ways to help the poor in terms of their financial, employment, education and training needs" (CoP 2005a). In the Commission, employment is considered to be one of the key tasks to self-reliance and hence poverty alleviation. While the structural nature of the employment problem¹ facing in particular the low skilled workers was recognized in the

¹ "The demand for low-skilled jobs far outstrips supply, and this mismatch has driven down wages. Although the overall unemployment rate has improved as the economy recovers, unemployment rate for the low-skilled workers remains high. In February to April 2005, the unemployment rate for low-skilled workers⁴ was 7.1%, as compared to the overall unemployment rate of 5.9%. During the same period, the number of low skilled labour who were unemployed for six months or more amounted to 51 800, making up 77.8% of the total number of

discussion, Members discussed on putting forth the "welfare-to-work" approach² to assist the unemployed, in alleviating poverty of this kind by and large. It was discussed on the idea of developing social enterprises on work integration, while the practicing of the concept of shared responsibilities amongst the Government, the community, the private sector and the individuals became a key theme for discussion.

This paper attempts to discuss the current state of development of social enterprise in Hong Kong. It will be divided into three main parts, namely Part I will discuss the definition and scope of Social Enterprises; Part II will snapshot the pattern of social enterprises attending to work integration in Hong Kong by identifying the features and characteristics of such social enterprises in Hong Kong; Part III of the paper will look at the contributions of the existing social enterprises have made so as to appreciate the values of building on top of the existing social enterprises endeavors to deal with poverty in relation to unemployment; it will also examine the critical success factors common to the existing social enterprise operation so as to inform what to attend more to in future development of such endeavors; and lastly, it will identify the exiting barriers, constraints and challenges facing by the enterprises so as to provide directions for the creation of a more enabling environment for the social enterprise to grow.

PART I: DEFINITION AND SCOPE OF SOCIAL ENTERPRISES

1. Conceptualization of Social Enterprises, Work-Integration Social Enterprises in Particular

Rise of Social Enterprises

Johnson (2000:1-5) identifies several global trends of social transformation that are leading to the rise of social entrepreneurship and social enterprises over the world in the last decade:

- A shift away from the welfare-state model of resource redistribution to a neo-liberal one, which relies upon market mechanism as the primary regulatory force;
- Increasing competition within the non-profit sector for a diminishing pool of public funding, compelling the NGOs to improve organizational effectiveness and resource allocation by adopting market models and reinventing funding strategies that seek client "investments" rather than "donations";
- A concomitant change of leadership model in philanthropic foundations and intermediaries from a donation-oriented to performance- and innovation-oriented one;
- An increasing accumulation of wealth and an ever-widening gap between the rich and the poor, generating pressure for the private sector to commit corporate social responsibility and initiate or sponsor social enterprises.

Altogether these global trends lead to a progressive blurring of the traditional boundaries among the public, private and third sectors, which is manifested above all in the hybridization of for-profit and non-profit models in social entrepreneurship, and the search for hybrid albeit meaningful forms of social engagement in philanthropic organizations (Johnson 2000:1; CCSE 2001). In the United States, for example, the number of non-profit organizations has increased by 40% in the last decade, whereas federal and state funding for them declined by

unemployed for six months or more. An increasing number of unemployed persons fall into the CSSA net, as reflected in the increasing trend of unemployed CSSA caseload though it has abated recently." (CoP 2005b)

² "Welfare-to-work" refers generally to the approach in reforming the welfare system from a passive system of benefit payment to the unemployed, to an active system which encourages personal responsibility and facilitates employment. A combination of social security and labour market policies are deployed for the purpose." (CoP 2005b)

23% in the 1980s and continued to drop in the 1990s (McLeod 1997; Cannon 2000; both cited in CCSE 2001:4).

Similarly, Leadbeater (1997) singles out the crisis of the welfare state as the general background of the emergence of social entrepreneurship in Britain. The failure of the welfare state to offer viable solution to enduring social problems like unemployment, and to square the demand of tax relief with sustainable welfare spending, constitutes the impetus towards the adoption of social entrepreneurship as an innovative approach to effective welfare provision. In this context social enterprises may be found from the public sector, especially where public services have been contracted out; from the private sector, where corporations demonstrate keen interests and concerns for their social settings; and most importantly from the third sector, where business skills are progressively employed for enhancing organizational effectiveness.

The above observations are echoed by Drucker (1994), a prominent scholar who contends that the social problems generated by a knowledge-based economy, above all social inequality, could no longer be adequately solved by governments. Rather they must be tackled by the non-profit "social sector", the management model of which is tending towards that of business enterprise.

Defining Social Enterprise

The Oxford Said Business School, a major research centre on the captioned subject, defines social entrepreneurship "as a professional, innovative, and sustainable approach to systemic change that resolves social market failures and grasps opportunities".

www.sbs.ox.ac.uk/html/faculty_skoll_entrepren.asp.

Social entrepreneurship is mostly adopted in the non-profit sector, in particular as its strategy to employ business skills in response to shrinking resources in the past decade (Reis 1999). The concept itself, however, should not be confused with non-profit enterprise as such, nor should it be confined to those businesses with an explicit social purpose (EBBF 2001). Rather, social entrepreneurship can be found in the public, private and third sectors. While adopting an entrepreneurial model, social enterprise is oriented to social impact rather than profitability as her primary criterion of performance and evaluation.

www.sbs.ox.ac.uk/html/faculty_skoll_entrepren.asp.

In Social Enterprise Initiative of the Harvard Business School, a broad definition is adopted in which social enterprise "encompasses the contributions any individual or organization can make toward social improvement, regardless of its legal form (nonprofit, private, or public-sector)." With this approach the dichotomous view of nonprofit organizations and corporations is challenged, instead there is a belief that these organizations individually and collaboratively can generate significant social value. For businesses, engagement with communities and the social sector is perceived to be crucial and strategically important for realizing their private goals and their societal role. Nonprofit organizations need sophisticated management and superior leadership like businesses do.

<http://www.hbs.edu/socialenterprise/whatis.html>.

According to The Social Enterprise Knowledge Network (SEKN), a collaboration pooled up a group of leading Latin American business schools and the Harvard Business School in partnership with the AVINA Foundation, social enterprise is defined as "any kind of enterprise and undertaking, encompassed by nonprofit organizations, for-profit companies or public sector businesses engaged in activities of significant social value or in the production of goods or services with an embedded social purpose. It is the underlying social purpose of the enterprise, rather than its particular legal form, that determines whether it falls into this category or not."

<http://www.egade.sistema.itesm.mx/investigacion/sekn/org/index.ht>

The EMES Network, a consortium which pooled up researchers from all European Union countries worked on a landscape study of the social enterprises (*The Emergence of Social Enterprise*) throughout the EU, has developed a working definition for social enterprise to be a common groundwork for the research project across fifteen states (EMES 1999; Borzaga & Defourny 2001). A set of inclusion criteria was defined to identify the social enterprises. Nine criteria could be distinguished between the economic and entrepreneurial dimensions, and the social dimensions. Social enterprises are characterized by its borrowing of features from the entrepreneurship, in particular in its operation. (Four criteria of *economic and entrepreneurial dimensions*: (1) A continuous activity producing goods and / or selling services; (2) A high degree of autonomy; (3) A significant level of economic risk; and (4) A minimum amount of paid work.) Social enterprises, however, are different from business enterprises in their concerns in social per se. (Five criteria on the *social dimensions*: (1) An explicit aim to benefit the community; (2) An initiative launched by a group of citizens; (3) A decision-making power not based on capital ownership; (4) A participatory nature, which involves the persons affected by the activity; and (5) Limited profit distribution.)

However there is no a universal definition of social enterprise. Social enterprises, of different degrees, are found in many developed as well as developing countries in the recent decades. Although with barriers and weaknesses, social enterprises contributed to "the transformation of existing welfare system, employment creation, local development, building of social capital and social cohesion and new dynamics within the third sector" (Borzaga and Defourny 2001). Of these, employment creation has been receiving the most attention. For the case in Hong Kong, there is also no commonly agreed definition of Social Enterprise. Yet, there are some essential characteristics: a) it is serving social goals by using an enterprise strategies; b) it is both a "from Welfare to Work" and a "Social Investment" Approach; c) it is providing assistance to the marginal groups in the community by encouraging self-reliance; and e) lastly, sustainability is important for the long term development of the Social Enterprise.

2. Development of Social Enterprises in Hong Kong

Given that social enterprise is still a very young term in the discourse in Hong Kong, up to now there is rare systematic study of local social enterprises in academic nor authority concerned; despite that there are some experimental efforts on launching Community Economic Development initiative in the community, representing a case in point for the local work of social enterprise. Hong Kong Catholic Commission for Labour Affairs in 2003 and subsequently Hong Kong Council of Social Services in 2004 completed a study on such endeavors to help the economically disadvantaged and excluded. The findings of both studies appreciate the contributions of these endeavors but put into account of the limitations and challenges the organizers had been facing, suggesting looking square into work integration social enterprises as a measure for alleviating poverty.

Various financial sources provided by the government and Jockey Club in recent years served as a milestone for the development of social enterprise in Hong Kong. The grant of "Enhancing Employment of People with Disabilities through Small Enterprise Project" (aims specifically to enhance employability of people with disabilities) introduced by the Social Welfare Department in 2001 was a prominent funding source for the development of the social enterprises. Through the grant of seed money provided by this Project, non-governmental organizations were encouraged to establish small enterprise/business to provide employment to people with disabilities. Successful NGOs were offered a grant of \$2 million at the maximum for each business / enterprise, which was given in the form of a non-recurrent grant to support the initial capital expenditure and the first-year operation. The business was

required to be self-sustaining in the long run and employing people with disabilities to fill no less than 60 per cent of its total posts on the payroll. The Project was set up with a one-off provision of \$50 million as announced by the Financial Secretary in his 2001/02 Budget Speech. The seed money contributed a lot to the development of social enterprise in Hong Kong. At June 2005, 396 posts were created (290 disabled and 106 able-bodied) by the 31 social enterprises in the Project. Noteworthy is that some of these projects have successfully competed for business in the open market.
(<http://www.info.gov.hk/gia/general/200302/04/0204143.htm>).

Apart from the "Enhancing Employment of People with Disabilities Through Small Enterprise" Project, \$300 million Community Investment and Inclusion Fund (CIIF) was introduced by the then Chief Executive in the 2001 Policy Address to provide seed money to support the collaborative efforts of community organizations and the private sector, which triggered the development of social enterprise unexpectedly. The fund aims to encourage mutual concern and aid among people, promote community participation at the local level and support cross-sectoral programmes to develop social capital. The Fund accomplished these goals by encouraging bottom-up solutions that seek to promote the development of social capital, and by supporting local or territory-wide community projects initiated by the community itself. This would ultimately promote joined-up efforts between community groups, corporate bodies or professional groups and the Government, to contribute to the social well-being. The Fund provided resources to support community-initiated projects, in which some of them developed into social enterprise or business that created employment to people with disabilities. The CIIF committee has approved 90 projects providing funding support of more than \$70 million since the inception of the CIIF in 2001.
(<http://sc.info.gov.hk/gb/www.hwfb.gov.hk/ciif/index.htm>)

In addition to the seed money offered by the government, the Hong Kong Jockey Club Charities Trust also fostered the expansion of social enterprise in Hong Kong. The Trust serves as the administrator for the Jockey Club's charitable donations, which works with government and non-profit agencies to serve principal areas of civic and social need: sports; recreation and culture; education and training; community services; and medical and health. The Trust has donated close to HK\$1 billion each year for more than a decade. For instance, it donated a total of HK\$1.02 billion to 114 charities and community projects in 2004/05. Various non-governmental organizations received donations from the Trust to establish enterprise or business to provide employment to people with disabilities.
(http://www.hkjc.com/english/charity/charity_racing.asp).

The establishment of "Social Enterprise Resource Centre (SERC)" recently by the Hong Kong Council of Social Service further advanced the social enterprise development in Hong Kong. This center provides a range of support services to equip social enterprise practitioners the essential knowledge and skills in operating social enterprises, including consultancy service (mentorship programme, evaluation service), training programmes (workshops, local and overseas study visits) and assisting in marketing and promotion (social enterprise exhibition, social enterprise marketplace), and so on. It aims to empower social enterprises by offering various support; to enhance intra-sectoral and cross-sectoral partnerships; and to engender public awareness by publicizing social values of social enterprise. The establishment of this center contributed to and triggered the social enterprise development in Hong Kong.
(<http://www.socialenterprise.org.hk/eng/index.htm>).

Apart from the publicity by the Hong Kong Council of Social Service, the recent discussion of the initiative of Social Enterprise at the Commission on Poverty (CoP) further speeded the expansion of social enterprise. Members of CoP agreed that helping the able-bodied and

disable-bodied unemployed to move from welfare to self-reliance should be the focus of further work, in which the development of social enterprise was regarded as an effective way to enhance their employability. Put differently, social enterprise was highly recognized by CoP in terms of poverty alleviation. It is believed that social enterprise may create a real-work environment for the disadvantaged groups and is conducive to raising their skills level and employability. The publicity for social enterprise by CoP may also further advance the development of social enterprise in Hong Kong recently.
([http://www.cop.gov.hk/eng/pdf/CoP%20Paper%202022.2005\(e\).pdf](http://www.cop.gov.hk/eng/pdf/CoP%20Paper%202022.2005(e).pdf)).

In the year 2005, in order to promote the involvement of the private sector in philanthropy, the Hong Kong Government set up a community charity fund named "The Partnership Fund for the Disadvantaged (PFD)". The main objectives of this fund is to incentivise the welfare sector to expand their network in seeking and securing corporate participation, as well as to encourage the business sector to take up more social responsibility in helping to create a cohesive, harmonious and caring society. Such scheme aimed at further enhancing the collaboration between the NGOs and the private enterprises to work on new initiatives or new approaches for helping the marginal groups.

(http://www.swd.gov.hk/en/index/site_pubsvc/page_supportser/sub_partnership)

In order to further facilitate the social partnership of the NGOs and the community, the Hong Kong later in 2006 set up another community funds called "The Enhancing Self-Reliance Through District Partnership Programme" under the administration of the Home Affairs Department of the Hong Kong SAR Government. The main objectives of this programme is to promote sustainable poverty prevention and alleviation efforts at the district level that help enhancing self-reliance, targeting socially disadvantaged groups. Instead of providing welfare or short-term relief, the programme aims at increasing the skills and capacities of the employable and providing opportunities for the disadvantaged to upgrade themselves and to be effectively integrated into community.

(http://www.had.gov.hk/en/public_services/en/public_services/en_self_reli/index.htm)

A table of all the community funding schemes is summarized in appendix 1.

PART II: CURRENT FEATURES AND CHARACTERISTICS OF SOCIAL ENTERPRISES IN HONG KONG

1. Features of Social Enterprise

In line with the growing trend of unemployment figures at the territory in the Hong Kong history, social enterprises in Hong Kong became shaping up from the late 1990s onward, and expanded after 2000s. However, it was observed that some social enterprises have been existed very early in some forms before their formal setting up and launching, but they were certainly evolved themselves with reference to the socio-economic context in the society and transformed in many aspects to what are called social enterprises for now.

As social enterprises could be very similar to work shelter in the rehabilitation in their involvement into economic production, in fact some organizations in rehabilitation had already operated some social enterprise-like businesses to work on employment integration for the rehabilitants. Thus, it was observed from some organizations that, for example, New Life Psychiatric Rehabilitation Association has operated a farm since 1968, which originally was a sheltered workplace working on rehabilitation through agricultural training. It became transformed into one of the new initiatives in 2005 to develop the business of eco-tourism.

It was observed that 2001 was an important year for the development of social enterprises in Hong Kong, for in then the "Enhancing Employment of People with Disabilities through

"Small Enterprise Project" was launched by the Social Welfare Department. It triggered the setting up of new social enterprises in those organizations serving people with disabilities. For those who had already had some attempts on running social enterprises, it was observed that there was an expansion of social enterprises (e.g. New Life Psychiatric Rehabilitation Association and The Neighbourhood Advice-Action Council) and even a strategic restructuring of the pre-existed social enterprises into subsidiaries of the mother organizations (e.g. the establishment of MentalCare Connect Co. Ltd as a subsidiary of the Mental Health Association of Hong Kong and " 陽服務有限公司" as a subsidiary of the St. James Settlement.)

a) Objectives of Establishment

Whilst the employment for the target groups was the main mission of running the social enterprises on the part of the host organizations, the offer of employment opportunities was definitely not the sole objective of these establishments. The objectives of social enterprises include the following:

- Re-integration of the target groups into the job market and therefore the community
- Enhancement of the self-reliance of the job seekers (by offering the paid jobs)
- Enhancement of the employability of the target groups (by offering on-the-job trainings)
- Reduction of the public stigmatization of the marginalized groups in the society (by enhancing and demonstrating the capability of the target groups)

b) Major Types of Business / Services

The business activities of the social enterprises being run could be broadly classified into various types: production, retailing and servicing. It is observed that these social enterprises involved in servicing more than in production. In particular, retail service was a rather common form of business activities to be deployed by the social enterprises. A framework, based on the attributes of capital cost and skills level required, has been constructed in analyzing the modes of services in Social Enterprise:

Servicing

This is characterized by the features of low/ moderate levels of skills required and set up capital for the social enterprise. Examples may include those cleansing services, household cleansing etc.

Retailing

This is characterized by the features of low/ moderate levels of skills required, however, a relative larger amount of capital cost for the start-up is needed. For example, the operation of convenience store will required the "employees" or trainees to understand the basic skills in transaction and sales of products. However, since the shop would keep some of the stock for sale, a large amount of capital will be required as the cash flow for the purchase of commodities.

Innovative Craftsmanship

This is characterized by the features that smaller capital cost is required, yet a higher level of skills and competence would be expected from the "employees". Examples would include the art and design work and the production of small handcraft by the social enterprises.

Catering and Restaurant

This is characterized by the features that both a relative higher levels of skills and capital are expected. In fact it is similar to the small business in the real world. Examples include the social enterprises providing restaurant and catering services, which required both high levels of skills and capital.

2. Enterprise Operation

a) Resources Mobilization

Financial Resources

Part of the resources being mobilized in social enterprises came from the public, whilst part of the resources came from private. Most of the organizations serve people with disabilities in their service businesses, it was found that the grant of "Enhancing Employment of People with Disabilities through Small Enterprise Project" (aims specifically to enhance employability of people with disabilities) introduced by the Social Welfare Department in 2001 was a prominent funding source for the development of the social enterprises. Those organizations working on disabilities can apply for this granting scheme to start up their social enterprises or better their social enterprises in terms of equipment renovation and even manpower expansion. Since this scheme targets only on helping the employment of people with disabilities, social enterprises with specific target groups other than this would be ineligible for the grant. Besides, Community Investment and Inclusion Fund (CIIF) also being mobilized by the social enterprises, for instance, the Kwun Tong Methodist Centre applied for CIIF to operate the "'Healthy Mothers - to-be' - A Women and Community Networking Project".

Next to the funding provided by government, Hong Kong Jockey Club Charities Trust was another major scheme that the selected social enterprises have applied for their establishment. Since this scheme target on charities in general, instead of focusing only on helping people with disabilities, social enterprises which worked on ex-offenders were eligible to apply for. The Domestic Home Helper Service under the Employment Programme for the vulnerable groups was launched by St. James Settlement was also sponsored by this Charities Trust.

Other than these two public funding sources, it is found that social enterprises also rely on the support from the host organizations in some aspects and financially if it is affordable. For example, some social enterprises borrowed money from the host organizations at the setting up of the company. Actually, for many social enterprises, they may need to recruit donations from different sources to support themselves financially. The sources may come from community or private donations, such the Keswick Foundation and Hong Kong Oxfam.

Human Resources

The structure of the human resources in social enterprises is relatively simple. Usually there would be a manager in a work unit, coaching a team which is composed of core workers (trained workers) and trainees (who newly joined the work unit), to serve for the key business. Most of the managers are human services professionals (e.g. social workers), and it is observed that some of them have received formal business management training but the situation is not common. The size of the core workers and trainees depends on the feasibility in terms of the amount of manpower the work units could absorb. With the setting-up goals on employment creation, mobilization of volunteers was introduced at some levels. However, it is more common to see the involvement of volunteers at the advisory level than at the operation level. Expertise from relevant industries might be invited on voluntary basis to

attend the advisory committees of the social enterprises and advise on the overall development.

3. Marketing Mix and Market Segment

In positioning themselves in the market, social enterprises tend to compare their predicament with the small and medium enterprises. They design their marketing mix strategies attending to the goals of work integration and the pragmatic needs in business operation.

a) Marketing Mix

Product

In response to the social objectives of setting up the social enterprises, the major consideration in the choice of production and services to be introduced attend to the mission of serving work integration purposes for the service targets.

On the part of the needs of target groups, apart from looking to the feasibility to absorb as many as service targets, it was found that two major consideration were whether the nature of jobs being created was suitable to the traits of the target people and the skill requirements of jobs was corresponding to the capability of the target people upon training. For example, a local agency would consider the tasks in relation to printing design are suitable to those who are physically handicapped and need to work at seat.

Besides, as the employment in the social enterprises would be serving as the springboard for the target people re-entering the job market, some considered essentially whether the jobs being created could prepare the service targets meeting the demands in job market. This accounts for the needs for introducing varieties in job types by building up social enterprises of different kinds.

In fact, with a view to reducing public stigmatization on the capability of those people with disabilities, some social enterprises prefer to introduce some businesses which require a certain level of skills (e.g. high-ended products like printing design), so as to demonstrate to the public that the capacity of these people at work are not limited to low-skilled jobs.

In facing the keen competition at the market, it is observed that the social enterprises have introduced a number of measures to maximize their products / services so as to meet the needs of the customers. Quality is commonly considered to be the most essential factor in the brand building of a business. Nearly all the social enterprises emphasize on the importance they look to maintain and maximize the quality of their products.

Generally, in retail and catering services, as the tastes of customers change rapidly at times, the related enterprises would keep an eye closely on the trend in market and ensure the varieties of the products they have provided are in line with the new trend. Besides, as service attitudes are considered to be important along with the provision of services. The enterprises in servicing pay particularly high attention to attitude training. While in operating the vegetable and fruit processing, delivery-on-time is very important to business customers. The enterprise would stick to this principle at their very best.

Price

The prices of the products and services are market-determined and cost-determined. In a market, it is always a rule that consumers want to buy the best goods at the lowest price. This applies to the buying and selling in the production as well as servicing. As a prominent case in point, under the mechanism of tender bidding, the bid shall go to the one who charges the lowest price. This is well aware by the social enterprises. As revealed by some social

enterprises, there was even an expectation from some customers that enterprises in social services should not charge much. However, it was observed that social enterprises faced two constraints in considering the cost.

Firstly, considering the materials for the production, as in any business enterprises, there is a trade-off between quality and price. Secondly, considering the manpower, it is aware that in some social enterprises which operate labour-intensive industries and targeted on people with disabilities in work integration, due to the physical or psychological constraints of the target groups, the man-hour at some tasks could be higher compared to business enterprises outside employing staffs without disabilities at minimum wage. However, at the very least, in order to maintain no loss, let alone any gains, it is necessary to ensure the price covers the cost.

Place

When considering the place where the business operates, social enterprises take into consideration the cost of the venues and the prospects of business in the location. Some of the social enterprises are operated in the premises which belong to the host organizations, without rent charged or with minimum rent charged.

For those social enterprises where the location of premises is crucial for the development of business, the social enterprises would take into consideration of the prospects of business in the location. For instance, in running a retail shop, the man-flow in the location is an important factor. However, as revealed by the interviewed organizations, it was not so straight forward to expect that the social enterprises need the venue with the highest volume of man-flow. In order to serve the training purpose, the shop could not handle too many customers at a time. However, the venue should also have enough man-flow to maintain the chances for target groups to practice on one hand, and to keep the business on another.

Promotion

Social enterprises also look important into the promotion of products / services for their enterprises. Some organizations receive supports from some media companies in sponsoring free and concessionary promotion advertisement for promoting their flower workshop and design house. In fact, unless with sponsoring from some sources, seldom could the social enterprises afford to launch promotion campaigns as the business enterprises could. Leaflet promotion and advertising in printed materials are common to the servicing businesses which customers are individuals in the community, for example, retail services, catering services and domestic services. However, besides these ways of promotion, the most frequently mentioned way of promotion is the reliance on the complimentary words of mouth by the customers. This is particularly the case if the consumer target of the business is sort of community-based. On another hand, if the business is operated in the mechanism of tender bidding, it was important for the social enterprises keeping a good track record in the provision of products and services. To this end, the social enterprises should strive for maintaining a level of quality in their products and services; through which they build a professional image of their brand name.

b) Market Segment

In the market segmentation, there is a division between internal market and external market. Internal market refers to potential product outlet inside the organizations where the social enterprises operate under. External market refers in general to the market in the community outside the host organizations. It is observed that internal market plays a certain level of role in the sales volume of the social enterprises. In the external market, social enterprises target on all viable outlets and the distribution depends on the nature of business they engaged. The

social enterprises sometimes depend on the referrals in their network to extend their clientele.

4. Governance:

A framework in classifying the various types of social enterprise is constructed. The major attributes used are financial independence and degree of formalization.

a) Company / Small Medium Enterprise (SME) Model:

The first type of social enterprises is those agencies registered separately as an independent legal entity under the Company Ordinance. There is a separate Board of Directors and separate financial account. However, in order to provide continuing support, some of the members and senior staff will be appointed as the Board of Directors of the Company. In this model, usually the management team of the host organizations shall attend to the advisory board of the social enterprises being set up, advising on the overall business direction of the social enterprises. Self-financing is the expected mode and hence the social enterprises are being expected to be financially independent from the host organizations.

b) Subsidiary Unit Model:

The subsidiary model refers to those social enterprises which are attached to host organizations and are regarded as a "non-subsided service". Both the Board of Directors and senior staff will be required to oversee the operation of the social enterprise. Since the service is not supported by the regular subvention from the government, a separate financial account is required. However, the main difference between this and the previous model lays on the legal liability. In the latter case, the legal liability belongs to the mother organization; but for the former case, the legal liability belongs to the subsidiary instead of the host organizations, and hence the subsidiary shall bear the legal obligation arising from the operation of the businesses. .

c) Co-operative Model:

Some of the social enterprises will adopt the co-operative model that is characterized by the features that though it is not bureaucratized, both the financial aspects and the decision making are quite independent. The members of the co-operative could be self-financed. All the members of the cooperative shared the same equal status and therefore they played the roles to govern and operate themselves.

d) Flea Market Model:

The fourth type of model is characterized by the features that both it is financially independent as well as highly informal in terms of bureaucratization. The mode of operation is highly flexible and dynamic.

e) Joint Venture Model

The last type of model is distinguished by the feature that partnership with business sector is formed.

5. Networking:

Social enterprises at some senses rely on the networking from the public sector and private sector to mobilize relevant resources and obtain business advices and referrals.

It was common that the social services organizations turned to government organizations for the resources support. This applies at the beginning they started up the social enterprises. The

Social Welfare Department Marketing Consultancy Office is an advisory body from the government to give consultancy to the social enterprises setting up by the "Enhancing Employment of People with Disabilities through Small Enterprise Project". Some social enterprises obtain business referrals from the Office. To operate social enterprises in some special fields, the expertise in need require some collaboration with experienced organizations. For example, the operation of Interactive Farm by New Life is supported by Agricultural, Fisheries and Conservation Department, the Self-enhancement Team of Social Welfare Department, Kadoorie Farm and Botanic Garden Company (KFBG).

PART III: DISCUSSION AND ANALYSIS

1. Contributions of Social Enterprise

a) Contribution to Work Integration

Main Characteristics of Target Groups and Mode of Integration

Except that some of social enterprises are community-based and they work on helping the unemployed in the community as a whole, most of the work teams are organized in the name of serving a specific target group, namely, rehabilitants, be they from social, physical or psychiatric illnesses; new immigrants; middle-aged; marginalized youth; and women.

The integration of the target people in most of the social enterprises are largely employment-bounded and thus transitional by nature, offering employment opportunities mainly through some economic activities which serve as a leeway or springboard for the needy re-entering the job market. Exception should be given to the social enterprises which mode of operation is cooperative and the ownership of the social enterprises belong to the group of people who run the cooperative together, whereas the engagement of the women into the social enterprise of this kind mean more than employment.

Whilst the employment in these social enterprises was contractual-based, the contract renewal in the employment was based on mutual agreement and there was no such stipulation on how many times the target people could get renewals. Some organizations would encourage their staff leaving the social enterprises when they became skilled in the jobs after a certain period of work integration and thus became ready for entering the job markets. However, to some social enterprises, the turnover rate of staff was considered to be a problem for the development of the enterprise; they would not take initiatives to encourage the trained staff to leave.

For the social enterprises which mode of integration was employment-bounded, the status of the target people in the social enterprises could be divided into trainees and employees. They might become engage into the social enterprises in the status of trainees first and then become contracted staff in the social enterprises after they have been trained up. For some social enterprises which have introduced some sorts of hierarchy into their structure, promotional prospects are given such that it was possible that the trainees could be promoted gradually to supervisors at the work unit.

For those social enterprises which adopted a mode of cooperative in the operation, the ownership of the social enterprises belongs to the group of people who run the cooperative together. All the members of the cooperative share the same equal status and therefore they play the roles as the employers and employees of their own at the same time.

b) Contribution at Macro Level

In reviewing the contributions of the task and process of various social enterprises, it is

observed that there are three major types of contributions of Social Enterprises: a) resources mobilizations; b) empowerment of the marginal groups; and c) serve as an intermediation device for tripartite partnership.

Resources Mobilization

Through participating in the Social Enterprises, many of the disadvantaged groups can get a job. Some of the unemployed people can change to be employed and get salary.

Empowerment

Social Enterprise can also serve the function of "springboard", that is, it is regarded as a stepping stone for open employment for some groups of marginal people. Some people also gain their esteem because of the employee status.

Intermediation

Since social enterprise is a mixture of social service and commercial activities, it also serves as good platform for partnership relationship for government, Private Sector and the Third Sector.

2. Perceived Critical Success Factors

Though social enterprise in Hong Kong became shaping up from the late 1990s and expanded in these few years, it is observed that some social enterprises have expanded tremendously and become self-sustaining. Moreover, the current study explores that the work integration social enterprises induce certain impact, namely creating alternate platform for resource mobilization (i.e. mobilize resources for the livelihood of various target groups), empowerment (i.e. empowering the target groups by enhancing their competency in job hunting and earning livelihood) and intermediation (i.e. becoming the agency in providing services that the target groups lack of). The current study explores the critical success factors for launching social enterprises and are listed as follows

a) Social Entrepreneurship and Mindset:

As the operation of social enterprise require the mindset with a balance between social work and business. It depends a lot on whether or not the leaders / managers have the suitable mindset for the development of the social enterprises, in striking for a balance between social goals and economic goals. It was revealed by the senior administrators of the social enterprises which had a relatively longer year of operation that they had been in search of this mindset to balance with the goals.

b) Marketability:

As the sustainability of the business depends on whether the market could absorb the products and services to be provided, it is important that the social enterprises provide sorts of services and products that met the needs of the market and in line with the social trends (e.g. the service of postnatal care just met the needs arising from the trend of nuclear family).

c) Knowledge / Skills / Attitudes

When the quality of products and services is crucial to the sustainability of the business, it is essential that the social enterprises are equipped with the necessary knowledge, skills and attitudes such that they are capable to produce products / services being up-to-standard to the requirements in the market.

d) Branding:

It is observed that several social enterprises attributed their success to the branding being built by the host organizations they operate under and their existing networks especially for those social enterprises with a big internal market (i.e. a large proportion of the business come from other service units of the host organizations). They conceive that, to a great extent, the customers purchase from them because of their confidence to the host organizations. Whilst the branding effect matters, this explains why some social enterprises chose not to develop themselves to be companies separating from the host organizations.

e) Tri-partite Partnership

Joint venture is one of the models in operating social enterprise successfully. By cooperating with business sector, the target groups are equipped with professional skills and knowledge during the training process. Put differently, the expertise of the business sector has been transferred to the target groups through the cooperation; hence it may professionalize the social enterprise and enhanced its sustainability in the end. Apart from the cooperation with business, support from the government is important as well, especially in terms of financial resources. Thus, tri-partite partnership is one of the critical success factors in running social enterprise.

3. Perceived constraints and difficulties

In positioning themselves in the market, social enterprises tend to compare their predicament with the small and medium enterprises. However, by attending to the social goals as well as economic goals, they are not just another one of small and medium enterprises. The challenges faced by social enterprises are unique in themselves.

a) Challenges in Human Resources

As afore-stated, it is essential for the social entrepreneurs to strike a balance between social goals and economic goals in the social enterprises. The mindset in need was almost claimed to be the biggest challenge to social enterprises. Even if the top management has the right mindset, lots of efforts have to be made to convince the middle management or front-line staff of such beliefs. Although social enterprises have been existed in some forms in the society long before, "social enterprise" is an emerging entity in the society. The entity itself is still new to many in social welfare sector, let alone the society. There is a general lack of personnel in the welfare sector with professional business experience. Social enterprises might need to recruit such expertise from the market.

Although social enterprises work mainly on employment integration, there are still some difficulties on the adequacy of available workers to serve the business, especially if there are stringent requirements on the manpower. It is revealed by a number of interviewed social enterprises that the grant scheme of "Enhancing Employment of People with Disabilities through Small Enterprise Project", which stipulated on a disability staff ratio of 60%, indeed posed some constraints onto them. The requirement on the staff ratio has put them in a difficult position especially during peak season in their business. For instance, in some special seasons, the production-based industry and the catering industry might have more orders and thus need some flexibility on manpower.

b) Challenges in Financial Resources

Same as many small and medium enterprises, social enterprises face keen competition in the market. The types of business (e.g. retail, catering etc.) that the NGOs engaged in are highly competitive. However, in competing in the market, there are some unique constraints faced by

social enterprises. For example, the size of social enterprises remains relatively small. The size of business operated by the social enterprises places them not in a position to benefit from the economy of scale. Therefore, comparatively, social enterprises bear higher operating costs than other enterprises do.

In order to assume the mission concerning social goals, unlike other enterprises operating at the minimum wage and minimum labour protection, social enterprises pay some costs at staff training and labour protection, yielding a comparatively higher manpower cost.

c) Constraints in the Bidding Mechanism

It was found that the contract tendering system and some practices in the bidding exercises in specific sectors were unfavorable to the development of social enterprises. There are quite a number of social enterprises running their business by actively bidding for tender. In fact, under the system of tendering, each contract usually lasts for around two to three years only. Therefore there is always a risk on the contract renewal. Such practice risks not only the sustainability of the social enterprises, but also risks the serving of the social goals in the social enterprises. Besides, there might be some stipulations in the tendering system which is insensitive to social enterprises. For example, in the tender bidding exercise on renovation projects operated by the government, there is a stipulation that the bidders should present an amount of Hong Kong dollars up to two millions (\$2,000,000) reserves and three years of experience in order to be considered for the tender.

RECOMMENDATIONS AND CONCLUSION

Social enterprise is an emerging and evolving entity in Hong Kong. In line with the growing trend of unemployment figures in Hong Kong, social enterprises in Hong Kong became shaping up just from the late 1990s onward, and expanded after 2000s. In this paper, we have delineated two features of social enterprises: diverse target groups and diverse governance structure. Social enterprises serve not only the disabled (including person with social, physical or psychiatric illness) but also the able-bodied persons (such as ex-offenders, marginalized youth, new immigrants, middle-aged and women). Apart from target group, the governance of the social enterprises is also diversified. There are five types of governance in social enterprises, namely, company/small medium enterprise model, subsidiary unit model, co-operative model, flea market model and joint venture model. The choice of the governance model should base on the types of business and the background of the organization.

To conclude, social enterprises should be considered as one of the essential approaches in helping the marginal groups. Public awareness and support is deemed necessary and important. Secondly, the promotion of the tripartite partnership among Government, Private Sector and Third Sector will also provide a good platform in assisting the disadvantaged groups (see the diagram attached). Promotion of corporate social responsibility will certainly facilitate the development and operation of social enterprises in the future. Last but no the least, greater flexibility in the tendering and bidding mechanism (for both private and public sector) will certain provide greater opportunities for the development of social enterprises.

APPENDIX 1 - A COMPARISON OF FOUR FUNDING SCHEMES

	Community Investment and Inclusion Fund	"Enhancing Employment of People with Disabilities through Small Enterprise" Project	Partnership Fund for the Disadvantaged	The Enhancing Self-Reliance Through District Partnership Programme
Host	Labour and Welfare Bureau	Social Welfare Department	Social Welfare Department	Home Affairs Department
Set-up year	2001	2001	2005	2006
Objectives	<ul style="list-style-type: none"> - To promote community participation, mutual assistance, support and social inclusion provided through strengthened community networks in the community. This will in turn help reinforce the sense of belonging in the community, enhance the social networks of individuals and families, broaden the support base available to assist them to resolve their problems and address common concerns. These community networks, strengthened relations, sense of belonging, and willingness to provide mutual aid form the foundation of social capital; - To encourage and facilitate cooperation between organisations of different nature (such as ngos and the private sector), as well as cross-sectoral collaboration 	<ul style="list-style-type: none"> - To enhance the employment of people with disabilities through market-driven approach and direct creation of more work opportunities for people with disabilities. - Through the payment of grants as seed money to NGOs, the Project supports the creation of small enterprises / business, to ensure people with disabilities can enjoy genuine employment in carefully planned and sympathetic working environment. 	<ul style="list-style-type: none"> - To incentivise the welfare sector to expand their network in seeking and securing corporate participation, - To encourage the business sector to take up more social responsibility in helping to create a cohesive, harmonious and caring society. 	<ul style="list-style-type: none"> - To promote sustainable poverty prevention and alleviation efforts at the district level that help enhance self-reliance, targeting socially disadvantaged groups. - Instead of providing welfare or short-term relief, the Programme aims at increasing the skills and capacities of the employable and providing opportunities for the disadvantaged to upgrade themselves and to be effectively integrated into community.

	Community Investment and Inclusion Fund	"Enhancing Employment of People with Disabilities through Small Enterprise" Project	Partnership Fund for the Disadvantaged	The Enhancing Self-Reliance Through District Partnership Programme
	(such as that between welfare agencies and education organisations), in social networking and community support projects.			
Target to help	- Development of social capital in the community as a whole	- Employment of people with disabilities	- Welfare of the underprivileged groups	- Employment of socially disadvantaged groups
Eligible applicants	<ul style="list-style-type: none"> - Non-governmental organisations (e.g. welfare agencies, community groups, women's groups etc); - Private organisations. <p>Organisations should normally:</p> <ul style="list-style-type: none"> ▫ be registered under, for example, the Companies Ordinance or the Societies Ordinance; and/or ▫ be approved charitable institutions and trusts of a public character under section 88 of the Inland Revenue Ordinance; and/or ▫ be a member of an umbrella organisation such as the Hong Kong Council of Social Service or federation / coalition of women 	Bona-fide charitable non-governmental organizations recognized under Inland Revenue Ordinance (Cap. 112) Section 88 which have their own distinct legal entities authorized to carry out business activities in Hong Kong can apply for the grants from the Project.	Bona-fide charitable welfare NGOs having tax-exempted status under Section 88 of the Inland Revenue Ordinance can apply for the matching grant portion of the Fund.	The applicant should be a bona fide non-profit making organization which shall be - <ul style="list-style-type: none"> - a statutory organization or an organization registered under the laws of the Hong Kong Special Administrative Region (e.g. the Companies Ordinance (Cap. 32), the Societies Ordinance (Cap. 151), etc.); and - an approved charitable institution and trust of a public character under section 88 of the Inland Revenue Ordinance (Cap. 112). - Joint applications involving more than one organization or the District Council are also welcome.

	Community Investment and Inclusion Fund	"Enhancing Employment of People with Disabilities through Small Enterprise" Project	Partnership Fund for the Disadvantaged	The Enhancing Self-Reliance Through District Partnership Programme
	groups.			
Min funding limits	\$20,000	No lower limits	No lower limits (calculated in accordance with the contributions from business corporations)	No lower limits
Max funding limits	No upper limits	\$2 million	\$2 million (calculated in accordance with the contributions from business corporations; no limit on the amount of business contribution)	\$3 million
Max fund period	Three years	Two years	No limits	Two years
Application period	Applications are called half-yearly.	There is no deadline for the application of the Project. Eligible NGOs may submit their applications at any time throughout the year.	Applications are subject to calling annually.	The Programme is open to application all year round, but deadlines are set on a half-yearly basis
Vetting criteria	<p>Nature of projects to be supported</p> <ul style="list-style-type: none"> - The Fund will primarily support community-initiated projects that seek to promote the broad objectives of the Fund. - The Fund is open to project proposals from different sectors, e.g. welfare, women, community etc. - Both territory-wide and local projects will be considered. 	<p>Applications should contain a viable business plan that can commence no later than six months after approval of the grant. In general, Businesses to be funded should be self-sustaining after one year's operation.</p> <p>The considerations in vetting the applications will include but not limited to:</p> <ul style="list-style-type: none"> - Viability of the business plan 	<p>Project proposals meeting the following basic requirements may be considered:</p> <ul style="list-style-type: none"> - The Proposal should be an initiative in support of the Government's welfare policy but currently not receiving funding support from the Government in any form; - The initiative should be delivered in Hong Kong, and would benefit directly the welfare of the 	<p>Funding support would be considered for the following types of projects:</p> <ul style="list-style-type: none"> - Projects that promote sustainable poverty prevention and alleviation efforts at the district level will be supported. Since CoP has identified employment, tackling inter-generational poverty and elderly poverty as priority issues, district initiatives which have a clear

	Community Investment and Inclusion Fund	"Enhancing Employment of People with Disabilities through Small Enterprise" Project	Partnership Fund for the Disadvantaged	The Enhancing Self-Reliance Through District Partnership Programme
	<ul style="list-style-type: none"> - The period of funding sought for a project should be for no longer than three years. - The project should not primarily be profit making. Any profit arising from the project must be re-invested into the project, rather than distributed to organizers. <p>Nature of Projects to be accorded a higher priority</p> <ul style="list-style-type: none"> - Projects that can effectively and efficiently promote the building up of social capital. - For projects of equal merit, organisations, which have not been funded by CIIF previously, will be given a higher priority than those that have been funded already. - Projects without alternative sources of funding. 	<ul style="list-style-type: none"> - Management capability of the agency including its experience, qualification and track record in business; and - The extent of benefit to people with disabilities, including the number of people with disabilities to be employed. 	<p>underprivileged groups such as people with disability, elderly people with inadequate social support, children from deprived families, victims of family violence/abuse, etc.;</p> <ul style="list-style-type: none"> - Contributions should be made by registered business corporations operating their business in Hong Kong or charitable trusts/foundations which are established and managed by such business corporations;; - The Proposal should have business corporation's contribution in cash, in-kind or a combination of the two; - The business contributions for the Proposal should not be obtained within a year before the Fourth Round Application.; - The Proposal seeking a matching grant from the Fund should not have been started before the approval of the Fund; - The Proposal should not be self-financing projects 	<p>employment focus, which promote self-reliance of children and youth from disadvantaged background on a sustainable basis, and the integration of the elderly poor into the society, will be considered.</p> <ul style="list-style-type: none"> - Neighbourhood level, district and cross-district initiatives will all be considered but the catchment of the proposed project should be realistic for effective implementation. - While funding support will only be provided for a defined period, projects that are financially viable and can create sustained employment opportunities after the funding are welcome. <p>Higher priority will be accorded to the projects featuring the following characteristics:</p> <ul style="list-style-type: none"> - Job creation, self-reliance, cross-sector partnerships,

	Community Investment and Inclusion Fund	"Enhancing Employment of People with Disabilities through Small Enterprise" Project	Partnership Fund for the Disadvantaged	The Enhancing Self-Reliance Through District Partnership Programme
			<p>either, as they are already operating in a cost recovery mode through fee charging; and</p> <ul style="list-style-type: none"> - Any requirements from the business corporations on their contributions must not be in conflict with the objectives and guidelines of the Fund. Donations should not come from corporations running business in connection with smoking. <p>Priorities would be given to projects which:</p> <ul style="list-style-type: none"> - support one or more of the Government's welfare policies in building individual capacity, strengthening families and enhancing community mutual support and provide more direct benefits to the underprivileged groups; - have a plan on how to sustain partnership with the business corporations in serving the underprivileged groups after exhaustion of the grant from the Fund; 	<p>sustainability, added value.</p> <p>Broad criteria:</p> <ul style="list-style-type: none"> - Whether the applicant has good technical and management capability, and satisfactory performance record in delivering past projects; - Whether the project's schedule of implementation is well-planned and practicable; - Whether the proposed budget is prudent, realistic and cost-effective, giving full justification for main expenditure items; - Whether the proposed project has alternative sources of funding support, or should more appropriately be funded by other sources; - Whether there is or likely to be a duplication of work already or currently carried out by other groups.

	Community Investment and Inclusion Fund	"Enhancing Employment of People with Disabilities through Small Enterprise" Project	Partnership Fund for the Disadvantaged	The Enhancing Self-Reliance Through District Partnership Programme
			- would maximise the benefits of the disadvantaged groups.	

"Enhancing Employment of People with Disabilities through Small Enterprise" Project:
http://www.swd.gov.hk/en/index/site_pubsvc/page_rehab/sub_listofserv/id_enhancing/

Community Investment and Inclusion Fund: http://www.ciif.gov.hk/en/whatsnew/index_e.html

Partnership Fund for the Disadvantaged: http://www.swd.gov.hk/en/index/site_pubsvc/page_supportser/sub_partnership/

Enhancing Self Reliance Through District Partnership Programme: http://www.had.gov.hk/en/public_services/en_self_reli/index.htm

Appendix 2: Anti-poverty measures under the Tripartite Partnership

Government:

- Commission on Poverty
- Youth Short-term Employment Support Scheme
- Youth Self-employment Support Scheme
- Re-employment Training Programme
- CSSA

Government

Government and Private Sector:

- Promoting corporate social responsibilities

Private Sector

Private sector:

- Donation for disadvantaged groups.
- Education fund for students of low-income families
- Poverty Fund

Government & Third Sector:

Vocational training and employment services, e.g.

- Youth Short-term Employment Support Scheme
- Youth Self-employment Support Scheme
- Re-employment Training Programme
- Enhancing Employment of People with Disabilities through Small Enterprise

Third sector

Third Sector and Private Sector:

- Private sector sponsoring anti-poverty activities and programmes organized by Third Sector
- Private sector sending staff volunteers to participate into anti-poverty activities and programmes organized by Third Sector
- End Child Poverty Project

Third Sector:

- Launching Community Economic Development: e.g. second-hand goodies shops, waste recycling, post-natal services, personal cares
- Goodies donation: food bank, repairing of household furniture and electronic appliances; collection and donations of second-hand household goods
- Broadening life chances: linking children from low-income families with professionals, widening their visions, providing opportunities of learning oversea

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