

**Legislative Council Panel on Welfare Services:
Family Issues and the Development of Social Enterprises**

Purpose

This paper updates Members on the work of the Government on family issues and the development of social enterprises (SE).

Family Issues

Policy and measures relating to family support

2. Family harmony is the foundation of social harmony, and cherishing the family is a core value of our community. At present, family-related policies and initiatives traverse the portfolio of different bureaux and departments, which are organized by a division of labour along functional lines such as social welfare, education, transport, housing etc. Where particular social groups or issues require more focused and multi-disciplinary attention, ad hoc policy groups and task forces are formed. Where certain sectors require long-term attention at both policy and service levels, dedicated commissions are established.

3. Considering that a lot of social problems originate from families, the Administration considers it appropriate to, on top of the existing mechanism, strengthen the functioning of families and promote various family-based support network to foster closer and harmonious family relationships. After careful consideration, the Administration has decided to establish a high-level Family Council before the end of 2007-08. We will also adopt a holistic approach using the family as the framework of action in the formulation of policies and the implementation of programmes relating to family support.

4. The Family Council will advise the Government on the formulation of policies and strategies for supporting and strengthening the family and on the development of related programmes/activities, and will monitor their implementation. It will advise the Government on the integration of family policies and related programmes across different bureaux/departments for different age and gender sectors, including the work of the Elderly

Commission, the Women's Commission and the Commission on Youth, to ensure effective co-ordination. We will consult the Family Council and the three above mentioned Commissions on how the latter will be fully integrated into the former institutionally by 31 March 2009.

Social Enterprises

Background

5. There is no universal definition on SE and the concept of SE is still evolving. The international trend is to encourage multi-modal development. A prescribed framework imposing unnecessary restriction would hinder the development of SE and greatly reduce the benefits that SE can bring to employees and consumers. An SE generally carries the following elements¹:

- (a) a business, i.e. a sustainable and self-financing venture through revenue generated mainly from the provision of services or products. Like other commercial enterprises, an SE should be business-minded to sustain its operation and be able to adapt to market changes;
- (b) achieving social objectives such as providing the needed services (e.g. supporting services for the elderly) or products; creating employment/training opportunities for the socially disadvantaged; protecting the environment; and funding its other social services organizations through profits earned by the SE; and
- (c) profit principally reinvested in the business or in the community for the social objectives pursued by the SE.

6. Many social entrepreneurs overseas have developed SE under different mode of operation having regard to the political and economic background of the respective places. Under the leadership of these social entrepreneurs, these SE have become promising businesses, such as the Fifteen

¹ A related concept to SE is corporate social responsibility (CSR). CSR in general refers to a corporate consciously fulfilling its civil and social responsibilities. While both SE and CSR encourage a corporate to take into account the interest of community in addition to operating as a business, SE puts the community interest as its ultimate aim and its profits are principally reinvested in the business or in the community. Though there is difference between SE and CSR, promoting both concepts together carries synergies and demonstrates the importance of the participation of the business sector to the development of SE. There are different ways in which a corporate shows its CSR, such as – considering more the products of SE when purchasing souvenirs; considering more the services of SE which employs the socially disadvantaged when choosing service contractors; sending experienced management personnel to help SE train and nurture social entrepreneurs; separating waste produced in the course of business to facilitate recycling by SE; property developers leasing premises to SE at concessionary rents. In all such examples, a corporate fulfills its CSR and at the same time facilitates the development of SE.

Restaurant and Big Issue current affairs magazine in the United Kingdom (vide Annex). In Hong Kong, we have a relatively longer history of SE for disabled persons as an option to provide them with job and training opportunities. At present, there are over 200 SE in a wide range of industries with the objectives of helping the disabled and other disadvantaged groups, and most of them are operated by NGOs.

Policy and measures facilitating the development of SE

7. In his 2007 Policy Address, the Chief Executive (CE) has stated the Government's ongoing initiatives in encouraging the further development of SE together with relevant stakeholders, to help enhance the employability of the able-bodied unemployed and create more job opportunities for them.

8. As SE is operated as a business, the Government will strive to create an enabling market environment for the development of SE. Hence, apart from the provision of seed money in a number of specified areas to support SE during their initial operations², we will facilitate the development of SE through the following measures –

- **Promoting understanding of SE among members of the public:** while there has been a growing awareness of SE and recognition of its potential role in the community, SE remains a relatively new concept to most members of the public. The Home Affairs Bureau is planning to enhance publicity, including the preparation of a booklet to introduce successful SE both in Hong Kong and overseas to our community. We hope that, through these stories of successful SE, the public can have a better understanding on SE, especially the social objectives achieved, with a view to creating a more conducive environment for the development of SE and its clientele.

² The funding schemes that provide seed money include:

- (a) In 2001-02, the Social Welfare Department provisioned \$50 million to launch a scheme - Enhancing Employment of People with Disabilities through Small Enterprise - to support NGOs to run small enterprises to employ disabled persons so as to provide them with training opportunities;
- (b) In 2002, the then Health, Welfare and Food Bureau launched the Community Investment and Inclusion Fund with \$300 million to support cross-sectoral collaboration to develop social capital; and
- (c) In 2006-07, the Financial Secretary earmarked a sum of \$150 million over the following five years to provide grants for NGOs to run SE projects for the socially disadvantaged. The Government subsequently established the Enhancing Self-Reliance Through District Partnership Programme (the ESR Programme), administered by the Home Affairs Department (HAD), for this purpose. Since its launch in 2006, the ESR Programme has provided grants of some \$47 million to some 50 social enterprise projects in various areas.

- **Fostering partnership between the community, the business sector and Government:** the successful development of SE hinges on the tripartite partnership of the community, the business sector and the Government. We have been encouraging the local entrepreneurs to join in the development of SE. As a first step, we have successfully contacted a few big organizations/corporations which are interested in operating SE project with a view to creating new job/training opportunities. Details will be made available separately. We are also considering cooperation with the universities to train talents for SE. In addition, CE has announced in his Policy Address 2007 that the Government hopes to transform historic buildings owned by it creatively into unique cultural landmarks, and that the modus operandi of social enterprise under commercial management will be adopted to achieve a win-win situation.

- **Providing the supporting infrastructure for the sustained development of SE:** the Home Affairs Department has commissioned the University of Hong Kong to carry out a study (the Study) to examine the current modes of operation of SE in Hong Kong, their strengths and weaknesses, and the views of major stakeholders including NGOs, the business sector and public organizations, on the development of SE in Hong Kong.

9. Separately, as announced by CE in his Policy Address 2007, further to the SE forum held in June this year, we will organise a summit on SE in December to promote understanding of SE and provide a platform for the Government, the business sector and NGOs to explore the way forward for the further development of SE in Hong Kong, and to formulate an action plan. The Government will take into account the experience and views contributed in the summit, as well as the findings of the Study when mapping out the way forward for the development of SE in Hong Kong.

Examples of well-known social enterprises overseas

- (a) **Fifteen Restaurant** – founded by the renowned young chef Jamie Oliver, is a famous SE in the United Kingdom (UK). The restaurant provides training opportunities for disadvantaged young people (e.g. those with criminal records, addicts or street sleepers) who are passionate about cooking to nurture them to be chefs. With the efforts of Jamie Oliver and the popularity of his TV show, a lot of young people have regained confidence and the Fifteen Restaurant has turned out to be one of the most popular restaurants in the UK.

- (b) **The Big Issue** – In 1991, Gordon Roddick of the Body Shop fame, and John Bird launched a news and current affairs magazine, called the Big Issue. The magazine is written by professional journalists and sold on the streets by homeless vendors so that they can earn a living without resorting to begging. With weekly circulation topping 150,000 in the UK, sales of the magazine can support the Big Issue Foundation, a registered charity providing support to vendors and other homeless people.