

For discussion on  
28 January 2014

**Legislative Council Subcommittee on Poverty  
Promoting the Development of Social Enterprises**

**Purpose**

This paper briefs Members on the initiatives and work of the Home Affairs Department (HAD) and the Social Welfare Department (SWD) to help the socially disadvantaged to become self-reliant through promoting the development of social enterprises (SEs).

**Background**

2. The Government actively promotes the development of SEs, such as through the Enhancing Self-Reliance Through District Partnership (ESR) Programme and the “Enhancing Employment of People with Disabilities through Small Enterprise” Project (the Project), to enable the socially disadvantaged to be self-reliant through employment, and to meet the needs of different community groups with entrepreneurial thinking and innovative approaches, with a view to cultivating a caring culture as well as promoting social cohesion and mutual help.

3. At present, HAD and SWD promote the development of SEs through the ESR Programme and the Project respectively.

**(I) Enhancing Self-Reliance Through District Partnership Programme**

4. In response to an initiative of the former Commission on Poverty to alleviate poverty through a district-based approach, HAD implemented the ESR Programme to provide seed grants for eligible non-profit-making organisations to set up SEs to create job opportunities for the socially disadvantaged so that they can be trained and develop their potential in the workplace, thus enhancing their employability and achieving self-reliance and effective integration into community.

5. The Financial Secretary earmarked \$150 million each in 2006 and 2011 for the implementation of the ESR Programme by HAD for two periods from 2006 to 2011 and from 2011 to 2016.

6. Since its launch in 2006, the ESR Programme has approved a total grant of around \$170 million for the establishment of over 150 SEs, creating about 2 500 job opportunities (including both full-time and part-time jobs).

7. The nature of the business of the SEs under the ESR Programme is determined by the applicants of the non-profits making organizations having regard to the needs of the district concerned, the job skills and development potential of the socially disadvantaged groups to be served so as to achieve the SE's objective of long-term sustainability. They cover wide spectrum of businesses, ranging from catering, retail, domestic services, arts, performances, to gardening and eco-tourism etc. The details are shown in **Table I**. They are distributed throughout the territory and create various types of job opportunities. Please refer to **Table II** for details.

8. To further facilitate the development of SEs, HAD organises various promotional activities each year. Its efforts in enhancing the public's understanding on the concept of SE and disseminating information of the products and services provided by SEs do not limit to those through the dedicated SE website, announcements of public interest, newspaper advertisements as well as radio and TV programmes. It also arranges SEs to showcase their products and services on appropriate occasions, such as Hong Kong Brands and Products Expo, Food Expo, Food Carnival, FarmFest, North District SE Market Fair, etc., in order to enable the public to better understand the SE business and support their development. Since 2012, HAD has organised the SE District Carnival every year, with a view to bringing the products and services of SEs to the local community, thus promoting caring consumption and encouraging wider patronage of their products and services.

## **(II) Enhancing Employment of People with Disabilities through Small Enterprise Project**

9. In 2001-02, SWD was granted a one-off provision of \$50 million to implement the Project. Through the Project, SWD provides grants to non-governmental organisations (NGOs) to set up small businesses to create job opportunities for persons with disabilities so that they can secure employment in a carefully planned and sympathetic working environment. Given the Project can effectively achieve the policy objective in enhancing the job opportunities for persons with disabilities, the government injected \$100 million into the Project in 2012 to NGOs for setting up more small businesses and sustain the momentum of creating more job opportunities for persons with disabilities and to provide more support to funded business including extension of the maximum funding period from two years to three years.

10. For the purpose of creating job opportunities for persons with disabilities directly, at least half number of the employees of the small business set up under the Project should be persons with disabilities. Each small

business will be offered a grant not exceeding \$2 million to meet the set-up capital cost incurred in the initial period of business operation and operating expenses in the first three years. The business is expected to become self-sustaining afterwards. To enhance the sustainability of the funded businesses, the Marketing Consultancy Office (Rehabilitation) (MCO(R)) of SWD provides advisory services and organizes various activities for the development and promotion of the products and services of the funded businesses. These activities include annual promotional sale gala and design competitions; networking with the commercial sector for their support in the use of their premises for promotional activities; publication of quarterly newsletters; promotion through mass media and coordination of the small businesses under the Project to participate in major events such as the Hong Kong Brands & Products Expo, etc. MCO(R) is also tasked to monitor the progress of individual funded businesses against the milestones pledged by the concerned NGOs and provide advice when necessary.

11. As at the end of December 2013, the Project had allocated about \$65 million to NGOs for setting up a total of 84 businesses of different nature. The businesses created about 890 job opportunities including over 630 job opportunities specifically for persons with disabilities. The categories of the businesses and the job opportunities created are set out in **Table III**.

## **Conclusion**

12. SWD and HAD will continue to implement appropriate district partnership programmes and make use of established platforms and networks in districts to promote the development of SEs to help the self-reliance of the socially disadvantaged.

Home Affairs Department  
Social Welfare Department  
January 2014

**Table I**

**Enhancing Self-Reliance Through District Partnership Programme**  
**Breakdown of SEs by Business Types**  
(As at the end of December 2013)

<b>Type of Business</b>	<b>Number of SEs</b>
Catering	31
Retail	28
Beauty treatment, massage and personal care services	19
Art, performance and workshop	16
Household service (including renovation )	15
Recycling and thrift store	14
Business supporting service	13
Horiculture and eco-tourism	10
Others (e.g. car-washing)	7
<b>Total :</b>	<b>153</b>

**Table II****Enhancing Self-Reliance Through District Partnership Programme****Distribution of SEs by District****(As at the end of December 2013)**

<b>Number of SEs in the urban areas</b>		<b>Number of SEs in the New Territories</b>		<b>Number of SEs cross-district/territory-wide</b>	
Yau Tsim Mong	5	Yuen Long	12	<b>Cross-district/ Territory-wide</b>	59
Sham Shui Po	4	Tuen Mun	13		
Kwun Tong	6	Tsuen Wan	7		
Central & Western	4	Islands	4		
Eastern	4	Tai Po	6		
Southern	3	Sha Tin	7		
Wong Tai Sin	2	Kwai Tsing	2		
Kowloon City	4	Sai Kung	3		
Wan Chai	5	North	3		
<b>Subtotal:</b>	<b>37</b>	<b>Subtotal:</b>	<b>57</b>		
<b>Total:</b>	<b>153</b>				

**Table III**

**Categories of businesses funded under the “Enhancing Employment of People with Disabilities through Small Enterprise” Project and the Job opportunities created for persons with disabilities**  
(As at the end of December 2013)

<b>Category of business</b>	<b>No. of small businesses</b>	<b>No. of jobs created for persons with disabilities</b>
Retail service	30	155
Food and beverage	25	181
Cleansing service	9	109
Specialised service (e.g. massage service; beauty shop; organic farm; barrier-free access technology service; travel service and eco-tourism service; etc)	20	192
<b>Total</b>	<b>84</b>	<b>637</b>