

**Twenty-seventh Meeting of  
the Business Facilitation Advisory Committee**

***Agenda Item 3 : The Research Study on the Social  
Enterprise Sector in Hong Kong –  
to capture the existing landscape of  
the social enterprises in Hong Kong***

**Purpose**

This paper briefs members on the recent developments of social enterprises (SEs) and the recommendations for enhancing existing support for the development of SEs set out in the Research Study on the Social Enterprise Sector in Hong Kong (the Study) and put forward by the Social Enterprise Advisory Committee<sup>1</sup> (SEAC).

**Ongoing Government support on SE development**

2. An SE is a business to achieve specific social objectives. Its profit will be principally reinvested in the business for the social objectives that it pursues, rather than distributed to its shareholders. On the advice of SEAC, the Government has been facilitating the development of SEs through a range of support services –

- (a) to provide funding support for individual SEs;
- (b) to support capacity building of SEs;
- (c) to enhance public awareness of SEs; and
- (d) to promote cross-sector collaboration for SE development.

3. The major measures implemented in the past years are detailed at  
..... **Annex 1.**

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<sup>1</sup> SEAC was established in 2010 to advise the government on the planning and monitoring of Government support for SEs. Chaired by the Secretary for Home Affairs and with members drawn from the SEs, business and academic sectors as well as relevant bureaux and departments, SEAC is now a key platform to consolidate ideas and advise the Government on the formulation of policies, strategies and programmes for supporting the development of SEs in Hong Kong.

## The SE Research Study

4. In view of the continual growth of the SE sector in Hong Kong, the Home Affairs Bureau (HAB) commissioned the Chinese University of Hong Kong and SE Business Centre of the Hong Kong Council of Social Service (SEBC/HKCSS) to study the current profile and service needs for the continued development of the SE sector. The Study was carried out between April 2013 and April 2014 through a questionnaire survey on SEs, public telephone poll, focus groups with stakeholders and case studies. The final report has been endorsed by SEAC and has been released at the SE Summit 2014 in early November 2014. An Executive Summary of the report is at **Annex 2**. The Study has made a number of key observations on the SE development in Hong Kong as set out below:

- (a) **gradual growth of SE sector:** the number of SEs has increased from 260 six years ago to some 450 last year;
- (b) **greater diversity in social objectives and service types:** despite 83% of SEs are the conventional type of “work integrated SEs”<sup>2</sup>, a growing number of SEs have been set up to address a broad range of social issues beyond employment creation for the disadvantaged, for instance, elderly and youth services, housing needs for the underprivileged, environmental protection, heritage conservation, eco-tourism, etc.;
- (c) **small scale:** 60% of the surveyed SEs have less than 10 employees;
- (d) **business viability:** 62% of the surveyed SEs have achieved breakeven or made profit;
- (e) Of the total number of SEs in Hong Kong, the **percentage of SEs not operated by tax-exempted charitable bodies has increased** from 16% six years ago to 34% last year;
- (f) **more SEs receiving non-government funding sources** (*e.g. donations from venture capitalists and family foundations*), although Government remains the major funding source for the start-up and scale-up of SEs;

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<sup>2</sup> Work integration SEs (WISEs) remain the norm (83%). WISEs are SEs that aim to provide gainful employment of the socially disadvantaged groups for better integration into the society.

- (g) **more SE support platforms** have been established <sup>3</sup>; and
- (h) **increasing public awareness of SEs**: 78.5% of interviewees have heard of SEs, increased from 60% from a similar survey in 2009.

## **Social impact and value of SEs**

5. While it is difficult to quantify social value or impact achieved by SEs in Hong Kong, the research by the Fullness Social Enterprise Society (FSES) has been frequently quoted for this purpose. The average lifespan of the SEs in Hong Kong with seed grant supported by Government funding schemes such as the Enhancing Employment of People with Disabilities through Small Enterprise Project (3E Project) or the Enhancing Self-Reliance Through District Partnership Programme (ESR Programme) is about 9.3 years <sup>4</sup>, which compared favourably to the median lifespan of about 4 years of US companies. Based on the value of the workfare <sup>5</sup> created by ESR Programme and 3E Project, the research finds that \$1 of ESR's grant is expected to generate \$3.81 of workfare to the socially disadvantaged (not limited to persons with disabilities (PwDs)) over the average business lifespan of 9.3 years; and \$1 of 3E's grant leads to \$7.2 of workfare to the PwDs over the same period <sup>6</sup>.

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<sup>3</sup> Examples are Social Enterprise Business Centre by the Hong Kong Council of Social Service (SEBC/HKCSS), Hong Kong General Chamber of Social Enterprises (HKGCSE), Good Lab, Make a Difference, Hong Kong Social Entrepreneurship Forum, and Unlimited Hong Kong.

<sup>4</sup> ESR has been launched since 2006 for less than ten years so far. Judging from the preliminary data, **the researcher considered it realistic to assume that the average lifespan of SEs participating in ESR to be about 9.3 years as well.**

<sup>5</sup> Workfare most commonly refers to the social value created by getting unemployed people (including the socially disadvantaged) into paid work, thereby reducing or eliminating welfare payments to them, and creating an income that generates taxes.

<sup>6</sup> The studies by FSES released in August 2013 have gathered all actual data from 3E and ESR available by the time of their studies. Taking 3E launched since 2001 as an example, the methodology is illustrated below:

- (a) Average lifespan of participating SEs is 9.3 years;
- (b) There were 541 disabled employees with an average income of \$6,245/month;
- (c) So far it has created a total of \$40.5M wage from the \$52M approved funding;
- (d) \$0.77 per dollar granted multiplied by average lifespan of 9.3 years equals to \$7.2 per dollar granted over 9.3 years.

As for ESR, it aims to achieve the dual purposes of creating social benefits and supporting sustainable business. By the time of FSES's studies it has created a total of \$64M annual wage from the \$156M approved funding. Based on the actual workfare created and based on the above formula for 3E, the researcher estimated that ESR would generate 3.81 dollars workfare for each dollar grant over the average business lifespan of 9.3 years.

Non-work fare benefits brought about by SEs e.g. social inclusion, greater social participation, have not been taken into account in the research. It could in future be better studied through our recent pilot funding programme for researches on social impact or the social return of investment (SROI). A wide range of methodologies have been funded with a view to supporting development of prototypes for continued studies of this kind. Results would be available in 2015 the earliest.

## **Evaluation of SE support strategy and measures**

6. The research findings and analysis set out in paragraphs 4-5 above demonstrate that the SE sector in Hong Kong has made a solid growth over the past few years, both in terms of number and diversity. The Study not only reaffirms the importance of continuing support for SEs, it also supports the approach the Government has been adopting in its SE policies. Insofar as the institutional framework is concerned, the Study does not favour a legislative approach to govern SEs and give a legal definition at this early stage of SE development, or the imposition of a regulatory framework by the Government. It also recognizes the merits of providing several government funding schemes to support SEs, whether or not they are run by NGOs. The Study has made a wide range of recommendations on how the Government, the business sector, NGOs, and SEs may support the next stage of SE development in Hong Kong.

7. Our assessment is that there is a lot of room for the SEs to grow as a sector in our economy. In the United Kingdom, France and the U.S. which are regarded as forerunners in nurturing their SE sector, they recognize SE as the “emerging fourth sector” alongside the Government, NGOs and businesses. The significance of SEs has gone beyond providing jobs for the underprivileged to creating the space for developing new industries and providing social innovations and solutions to address social issues through sustainable businesses. We have seen the potential for social innovation in our SEs. For instance, an SE employing under-performed students as tour guides for promoting eco-tourism in Tin Shui Wai; an SE financed by revenue from event management fees provides performing opportunities for young dancers; as well as some budding SEs assisted by Government-funded SE Challenge providing platforms for promotion of research and development (R&D) products, design or art work by young local graduates. Furthermore, over 79% of the ESR SEs are still operating after the funding period. In strengthening our support for SEs’ further development, we should re-strategise, taking into account the recommendations set out in the Study and given by SEAC.

## **Recommendations**

8. Amongst the proposals made in the Study, SEAC has recommended the following key ones as our priorities –

- (a) Institutional support: while maintaining an industry-led approach with a plurality of funding sources, there should be continued joint efforts of the SE sector, the Government, business and welfare sector and the academia in the support for SEs, including development of support platforms and services to address the needs in common. The Government can promote the support network for SEs and best practices, and create synergies and facilitate cross-sector partnership;
- (b) Training and Capacity Building : continue addressing the training needs for the frontline staff of SEs, in particular the socially disadvantaged; and continue support for training for SEs that should cover both implementation and innovation skills;
- (c) Promotion and enhancing awareness : a sector-wide branding of SEs for enhancing the awareness of SEs, while achieving social missions, and aspiring to be successful entrepreneurs; and
- (d) Cross-sector partnership : bringing all the stakeholders together to promote the growth of new breeds of SEs and developing SE initiatives at the community level.

**Advice sought**

9. Members are invited to note the content of this paper and offer views, if any.

Home Affairs Bureau  
November 2014

## Major measures to encourage SE development

### I. To provide funding support for individual SEs

#### *Enhancing Self-Reliance Through District Partnership Programme (ESR Programme)*

The ESR Programme under the Home Affairs Department (HAD) in 2006 provides **seed grants** (ceiling for each project at \$3 million) to eligible non-profit making organisations for the establishment of SEs. As at August 2014, the ESR Programme has approved \$185 million to some 161 SE projects, creating some 2 600 job opportunities. 80% of funded projects remained in business after the funding period.

#### *Enhancing Employment of People with Disabilities through Small Enterprise Project (3E Project)*

2. The 3E Project, launched in 2001 by the Social Welfare Department, provides grants to non-governmental organisations (NGOs) to set up and run SEs for employing persons with disabilities (PwDs). Up to July 2014, the 3E Project had approved 88 projects with a total grant of \$70 million (ceiling for each project at \$2 million).

### II. To support capacity building of SEs

#### *Hong Kong Social Enterprise Challenge (HKSEC)*

3. Since 2008, HAB has been sponsoring this training cum business plan writing competition amongst tertiary students annually. Two winning teams will be awarded up to \$300,000 for realization of SE proposals. It aims to develop social entrepreneurship and innovative spirit amongst the participants. Over 4 600 students have participated in HKSEC. Of the 36 grand finalists, 17 of them have established SEs which are in active operation and some have expanded their businesses and created an edge of their innovative product/service, such as “WOUF” which used animal fur to make fashion; and “Care Watch (遊樂錶)” with GPS tracking that enables the elderly and children to maintain communication with their families.

### *SE research*

4. We have commissioned the Chinese University of Hong Kong and the SE Business Centre of the Hong Kong Council of Social Service to conduct a research study on the latest profile and service needs of SEs. This research study will be concluded in 2014 (executive summary is at **Annex 2**). We also launched in 2013 a pilot funding scheme under which five research projects were being carried out to study the social impact and Social Return of Investment (SROI) of SEs. The above studies would facilitate future planning of the SE sector and enhance public awareness of SEs.

### *SE Training Programme*

5. We have commissioned professional bodies to launch, as a pilot, a series of structured training programme at the management and practical levels to nurture more social entrepreneurs in running SEs. Since 2011, 162 trainees have received training. On this basis, we are planning to support e-learning initiatives to provide more flexibility for training.

## **III. To enhance public awareness of SEs**

6. To enhance public awareness of the benefits of SEs to the community, HAB and HAD launched Government SE website, organized district carnivals and a wide range of publicity such as radio programmes, newspaper, APIs etc.. These publicity measures yielded good response, including district carnivals with a cumulative of over 11 600 participants over the past three years.

## **IV. To promote cross-sector collaboration for SE development**

### *SE Summit*

7. The SE Summit attracts over 1 000 regional and overseas SE practitioners each year and has become one of the major platforms bringing together inspiration for social entrepreneurship and innovative ideas to address social issues. Building on past success, the Summit launched a new initiative of SE in the Community in 2014 to organise fora at three districts to connect SE stakeholders and district organisations and brainstorm proposals of new SE projects serving specific needs of the districts.

*SE Award Scheme and “Be a Friend to SE” Campaign*

8. Both events were first launched in August 2011: the Award Scheme was to give recognition to outstanding SEs which operate and create social impact in Hong Kong and provided a platform for SEs to share their best practices. Likewise, the Campaign was to give recognition to organisations or individuals which/who have provided support to SEs in order to enhance public awareness of SEs and to solicit more public support to the SE sector.



# Executive Summary of SE Research Study

## commissioned by the Social Enterprise Advisory Committee

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### Background

1. The Social Enterprise Advisory Committee (SEAC), which advises the Government on the formulation of policies and strategies for supporting the sustainable development of social enterprises in Hong Kong, commissioned this consultancy study. The aims are to study the current landscape of the social enterprises (SEs) in Hong Kong and to make innovative and long-term recommendations for the Government, the SE sector, and other stakeholders to support further development of the sector.
2. The study is grounded on theory and empirical evidence, comprising public opinion poll, survey on SEs, focus group discussions and desk-top research (see Chapter 1 of the full report for its methods), that were carried out in the second half of 2013 to the first quarter of 2014. Compared to previous studies, it has put emphasis on the social value and innovativeness of the SEs in addition to their operational efficiency and financial return.

### Key Findings

#### *The Current SE Sector*

3. SEs are characterised by their double bottom lines to achieve social missions and commercial sustainability as a business enterprise. SEs have been developing in Hong Kong for over a decade, and have gained better public awareness in recent years. Over this period, both from a policy perspective and in practice, they have taken up many responsibilities and fulfilled a lot of expectations of the community.
4. The development of the **work integration social enterprise (WISE)** (i.e. social enterprises that aim to facilitate the gainful employment of the socially disadvantaged groups for better integration into the society) first took off in 2001 to address the unemployment problem of people with disabilities. The WISE has become a popular model for both Government and non-governmental organisations to support initiatives for alleviation of poverty since then.
5. In our survey, 83.3% of SEs (145 out of 174 respondents) stated that work integration is their social objective. **Hong Kong has many strong WISEs**, and now other types of SEs have gradually developed as well.  
More SE practitioners seek to apply social innovations through the work of the increasingly diversified SEs to address previously intractable social problems. These SEs differ in social objectives, ownership, governance structure, business models, and tend to address broader social issues beyond job creation and work integration. These issues include environmental protection, heritage revitalisation, promotion of social cohesion and caring for the elderly, etc.
6. We found that some characteristics of the SEs are related to business entrepreneurial orientation (proactiveness, riskiness, and innovativeness). SEs that have no sponsoring organisation and are receiving initial funding in the form of private investment tend to show a greater tendency for business entrepreneurial orientation. However, these findings should not be interpreted readily as bearing any causal relationship.
7. At the same time, we note successful examples of some **pioneering SEs which have demonstrated key elements of innovativeness**:
  - a. social entrepreneurs play a pivotal role in driving social value creation in these SEs; for WISEs it is particularly their implementation ability to make simple ideas to work;
  - b. social entrepreneurs can find and transform creatively “hidden” community assets. Creating social values from unrecognised resources is a strength of these SEs, and is an important element of their social entrepreneurship;
  - c. innovative social entrepreneurs exhibit greater flexibility in operating SEs and apply the trial-and-error approach in creating social innovation; and

- d. with their strong networks they can form strategic partnerships to start up and scale up their SE businesses.
8. In terms of development stage, 18% of SEs are starting up and 69% of them are either operating stably or scaling up.
  9. 60% of SEs are registered charitable organisations or part of such organisations and 37% are registered as companies.
  10. 62% of SEs achieved a breakeven or gained profit in 2012.

### **Public awareness**

11. Our poll showed a **significant improvement in public awareness of SEs. 78.5% of the 789 respondents were familiar with SEs**, as compared with about 60% from previous studies from few years ago. About 70% of respondents replied that SEs serves the double bottom lines stated above.
  12. About **70% of the respondents** expressed that they **would certainly or likely procure services or products from SEs** in the six months following the poll. The major reason was to contribute to the society through one's own consumption. Making information on sales channels more available would stimulate consumption of SE's services and products.
  13. On the other hand, **public understanding of social missions of SEs was mainly about poverty alleviation and job creation for the disadvantaged**. In our poll, 84.9% of the respondents agreed that SEs aim at creating jobs for the underprivileged. About 60% of the respondents agreed that SEs make use of innovative business model to provide social services. It would be useful to further enhance public awareness of the innovation and entrepreneurial values of SEs.
15. The Home Affairs Bureau (HAB), supported by the Home Affairs Department, is responsible for the policy of SE development and support. Different funding schemes run by Government bureaux and departments are serving a variety of social objectives (e.g. heritage conservation, environmental protection, etc.), and not all are dedicated for the development of SEs. We believe that a **plurality of funding sources from different departments** has its advantages and we do not see a need for consolidating all funding into one. While maintaining a **level-playing field for all potential applicants**, the relevant bureaux and departments are encouraged to consider, in setting the eligibility criteria, **the additional social value that could be created by SE participants of these schemes**.
  16. In the longer run, the Government could consider providing a **focal point for promotion of SEs**, including more stocktaking of Government initiatives relevant to SEs and disseminating such information to them. Then, working together with business associations, academics, NGOs and other stakeholders, the Government can promote the support network for SEs and best practices, identify service gaps and create synergies and facilitate cross-sector partnerships.
  17. It is important to have a clear understanding of the nature and values of SEs in the community and continued promotion of opportunities for SEs to provide services and create social values in both the public and private sectors. While emphasising that these efforts should continue to be made, we **do not favour a legislative approach to define SEs or introduce specific legislation governing the social value component of the public procurement process**. Such a top-down approach by the Government may interfere with the innovative potential of SE ventures. The Government should continue its existing approach to encourage self-regulation by the sector, while at the same time maintain the prevailing flexible approach in defining SEs. In particular, it is advisable to:
    - a. encourage **market-led** efforts in developing credible **registration and/or certification systems** that address the needs of different types of SEs; and
    - b. promote, through service providers, a ready-to-use **legal template** together with training to SEs, which increasingly have more sophisticated ownership structures, to make use of existing company law provisions for governance.

## **Recommendations and way forward**

### ***Institutional support***

14. Development of SEs requires cross-sector collaboration. The Government has been the major source of funding, supporting individual SEs and SE support organisations through various funding schemes and promotional programmes. The active participation of other stakeholders including the SE support organisations, the welfare sector, the business sector, and the academia are most crucial. **SE support organisations, including those from the welfare sector, the business sector and universities**, have been playing an important part in supporting the development of SEs. The Government should continue to emphasise and promote cross-sector collaboration.

### ***Training and capacity building***

18. While the Government and the SE sector (including the SE support organisations) should leverage on its success and

continue to promote development of WISEs, they should also make efforts in **harnessing the creative energies of the newly emerged or new categories of SEs** through:

- a. encouraging innovation of SEs in operations or ownership forms;
  - b. supporting more SE start-ups that are diverse in orientations and backgrounds (non-conventional, privately-funded); and
  - c. supporting SEs in their attempts of innovative problem-solving and of addressing a wide range of social problems.
19. The Government should continue working with the community to **provide the incentives for SEs to innovate, and lower the entry barrier for various community groups to join the work of SEs**. Particularly, the Government may:
- a. review SE funding schemes to promote innovativeness and community engagement;
  - b. collaborate with support service providers to offer advisory and support services to potential SE investors and operators ; and
  - c. involve broader spectrum of supportive groups, including academics and NGOs, to develop a one-stop shop and enable the development of ecology for SEs.
20. **Training and capacity building needs: a large number of SE-support organisations and other service providers have emerged since 2008** (e.g. SE Summit, Hong Kong General Chamber of Social Enterprises, Make a Difference). They provide a wide range of support services: information and advisory services, promotion opportunities to co-work space, training, etc. **Universities** have also been playing an important role in providing support for capacity building, cross-disciplinary exposure, and experience sharing for the SE sectors. These stakeholders should continue to play their parts and be given support for such purposes, in particular:
- a. these service providers offer a large variety of support and the majority of them focus on skills-based training for individual SE practitioners and frontline staff. At the organisational level, just a few of them provide services to SEs, and more often the support service providers would only assist SEs with affiliation with the sponsoring organisations.
  - b. while formal and structured training courses/workshops can enhance business skills and industry knowledge of practitioners, SE operators are also looking for networking opportunities at the sector

and sub-sector levels to exchange information and acquire practical knowledge. The SE sector should continue its efforts in fostering exchanges and collaboration.

- c. current mentorship schemes have room for improvement. Mentors might not know operational issues with which WISEs are usually concerned, and mentors and mentees may not share the same social missions and values or have different business background that make it difficult to facilitate useful knowledge and experience transfer.
21. For SEs, **implementation** is as important as innovativeness. It is imperative for the Government and the SE sector (including the SE support organisations) to strengthen the executing and innovating capacities of the SE sector in the following areas:
- a. complementing current training programmes with hand-holding and ushering services to get implementation on the ground;
  - b. in view of the high demand for knowledge and experience sharing, supporting training providers to conduct sharing workshops for different levels of employees;
  - c. providing resources to facilitate better understanding of SEs about their needs and capacity building, like undertaking periodic surveys on SE training needs, and disseminating the information to all training providers for their course planning purposes;
  - d. supporting SE support service providers to offer matching and follow-up services to SE mentorship programmes; and
  - e. allowing successful SE applicants, to apply, as part of their funding budget, for funding to undertake the necessary consultancy services. Professional consultants should also develop their services for SEs, given the demand.
22. In view of the **difficulties in recruitment of frontline staff (especially the socially disadvantaged groups) and of the insufficient training and related human resource services** in some of the WISE service fields, we recommend that the Government should provide seed money to address the service gap, e.g. funding one or more support platforms for facilitating the recruitment, qualification assessment and training of SE staff.

### ***Enhancing awareness of SEs***

23. With an increasing diversity of SEs in their social missions, forms, and ownership structures, it would require much more efforts to promote a common and clear identity or

image of SEs that would facilitate the public understanding. Promotion across sectors will yield better results if there are clear and common themes. Based on the findings, the research team suggests **encouraging social innovation in public problem-solving** (鼓勵社企以創新方法解決社會難題) and **facilitating multi-stakeholder participation in SE development** (協助眾多持份者參與社企發展) as potential themes. Both the social and entrepreneurial/innovation values of SEs should be emphasised, e.g. that SEs, while achieving social missions, can be successful entrepreneurial ventures.

24. SEs are going to increase in their number and scale. It is necessary to **cultivate the demand for SE services/products** to support further development of the sector by:
  - a. Using a **sector-wide brand-building exercise** to elevate brand value of SEs and continue sector-wide marketing and media campaigns;
  - b. Adopting a “**sub-branding**” strategy for highlighting the increasing specialisation in certain sectors or service types of SEs; and
  - c. Funding and assisting market communication and public relations of SEs.
25. To be more consumer-friendly, SEs need more conveniently located **sales channels**. The Government should take the lead, with the participation and support of the SE sector (including the SE support organisations), to:
  - a. encourage the use of Government premises or partnership with other organisations to make space available for SEs;
  - b. explore with other stakeholders (NGOs and businesses) the feasibility of providing SEs sales channels at the district level; and
  - c. continue and reinforce the promotion of **ethical procurement and consumption**.

### **Cross-sector partnership**

26. For the next stage of development, it is important for SEs to enhance **cross-sector partnership**. It entails getting all the stakeholders, particularly the end service users in different local communities, to have regular and close interactions and to build a sense of shared ownership when they try to start SE ventures to address common social issues/problems. The Government and other stakeholders should consider:
  - a. supporting the development of a focal point and specific participation schemes that facilitate cross-sector exchanges and collaboration for SE development. SEs should also actively seek opportunities to have exchanges

and form partnership with other SEs/sectors; and  
 b. supporting an ecology for SE startups to thrive.

27. **Developing SE initiatives at the community level** can contribute to community building and revitalisation, and foster a new caring culture in the society. Proposed initiatives for this purpose include:
  - a. The Government could review the use of SE funding schemes to focus more on community participation;
  - b. The SE sector, the Government and other stakeholders should link up SE promotion with both the conventional district-based economic development initiatives and the emerging Internet-based communities engaging in the sharing economy;
  - c. The Government, the SE sector and other stakeholders such as the business sector could establish a network of innovation hubs, future centers, and co-work spaces in different districts according to local community needs; and
  - d. The Government and other stakeholders should provide seed funding for the creation of an online map showing SEs in different districts.
28. Fostering cooperation among stakeholders in **local communities to launch new SEs/SE projects** can address unmet social needs. To achieve this, the SE sector, the Government and other stakeholders should:
  - a. encourage SEs to enter into industries (e.g. child care) that need new or innovative operations;
  - b. find ways to provide training to community groups to turn underutilised human resources into flexible workforce in the local communities; and
  - c. change the focus from maximising each organisation's impact to the “collective impact” of the community.

### **Overall**

29. The SE community and other stakeholders should prepare for broader changes to Hong Kong in the future:
  - a. SEs set up in Hong Kong should strive for innovation and a broader target group in the local community, or even in communities outside Hong Kong; and
  - b. The SE sector and the Government should work with other stakeholders to develop Hong Kong into a hub of **social enterprises and impact investment** as a new competitive advantage in the longer run.