

## **Social Enterprises and Anti-Poverty: The Case of Work-Integrated Services**

### **Abstract**

“Social Enterprises and Anti-Poverty: The Case of Work-Integrated Services” is a research study commissioned by the Central Policy Unit, Hong Kong SAR Government. It is undertaken by the Unit for Third Sector Studies (UTSS), the Department of Applied Social Sciences (APSS) of The Hong Kong Polytechnic University (PolyU). The main purpose of the study is to examine the phenomenon of social enterprises in Hong Kong, especially the work-integrated models of social enterprises. The current study adopted a case study approach for collecting data, for which a combination of in-depth interviews and documentary analysis were deployed. A total of sixteen cases were chosen that would cover social enterprises of various natures, enabling the study to access social enterprises with different types of business activities and target groups. Based on the study, it was found that the concept of social enterprise was found to be an emerging and evolving entity in Hong Kong, with social enterprises beginning to appear since the late 1990s and increasingly becoming common in the past few years. However, there is yet to be a universal definition of “social enterprise”. It was also found that the target groups of social enterprises were diverse. Economic employment of members of the target groups is the main mission of social enterprises run by host organisations. The integration of target people by most of the social enterprises studied are mainly employment-bound and thus are transitional by nature, offering employment opportunities to serve as a route for the disadvantaged to enter or re-enter the job market. The status of the target people in the social enterprises can be divided into trainees or employees, with training largely conducted on-the-job. The business activities of the studied social enterprises can be broadly classified into three types: production, retailing, and services. The enterprises design their marketing strategies to attain their social goal of work integration within the pragmatic demands of operating a business. To compete in the open market, the social enterprises introduced various measures to increase the competitiveness of their products or services to meet the expectations of customers, such as quality control and brand building. The prices of their products or services are usually determined by cost and prevalent market prices. When deciding on the location of their business activities, the social enterprises took into consideration the cost of the premises as well as prospects for revenue generation in the locale. Some operated from rent-free premises belonging to their host organisations, some turned to venues with low rents, while others operated out of the host organisations’ own premises. In terms of governance of the social enterprises studied, some were registered as a subsidiary unit of their host organisations, while others were operating as a cooperative, a joint venture, a company, or even as a flea market. The critical success factors for launching social enterprises as identified by the interviewed organisations include: (1) tuning the mindsets of host organisations and social entrepreneurs in line with the mission of the particular social enterprise; (2) providing products or services that meet the particular market niche; (3) equipping the social enterprise with essential business knowledge, attitude and skills; (4) brand building; and (5) forming a tripartite partnership amongst the government, the business sector and the third sector.