



Social Entrepreneurs
Newsletter
edited by KK Tse

香港
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HK as the SE Capital of the Far East – *The Case For and Against*

These notes have been prepared to serve as the background material for the participants of the HKSEF Annual Retreat to be held on Saturday, 2-7pm, March 22, 2014, at the Good Lab.

They have been structured to present both sides of the argument. You are encouraged to add your ideas to either side.

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

Margaret Mead

"Some people see things as they are and ask 'why?'. I dream things as they never were and ask: 'why not?'"

George Bernard Shaw

"If at first an idea is not totally absurd, then there is no hope for it."

Albert Einstein

What do we mean by 'HK as the SE Capital of the Far East'

'SE' refers both to social enterprise and social entrepreneurship. We would like to see that within the next ten years there will be in HK

- A sizable number of social enterprises (say, 30 to 50) that everyone in HK could be proud of, and,
- Social entrepreneurship will be widely and readily recognized as the most important force creating positive social change.

'Capital' means a number of things, such as

- A high concentration of social enterprises and social entrepreneurial activities in the city compared to other major cities in the region

- Visitors to the city could easily experience the working and impact of social entrepreneurship and social innovation
- Being recognized as a hub for experience exchange among social entrepreneurs in the region and beyond
- Being recognized as a centre of excellence for social entrepreneurship education, social entrepreneurs incubation, and research and publications
- Having developed a robust and continually refining eco-system in support of social entrepreneurship development
- Exemplary collaboration among the business, public and civil sectors

‘Far East’ – not Asia as a whole, as we do not know much about South Asia and the Middle East. Far east encompasses Southeast Asia, the whole of China, Korea and Japan

1. The Case For

1.1 A new phase needs a new vision

Although SE development in HK has only a brief history, it has gone through two important phases. We are at the edge of a new phase and a new vision is needed.

Phase I was roughly from the 1980s to around 2005, during which the term social enterprise had not even surfaced. Already there were three different groups of organizations which had shown elements of social entrepreneurship. First were the **shelter workshops**, set up by NGOs (with or without government funding support) to create work opportunities for physically or mentally disadvantaged groups. This was usually referred to as **WIS** (Work Integration Schemes).

The second groups were de facto social enterprises, although they were not called or known as such when they were first founded. Examples are **Fullness Christian Vocational Training Council** (founded in 1987) and **Senior Citizen Home Safety Association** (founded in 1996).

By the turn of the century, a number of NGOs were setting up income-generating units which exhibit all the major characteristics of social enterprises. They included such organizations as **New Life Psychiatric Rehabilitation Association** which set up a series of self-financing units offering employment for persons recovering from mental illness under the leadership of its entrepreneurial director, Ms Deborah Wan, and **Mental Health Association of Hong Kong** which brought to life a new social enterprise MentalCare Connect founded by **Chung Wai Shing**.

As it turned out, it was the positive experience of social enterprises founded by these pioneering NGOs that persuaded the (First) **Commission on Poverty** to recommend providing funding support to NGOs to create social enterprises as one of the key measures to alleviate poverty.

Phase II could be considered as the ‘Take-off’ phase of social enterprise development in Hong Kong. It spanned roughly from 2005 to 2014. There were two major driving forces during this period.

First was the government initiative, which began with the recommendation of the Commission on Poverty in 2005 to set up government funding schemes to support NGOs to set up social enterprises. Two schemes, **Enhancing Self-Reliance Through District Partnership Programme** (under the auspices of HAD) and **Enhancing Employment of People with Disabilities Through Small Enterprise Project** (under the auspices of SWD) were launched, providing seed-funding to NGOs to launch social enterprises. Although the results were ‘mixed’, it had nevertheless kick started the growth of social enterprises.

The second impetus had come from private individuals and organizations without any government or NGOs support. A number of ‘new-style’ social enterprises began to appear from 2008 onwards with an

emphasis of the role of social entrepreneurship, such as **Ventures in Development, Gingko House, Nature School, Dialogue in the Dark, L Plus H CIC Ltd, Diamond Cab**, to name a few.

This coincided with the launching of the bi-weekly electronic **Social Entrepreneurs Newsletter** (founded in June 2007), inception of the **Hong Kong Social Entrepreneurship Forum** (founded in 2008), and the convening of the annual **Social Enterprise Summit (民間社企高峰會)** by a consortium of civil society organizations since 2008.

In 2013, three major studies were conducted by three very different organizations to assess the state of social entrepreneurship in HK as well as where it should be headed. They were the **RS Group**, which sponsored the EngageHK Report, the **Bauhinia Foundation** (a think tank) which released its report on Social Enterprises in Hong Kong, and the **Social Enterprise Advisory Committee**, which had commissioned CUHK and SEBC to jointly undertake by far the most comprehensive study of social enterprise development in HK. (The report has been prepared but not yet released to the public as of March 2014). The recommendations of all three studies pointed to the imperative of more focused and coordinated effort to guide and support the development of the field.

2013 was also significant because of the setting up by the government of the HK\$500 million **Social Innovation and Entrepreneurship Development Fund**. Starting from 2014, the Fund will be supporting a number of ‘intermediaries’ which will have to demonstrate that they are contributing to the development of the field through some innovative and purposeful programs.

A new phase is dawning

Looking back at the past ten years, we could take pride in observing remarkable achievements on many fronts, despite the fact that there were no well thought-out plans to guide us. We have stumbled to achieve a lot. Looking ahead, we could not afford to just muddle through. It is essential that we formulate a strategic vision for the coming decade and develop appropriate strategies to leverage the creativity and resourcefulness of various parties to realize the vision.

1.2 Building on strengths

We have a strong case for our bold vision because of some key strengths that we have built up over the past decades, such as:

- **Entrepreneurship for social good** – HK has long been known for its entrepreneurial spirit (second to none in Asia), but over the past decade we have seen a growing number of people applying their entrepreneurial talent to create social benefits to great effect.
- **Growing public awareness of social enterprises** – as documented by recent surveys, the general public’s awareness of social enterprises and their impact has increased significantly over the last five years.
- **Trusting and collaborative relationship between government agencies and civil society organizations** – this is a highly prized asset which is not easily found in most cities in Asia
- **An annual conference serving as a hub for experience exchange** – our annual Social Enterprise Summits (now in its seventh year) has attracted a lot of regional interest and is poised for further enhancement in its reach and depth.
- **Academic institutions are gearing up to support SE development** – a number of local universities have started innovative programs to inspire, educate and support students in social innovation and social entrepreneurship and the momentum and impact are being felt
- **Research and publications** – over the past five years, at least a dozen books have been published on the subject of social enterprise and social entrepreneurship. The fact that such a prestigious daily as **Hong Kong Economic Journal** serialized over 30 articles prior to the annual Summit each year testifies to the receptiveness of the subject by the business press. Another daily newspaper, **Hong Kong Economic Times**, also set up an online platform, **SE**

Gallery, to promote the field. The **Social Entrepreneurs Newsletter**, which was started in June 2007 and is now in its 156th issue, is unique in the region.

All these have contributed to building up a sizable group of social enterprises that we could be truly proud of. A partial list is as follows:

- Senior Citizens Home Safety Association
- Fullness Social Enterprise
- MentalCare Connect
- 330 (New Life Psychiatric Rehabilitation Association)
- Gingko House
- Ventures in Development
- Dialogue in the Dark
- Dialogue in Silence
- L Plus H
- Diamond Cab
- Happy Veggies
- SoSoap
- Nature School
- Green Ladies
- ibakery
- Solution on Wheels
- Bonham Strand
- Light Be
- Fairtaste
- Biciline
- Good Lab
- Good Kitchen
- Education for Good

This list could go on. All of them have been created by innovative social entrepreneurs, with clear social mission addressing burning social issues. Most of them have proven to be financially self-sustaining.

1.3 The NGO sector is undergoing a major transformation

NGOs have long been the cornerstone of social services provision in Hong Kong, supported by government subvention and philanthropic donations. They were also pioneers in social enterprise development. Initially they experienced a steep learning curve and many of them have difficulty in realizing both the social mission and financial sustainability at the same time. But things have been changing very fast. We are witnessing an increasing number of NGOs excelling themselves in launching successful social enterprises. Some notable examples are **Tung Wah Group of Hospitals, New Life Psychiatric Rehabilitation Association, Mental Health Association of Hong Kong, YWCA, Sheng Kung Hui Welfare Council, St. James Settlement**, to name a few.

The implications are two-fold. First, the leaders in the field are likely to make even greater contribution to the social enterprise sector in the years to come. Second, their examples will inspire and spur other NGOs to follow suit. We could expect a major transformation in the capability of NGOs in launching innovative and financially self-sustaining social enterprises in the coming decade.

1.4 HKSAR Government playing a vital role

It is amply apparent that the HKSAR government is keen to promote social innovation and entrepreneurship as well as social enterprises. In addition to the **Social Innovation and Entrepreneurship Development Fund**, there are other established schemes to provide seed-funding for social enterprise startups.

In realizing the vision of HK as the SE capital of the Far East, the role of the government will be critical. There are at least five different ways that it could make significant contribution to the effort.

First, reviewing and revamping the existing funding schemes for social enterprises to take into account of the rapid development of the field.

Second, ensuring that the new Social Innovation Fund will promote social innovation that could create strategic social impact and serve as role models.

Third, deepening the collaborative relationship with the civil society organizations.

Four, developing new policies to encourage all government departments to proactively support social enterprise development, such as making changes in their procurement policies.

Five, providing incentives for the business sector to work with and support social enterprises.

1.5 Growing contribution to social enterprise development by the business sector

One extremely encouraging sign observable in recent years has been the gradual but steady increase in interest and participation in social enterprises by the business sector. A growing number of corporations are providing a variety of support to the sector.

Some notable examples are:

- HSBC
 - Li & Fung Group
 - Henderson Development
 - New World Development
 - CSL
 - DBS
 - Wheellock
 - The Link
 - Hung Fuk Tong
 - Ocean Empire Group
- etc.

The list is growing. And they provide inspiration for other businesses to follow. We could expect a major explosion of interest and participation in the coming decade.

At the same time, we should take note of the fact that not only individual corporations are showing interest in social entrepreneurship, even more noticeable is the growing number of business and professional people who are moving into the social enterprise sector.

Some well known names tell their stories, such as: **C H Kee, Francis Ngai, Marie So, Patrick Cheung, Ada Wong, Ada Ho, Irene Leung, Cora Chu, Annie Chen, Ted Kwan, Vincent Wong, Rebecca Choy, K K Tse**, and many others. They have become a new driving force to stimulate the dynamic growth of the sector.

1.6 Local universities promoting social entrepreneurship education

Hong Kong is a late comer on the world stage in terms of social enterprise development. As far as social entrepreneurship education at university level is concerned, Hong Kong lags behind the West by at least twenty years.

But things are changing, and changing fast. Through the effort of **Education for Good** (with generous support from **HKSEF, RS Group and Social Enterprise Summit**), a series of faculty training by international experts and Inter-University Forums have been conducted in the last two years to enable local faculty members from all institutions of higher education to learn from best practices and major trends in this rapidly expanding field. A monthly e-Newsletter **Inter-University Forum on Social Entrepreneurship** has also been published by Education for Good since September, 2012, to facilitate inter-university exchange.

A number of universities have started to launch courses and programs on social entrepreneurship, notably **CityU, CUHK, HKU, and PolyU**.

CityU, for example, has a university-wide program known as **Project Flame** offering a variety of initiatives on social innovation and social entrepreneurship. It has recruited one of the most well known and experienced social entrepreneurs in Hong Kong, **Timothy Ma**, to serve as the program's Executive Director.

CUHK has launched the **I-Care** program to encourage students to design and implement projects with social impact.

HKU was among the first local universities to offer a **6-credit course on social entrepreneurship** two years ago, and starting from this year it teamed up with Education for Good to launch a non-credit-bearing **Young Social Entrepreneurs Program** which was over-subscribed by 200%.

PolyU has just launched its **Jockey Club Design Institute for Social Innovation** to promote best practices in design for social good.

In March this year, the **British Council** and **Education for Good** are jointly organizing a lecture tour by Prof. Alex Nichols of Oxford University in Hong Kong. Prof. Nichols, a social entrepreneur himself, was the first lecturer on social entrepreneurship ever appointed by a British university.

What is particularly encouraging in all these is the interaction and dialogue among faculty members from different universities. They are modeling the practice of some world-class practitioners which emphasizes sharing, collaboration, and synergy, rather than competition.

All these have taken place against the background of growing student interest in social entrepreneurship as testified by the increasing popularity of the annual **SE Challenge** (funded by **HAB** and organized by the **Centre for Entrepreneurship, CUHK**) open to students from all tertiary institutions. Hundreds of students were given training and formed teams to enter the SE business plan competition for the past six years.

We could anticipate that in the coming years, universities will be playing a vital role in enabling the younger generation to appreciate the potential impact and challenges of social entrepreneurship as well as preparing them to consider social entrepreneurship as a career option.

1.7 Impact Investing is poised to make an impact

Although impact investing has captured the imagination of many socially motivated investors in many parts of the world, the best characterization of it in Hong Kong might be ‘**祇聽樓梯响，不見有人來**’ (‘We hear sound on the staircase, but no one is turning up yet.’). Up to this moment, there has been more talk than actions.

One fundamental issue is the lack of ‘investable’ social enterprises. The overwhelming majority of social enterprises is small-scale operations, while most of the larger ones either belong to NGOs (which make them out of reach by investors) or had been set up in such a way that new investors are difficult to get involved.

To be qualified as ‘investable’, a social enterprise has to exhibit the following characteristics:

- It is not NGO-owned, as NGOs have much reservations about accepting outside investors
- It is not receiving any government grants, as government-funded social enterprises are not allowed to distribute dividends to shareholders
- It has proven to be profitable, as impact investors tend to be risk-averse and would hesitate to invest in yet-to-be-profitable businesses
- It is scalable and has definite plans to scale up, as impact investors look for growth and scale
- It has an innovative product and business model, as impact investors look for competitive, sustainable, and socially impactful business
- It is registered as a company limited by shares, as only this form of company allows for dividends distribution and shares transfer

In short, such social enterprises are almost non-existent. No wonder potential impact investors are hard pressed to find investable targets.

But things are changing. NGOs have previously been the principal players in the field. But currently the rate of growth of social enterprises set up by private individuals far outpaces that of the NGOs. The newly formed social enterprises have a much greater chance of meeting most (if not all) of the criteria mentioned above. But it will of course take time for them to mature to such a stage that impact investors will find them attractive. The next few years will see more opportunities for the latter to make an impact.

While we fully recognize that the lack of ‘investable’ targets has been the single most important factor contributing the slow pick up of impact investing in Hong Kong, it is also essential to look at the other side of the equation – the mindset and motivations of the impact investors.

To most social entrepreneurs in the field, many of the self-professed impact investors currently found in Hong Kong are more interested in ‘investing’ than ‘impact’. They tend to look at the prospective investees from a conventional investment point of view, and fail to take into account of the early stage of development of businesses with a social mission. But there are exceptions.

One inspiring example is the **RS Group**. It has been an investor to a large number of social enterprises in the past few years, including **SVHK, Dialogue in the Dark, Diamond Cab, Light Be**, to name a few. All these ventures were at an early stage when the initial investments were made, which made them exhibit an element of ‘angel investing’. This is precisely what is needed at the current stage of social enterprise development in Hong Kong.

Another example is **SOW Asia**, which has been actively looking for investment opportunities in social enterprises in the past few years. One of their recent initiatives is a novel **i2i Program** where i2i refers to ‘incubatees to investors’, that is to say, they identify a number of promising social enterprises (all early stage) and provide support to them so that they could be ready for accepting investment from impact investors in due course.

In the coming decade, we need more impact investors which could think and experiment like RS Group and SOW Asia. This would entail a strong element of angel investing.

1.8 Hong Kong’s potential contribution to social enterprise development in China

The mission of HKSEF is **‘to create and sustain a civic movement of social entrepreneurship.’** When this mission was being formulated by the founding members of the Forum, there was the debate whether or not we should add ‘in Hong Kong’ at the end of the statement. After some heated discussions, it was finally decided that it should not be included.

The main reason was that many members believed that the ‘civic movement’ we aspired to create and sustain should not be confined to HK. Rather, it should be promoted and supported in the entire region, including mainland China. But as we were just starting to find our footing, the focus of attention should naturally be Hong Kong. It is apparent that at the bottom of many founding members’ hearts, there is the urge to contribute to China’s social enterprise development in the not-too-distant-future.

After five years, we have strong grounds for revisiting the situation. We believe we have accumulated some valuable experience and lessons that we could share with our counterparts in China. And we should be doing this in a systematic and forceful manner.

We have recently review five books on the subject of social enterprise published inside China by mainland authors in the past two years. To our surprise, there was hardly any mention of the positive experience of social enterprise and social entrepreneurship development in Hong Kong. There were some references to government websites and its somewhat outdated definition of social enterprise. But generally all these otherwise well researched volumes were totally uninformed about what has been happening in Hong Kong in the past ten years. There was no mention of such important organizations or events as HKSEF, HK General Chamber of Social Enterprises, SVHK, Social Enterprise Summit, SE Challenge, MaD, etc. There were no reference to any of the books or Newsletters published in Hong Kong. None of the ten books published in HK during this period appears in the long list of books cited in these texts.

This says a lot about our effort (or lack of it) in enabling interested parties inside China to learn from the Hong Kong experience.

In the coming decade, this situation must be changed. Setting our vision as the SE capital of the Far East will enable us to consolidate our positive lessons in developing and supporting social entrepreneurship, as well as facilitate our sharing with interested parties in the Mainland. China is currently undergoing a major transformation in many respects, and social innovation and entrepreneurship is clearly high on the agenda. Hong Kong could and should make a major contribution in this area, as we have done in contributing to making China the ‘workshop of the world’ in the past 30 years.

1.9 Learning and harnessing best practices elsewhere

In order to realize our bold vision, we must be good at learning from new practices, approaches, and trends developed in other parts of the world, as we have been doing in the past decade.

Good learning entails good adaptations so as to better harness and leverage what we have learnt for the benefit of the local environment.

In the coming decade, we have to continue to excel ourselves in this task. Looking ahead, there are at least four major approaches we have to master:

1.9.1 *UnLtd HK*

UK currently boasts over 60,000 social enterprises. They were started mainly by civil society organizations with no or very limited government support. It was only after they had grown to a substantial size as a sector that the government began to see their contribution and potential, and looked for ways to further support their growth.

To the credit of the UK government, they did not think that government agencies could do a good job in promoting social enterprise development. Instead they enlisted seven civil society organizations which were already providing active support to social entrepreneurs to form a new organization to design and implement brand new programs for the purpose. The result was the creation of a new organization called **UnLtd.** in 2000. The UK government provided them with an endowment fund of 100 million pounds to provide funding for running the new organization.

UnLtd. has since launched a number of innovative initiatives to encourage, mentor, support and invest in aspiring social entrepreneurs. They have become so successful that a number of countries outside the UK is adopting their basic model. They are eager to share their experience to the latter in a format similar to a franchise system but without involving any franchise fees.

We will soon be launching our version of **UnLtd. HK** this year under the leadership of **Kelvin Cheung** (who has benefitted from UnLtd. support when he set up his own social enterprise in the UK) and the mentorship of **Ada Wong** of the **Good Lab**.

1.9.2 Community-based approach to social enterprise development

The word ‘community’ has been overused. Sometimes we use it to refer to such large groups of people that the original meanings of the term could be completely lost. In the U.S., one social entrepreneur, **Christopher Gergen**, has pioneered a new approach by focusing on ‘smaller’ communities (meaning small cities or large towns, the first one was Durham, North Carolina, which has a population of 300,000). Typically, it engages and facilitates a number of key sectors in the community (universities, corporations, NGOs, government agencies, grass root organizations, etc) to provide integrated and comprehensive support to aspiring social entrepreneurs. This has proven to be a much more effective way to foster social entrepreneurship and rejuvenate local economies. The community-based approach has since been replicated in a number of U.S. Cities.

Last year, **Social Enterprise Summit, HKSEF and Education for Good** joint hands to bring Christopher Gergen to Hong Kong for a speaking tour. The response has been so positive that the **HAB** has decided to work with the Summit Organizing Committee to test out the idea in three Districts in Hong Kong in 2014 (Shum Shui Po, Kowloon City and Southern District).

This might well become a cornerstone for social enterprise development here.

1.9.3 Lean startup

In the August, 2013 issue of the **Harvard Business Review**, an article was published by Steve Blank of Stanford University bearing the title of ‘**Why the Lean Startup Have Changed Everything**’. It was a bold claim. ‘Lean Startup’ refers to a new methodology which could be learned and mastered to greatly improve the chances of success of startups. One claim puts it this way: from 90% failure rate to 90% success rate in startups.

To the extent that this claim can be substantiated, it will indeed entirely change the prospects of startups in business, including social ventures. Since the first book on the subject appeared in 2012 (**The Lean Startup by Eric Ries**), it has given rise to a global movement to learn and apply the lean startup methodology. There has been a surge of talks, workshops, courses, and conferences on the subject in most cities in the world, including even China. Business schools are scrambling to offer courses and programs on the subject.

Social enterprises and NGOs are not slow in realizing its potential; there is now a brand new website **LEAN IMPACT** dedicated to help social good organizations to master this approach.

Education for Good has been a pioneer in introducing the lean startup approach to NGOs and social enterprises here. It has proven to be a highly effective approach. Although it is too early to test the

claim mention above, all those who have mastered its basic approach concur that it has been a 'god send'. There is hardly any doubt that the systematic training and adoption of this methodology could greatly enhance the chances of success of social enterprise startups.

1.9.4 B Corporation

B stands for benefit, or more precisely, social benefit.

According to the certifying body, '**B Corps are a new type of corporation which uses the power of business to solve social and environmental problems.**'

B Corps are registered as ordinary businesses. They are profit making business, but they commit themselves to doing social and environmental good at the same time.

It is not a social enterprise in the conventional sense; it is similar in terms of its social purpose and impact, but there are no restrictions on its profit distribution and it normally does not require or accept philanthropic donations or government funding support.

It is also entirely different from Corporate Social Responsibility (CSR). Typically CSR takes up a tiny fraction of a corporation's budget; but in a B Corp, the entire operation is geared towards producing social or environmental good.

Looking ahead coming decades (in HK and the world at large), the important thing is not the absolute number of social enterprises created, but how these enterprises will have a direct influence on changing the way normal businesses are run. We believe that the idea of B Corp (or a similar version of it) will flourish in Hong Kong in the near future, and the better and faster social enterprises will grow and prosper will have a positive effect on accelerating this change.

Learning to supercede our teachers

While we emphasize the imperative to learn from best practices and approaches from other parts of the world, we are also keen to learn to adapt to our own environment, and whenever possible, to supercede our teachers.

Dialogue in the Dark (DiD) HK is a case in point. DiD HK is a franchisee of the world's most successful social franchise, Dialogue in the Dark, founded by **Andreas Heinecke** in Germany some 30 years ago. We have learnt a lot from our teacher. But DiD HK has superceded the mother organization and fellow franchisees in many ways, such as becoming:

- the first to make **Executive Workshops** (conducted by vision-impaired trainers) a cornerstone for DiD business, indeed DiD HK is now running more workshops than all the workshops DiD International operators combined in the whole world
- the first to create **Concert in the Dark**
- the first to create a new business **Dialogue in Silence**
- the first to achieve break-even at the seventh month of operation, turn a profit in the second year, and distribute dividends to shareholders in the third year onwards
- the first franchisee to commit 1/3 of our annual net profit to set up **DiD (HK) Foundation** to support 'people of differences' to realize their dreams
- the first to donate money to help other Asian countries to set up Dialogue in the Dark.
- the first social enterprise to go mainstream in a joint venture with **Ngon Ping 360** to offer dialogue experience in Lantau Island
- the first social enterprise to reach the No. 1 spot on the **TripAdvisor** website for Hong Kong tourist attractions – something unheard of in any part of the world.

Looking ahead the coming decade, Hong Kong has a lot to learn from other parts of the world, and there are also boundless opportunities for us to excel ourselves and become a world-class player.

1.10 A social eco-system in support of our vision

The past few years have witnessed a growing interest in building the social eco-system in Hong Kong. And rightly so.

A social eco-system has a number of key features:

- It consists of a number of elements interacting and mutually supporting each other
- The individual elements are usually created by separate individuals or organizations without any coordination at first, but they begin to respond and adjust to feed on each other as the eco-system evolves
- A social eco-system is typically a self-evolving system without any 'centralized' plan or direction
- It is possible that some elements of the system might lag behind other elements or the whole system in responding and adapting to changing needs and challenges. If these elements do not self-adjust themselves in a timely manner, they might become a dysfunctional part of the eco-system, bringing down the performance of the whole system
- A social eco-system will work best and evolve in the most healthy manner when the key players know, respect and trust each other, so that they could provide mutual feedback and support among themselves to grow and improve together

In Hong Kong, we are fortunate that the key players of the eco-system do know each other. It will be even better when there is a common vision shared by everyone so that all could work together towards the same goal. It will also enable gaps in the system to be identified earlier and actions taken to fill these gaps.

In short, creating a shared vision for the key players in our evolving social eco-system could go a long way to enable it to better function, adapt, and meet new challenges.

The above attempts to make a strong case for having a shared vision for Hong Kong as the SE Capital of the Far East.

In what follows, a number of counter arguments will be presented.

Readers are welcome to contribute their ideas on either side of the argument.

2. The Case Against

2.1. Having a big vision is a major distraction

Hong Kong is at an early stage of SE development. Having a big vision would be a big distraction for our practitioners who are fully absorbed in their daily challenges. We could wait for another ten or twenty years before we attempt to have a big vision.

2.2 Realizing a big vision cost a a lot of resources

It goes without saying that it will cost a lot of financial, human and organizational resources to implement a big vision. Where will the resources come from? We are not just talking about money here,

but also the organizational set up, the leadership and execution talents, which are all in short supply right now.

2.3 Social enterprises are far too small to make an impact

Although we are counting 400+ social enterprises in Hong Kong, most of them are small, even tiny, and unsure of their prospects of survival. It is unlikely that they could mature and grow to a stage that they could have an impact on the economy or enable Hong Kong to become a showcase of successful social ventures.

2.4 The business sector is unlikely to come on board

Given the limited understanding and participation in SE development by the business sector, it is unlikely that they will play a major part in realizing this vision. There are serious doubts whether or not we could pursue such a bold vision with limited business sector contribution. Our energy might be better spent in educating and encouraging the business sector to become a partner in SE development.

2.5 Government's role is ambivalent

It is difficult to tell whether or not the government is fully behind this idea. And in any case it is hard to ascertain what level or nature its commitment would be. The current Chief Executive is facing so many challenges that he is unlikely to be interested in championing this project. The Chief Secretary might be more receptive, but she seems to have too many things on her plate already. Theoretically, HAB is the bureau responsible for coordinating SE policy matters, but it is not apparent that the Bureau would be in a position to take the lead. In short, without clear, unambiguous, and full support from the government, the proposed vision is unlikely to get off the ground.

2.6 Lack of sustained leadership

To formulate and agree on a vision is one thing, but to have sustained leadership to see it through is quite another. At this juncture, it is not clear where this leadership will come from. There is simply no organization, or a collective group of organizations, which could provide the leadership for the purpose. And we are not talking about leadership for one, two or three years, but a sustained leadership for the entire decade and beyond.

2.7 Provoking unnecessary jealousy from our neighbors

If we aspire to become the SE Capital of the Far East, what will other metropolitan cities in the region think about us? We might invite unnecessary jealousy, misunderstanding, even resentment, which are all counter-productive for our desired outcomes. It seems that we should just keep our eyes down, do our own work well and let others judge our results themselves.

Your feedback will be most welcome.

*Prepared by KK Tse, March 7, 2014
Revised March 9, 2014*