自由論題報告

A New Approach to Government's Funding to Social Enterprises

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Abstract

A social enterprise (SE) is a business entity created by social entrepreneurs to several organizational goals, which, according to Dees (1998, revised in 2001), include adopting a mission to create and sustain social value (not just private value), recognizing and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation, and learning, acting boldly without being limited by resources currently in hand, and exhibiting heightened accountability to the constituencies served and for the outcomes created. The concept of SE originates from the theory of social entrepreneurship, which is frequently defined as NPOs engaging in entrepreneurial activities (Lasprogata and Cotton, 2003), or for-profit businesses conducting non-profit or social activities (Wallace, 1999; Baron, 2007). As many SEs are mostly in the startup stage in many countries and thus are in need of government's financial support, this study aims to explore the effect of several government's policy tools on firm value of SEs and to identify the optimal government tool to support SEs. The policy tools of interest are chosen due to their direct financial impact on firm value. By examining its financial impact on firm value of SEs, policy-makers can not only select the optimal policy tool to support SEs, but also help SEs sustain and succeed in the business world. In this study, a simplified firm value model of SE is constructed and then the research is directed to evaluate the effects of various policy tools on the value of a SE. With risk analysis on the distribution of firm value, a new approach to government's funding policies is therefore proposed to ensure SE's long-term sustainability.

Keywords: social enterprise, social entrepreneurship, firm value