

EXECUTIVE SUMMARY

Persistent environmental challenges along with social ones including our worsening wealth gap, lack of affordable housing, ageing population, and growing discontent among certain sectors of our community represent some of the most pressing issues hindering Hong Kong's pursuit of a better future even as we continue to hold on to top spots in world competitiveness surveys in recent years.

EngageHK is a community-wide initiative to foster a collaborative social ecosystem that facilitates the flow of ideas and capital to build a more sustainable and resilient future for Hong Kong.

Our goals involve:

- 1) providing an overview of Hong Kong's current social ecosystem of stakeholders working on social issues,
- 2) identifying stakeholders' desire to scale and optimize their impact within the context of the broader social ecosystem, and
- 3) formulating recommendations to help stakeholders build an ecosystem that more effectively meets their needs.

The stakeholder groups covered in this paper include government, academia, corporations, foundations and charitable trusts, non-profits, social enterprises and intermediaries which we collectively refer to as stakeholders in Hong Kong's social ecosystem. We also acknowledge the crucial role media plays in shaping and framing public opinion with regard to Hong Kong's social challenges.

Our research was informed by Jed Emerson's Blended Value Framework and conducted from February 2012 to April 2013, when we interviewed over one hundred individuals from more than 80 Hong Kong-based organizations, completed an online survey with 88 respondents and conducted four workshops involving 20 to 25 participants each.

We then identified and summarized five cross-cutting issues that represented the key drivers impacting the sustainability of Hong Kong's social ecosystem, including the key gaps and opportunities. These cross-cutting issues include:

- Lack of Cross-sector Collaboration - Hong Kong lacks a culture of knowledge sharing and collaboration, and thus is unable to realize the benefits of cross-sector collaboration in developing the social ecosystem.
- Lack of an Enabling Environment for Social Finance - There is no organized "clearinghouse" for ideas and philanthropic funding to NGOs and social businesses, as well as a lack of awareness of the role and importance of the intermediary sector.
- Ambiguous Definitions and Roles of Social Enterprises - Locally-appropriate legal and policy framework to scale social entrepreneurship and enterprises and suitable social impact metrics are two key areas still in need of further development.
- Limited Interest to be Accountable to Shared Sustainability Goals - While all stakeholders recognize the benefit of greater accountability and transparency towards shared sustainability goals, many seem unwilling to take the lead unless compelled.
- Approach and Role of the Government – The government has yet to articulate a shared vision, coherent policy and funding approach. It appears to be guided more by political expediency considerations that may be insufficient to address longer-term structural challenges.

To further analyze the cross-cutting issues to come up with findings, identify propositions and possible recommendations, participants in our advisory committee workshops discussed and refined five broad propositions. These were subsequently validated by results from our online survey and discussed at our third and fourth advisory committee workshops. The propositions are:

- Foster Mindset Shifts
- Develop a Vibrant Intermediary Sector
- Create Enabling Public Policies
- Articulate a Shared Vision for Hong Kong's Future
- Develop Appropriate Impact Metrics

To achieve the propositions, we identified specific recommendations, namely:

1. Foster Cross-sector Dialogue and Collaboration
 - (a) Promoting cross-sector careers and leadership opportunities
 - (b) Creating a network of co-working spaces
 - (c) Developing alternatives to mainstream media in showcasing socially-oriented initiatives addressing target social issues
2. Focus on Both Social and Economic Benefits
 - (a) Fostering a mindset shift towards a blended value approach that incorporates social and environmental sustainability considerations in addition to financial goals
 - (b) Developing and supporting a hybrid sector that explicitly combines social, environmental and economic impact goals
3. Create Clearinghouses for Ideas and Capital
 - (a) Developing a robust intermediary sector that attracts talent and innovation
 - (b) Encouraging all sectors to support intermediaries
4. Promote Greater Accountability and Transparency
 - (a) Developing user-relevant impact metrics to facilitate sharing and benchmarking of results across sectors
 - (b) Establishing a cross-sector platform for government and other sectors to share best practices ideas, data and resources
 - (c) Engaging with professional services firms and intermediaries to collaborate on research devising an integrated reporting framework suitable for Hong Kong
5. Encourage Enabling Role of Government.
 - (a) Expanding Hong Kong's financial hub status to include social finance and innovation
 - (b) Promoting social innovation and a risk taking mindset within the government
 - (c) Ensuring internal consistency within various government regulations and policies in supporting social innovation and impact economy

Overall, we are encouraged by the increasing number of people who appreciate the need to approach Hong Kong's sustainability challenges holistically while recognizing our common interests for a better future.

However, we need to move quickly forward, together, or Hong Kong will risk losing its competitiveness, falling behind other global cities.