

THE APPLICATION OF SOCIAL
INNOVATION IN HONG KONG
BUSINESSES TO HELP HONG KONG
BECOME “A SMART, GREEN AND
RESILIENT CITY”

Leung Yin Shan, Sandy

CAPSTONE REFLECTIVE THESIS Supervisor: Prof. Kevin Denney

Abstract:

From the traditional view of the role of businesses solely being for profit, to the shift in the 21st century to the growing responsibility of businesses for the social, economic and environmental aspects of the environment they reside or operate in. Social innovation is now seen as an ever growing and essential factor in one way or another for businesses to have a competitive advantage or edge. By focusing on the most pressing social needs of a society, businesses are able to speed up the rectification and lessen the damage of the problems the society faces through the power of collective unity. Evident from different stages of a businesses' operations, initiatives seen as social innovation serve as solutions to the most significant modern-day problems. Hong Kong has published its plan for its 2030+ goal to become a "Smart, Green and Resilient City", this article investigates which problems are the most pressing and what the needs of Hong Kong are and how incorporating social innovation can help propel Hong Kong's progress further to become a truly "Smart, Green and Resilient City".

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Chapter 1: Introduction

1.1 Background:

1.1.1 The Traditional Roles of a Business:

From Nobel Prize Laureate Milton Friedman's famous line in the late 19th century that "there is one and only one social responsibility of business, to use its resources and engage in activities designed to increase its profits...without deception fraud" (Friedman, 1970) to the shift in the 21st century where conceptualizations of Corporate Governance, Corporate Social Responsibility (CSR) and sustainability has an ever growing significance- the role of businesses to this day are still being heavily debated on (Agabu, 2020). The role of businesses in a society has always had a heavy stake from its competitiveness in the industry they reside, to its brand image and how it innovates which affects its growth, managed by its owners, the Chief Executive Officer (CEO) or its Board of Directors (BOD) (Fitzgerald & Cormack, 2006) and implemented by its operation, employees and products and services provided.

Shareholders are the fundamental investors of a business, they provide the needed finance in order for a business to function in return for financial gains and thus often look for businesses to earn more in order for them to also gain more, which is the responsibility of the management. This is often seen as the point of a business, in line with Friedman's doctrine, that the point of a business is profit maximization (Doorasamy & Baldaaloo, 2016).

1.1.2 The Problems & Its Significance:

Communities have regarded businesses as selfish, taking more than they give to the community, with some anti-globalization sentiments even basing their beliefs through a core thought that businesses do more harm than good (Handy, 2002). By seeking short term profitability and foregoing long term sustainability which financial managers often do due to the uncertainty of the outcome of high investment costs related to some sustainable initiatives, might actually raise costs in the long run and do more harm than good (Doorasamy & Baldaaloo, 2016). The harm, specifically is how they have been seen as one of the main sources and largest contributors to environmental pollution through

production process and excesses, depleting natural resources causing irreversible damage destroying industries and national economies, exploiting or overworking workers and increasing the decomposition of social relationships, focusing only for profit and utility maximization goals as a priority and causing globalization resulting in a homogenized national cultural tradition around the world (Lang & Murphy, 2014).

The significance of these problems and its effects which are growing garnered the attention of businesses to rethink whether profit maximization is or should be the firm's sole purpose. For increasing industrialized activities resulting in increasing demand of scarce resources now dictate an ever-growing crisis on the balance between economic, environmental and social effects (Doorasamy & Baldavaloo, 2016).

1.1.3 How the Roles of a Business has Shifted

This shift and its ever-growing consequences of such a focus has brought academics and some businesses alike to reconsider the roles of a business, resulting in the conclusion that although businesses require profit to survive, a business earns profit so it can do more or better, and to do so, regardless of their definition, they require a sustainable planet in order for the businesses own survival as rarely do they mean to be short-term entities (Handy, 2002).

Including all the conceptual notions of sustainability, including not only environmental and climate change, but even the more neglected aspects like economic, social and cultural dimensions which exist and interact with its processes and activities are an essential component of businesses for their survival (Lang & Murphy, 2014) and for the survival for the communities they reside in, or in the larger part the world as their resources-be it human or materials come from it and so do the consumers in which the exchange for goods and services for profit occurs.

In essence, a business's success and survival is largely interdependent with the society it resides in and how it forms a relationship with its stakeholders, managing the intricacies and designing its strategies to meet its economic goals, as well as social and environmental, if any-amongst other factors.

1.1.4 Business Risks and Costs Associated with Shift

That is not to say businesses have no troubles doing so or that it is in any way easy to make changes, especially when the business hadn't started out with any social goals to begin with. Consumers might be unknowingly resistant to the changes an established business makes, there might also be an abundance of grey areas when they start to involve social or environmental goals, with no clear-cut solution as either or may have damaging repercussions and it just depends on which is less (Fitzgerald & Cormack, 2006).

Often, it also means the businesses and the leaders of it have to go into relatively uncharted territories with no predecessors where they might face more additional unconventional and new circumstances which requires expertise which means more cost as well as limiting the control, they have over the outcomes which means more risk and uncertainty (Fitzgerald & Cormack, 2006) most investors are risk adverse- that includes businesses as well (Hull, 2018) because they have to answer back and report back to their investors if anything major happens. However, being too risk adverse has shown more negative outcomes than positive in many studies (Walters & Ramiah, 2016).

Empirical case studies of projects worldwide have shown that businesses which fail to factor in the costs of conflicts from not including social or environmental goals could result in suffering loss far greater than the average expenditure like in the case of one large-scale development project in the extractive industry where the business suffered from four times the average expenditure, not including delayed production of goods (Franks et al., 2014).

Businesses have the potential and have been doing so much more, from efforts to alleviate the problems mentioned above, to finding new ways of bringing better or more affordable products and services to consumers (Handy, 2002). It is possible to meet their for-profit goals in conjunction with their social and economic goals and doing so, with adequate risk management and accounting for long term sustainability instead of short-term profits. Having the business be a profitable agent of progress in the society, with measured success as a collective effect.

1.1.5 Where Social Innovation comes into play:

The remaining question that surfaces throughout it all is, how? This brings us to the concept of innovation. Seen as an ability and defined as a process essential to the survival of a company in competitive markets (Fitzgerald & Cormack, 2006). Social innovation is a form of innovation which focuses on solving the most pressing social needs in simple terms, this form of innovation has garnered growing attention from policy makers and has its origins as a participatory process of working together from individuals, groups, communities and even businesses to create and develop solutions to address those needs affecting said community or society (Science Communication Unit of UWE, 2014). Those needs also include environmental, due to the nature of social innovation and its collaborative aspects, it allows the transition of behavioural shifts towards a society for living a more sustainable life and helping to smooth out the process of creating more sustainable businesses (Science Communication Unit of UWE, 2014). Meaning although social innovation has its roots in helping solve social problems, due to many social problems often being intertwined in environmental issues, social innovation has strong environmental implications. This is one of the reasons why it is so significant, especially in today's society when climate change and other major problems are increasing with urgency.

1.2 Problem Statement:

It is due to the importance and the potential that businesses have to better the society that the incorporation of social innovation is so significant. However, how can social innovation be applied? On what levels and in what way, specific to Hong Kong's situation, problems and plans to become a "Smart, Green and Resilient (SGR) City"? This is the identified research gap. This is why this article's main focus will be on how social innovation can be applied to Hong Kong Business to help Hong Kong further its initiatives to become a "Smart, Green and Resilient City".

1.3 Purpose of Study & Research Objectives:

The aim of this research, is therefore separated into 3 key aspects as broken down from the title:

1. What are methods of application of Social Innovation? How are they applied in business?
2. What methods of application are most suited to Hong Kong Businesses based on the needs and problems of Hong Kong and its environment?
3. How can these initiatives further the progress of helping Hong Kong become a “Smart, Green and Resilient City”?

1.4 Preview of Thesis Organization and Methodology:

This study will be conducted via exploratory qualitative research, using both primary and secondary resources. We've narrowed down the location to be Hong Kong to provide more context specific insights which are richer with more depth.

This article addresses the above 3 key aspects via the following chapters:

2. Defining Social Innovation
3. Hong Kong's most pressing needs and problems
4. Concept of SGR and Hong Kong's 2030 Plans
5. How can incorporating Social Innovation into Start-ups or businesses be it hybrid or for-profit help resolve the identified issues?
6. How can social innovation be incorporated into start-ups or businesses in Hong Kong?

All of the chapters will contain literature reviews but chapter 3 will include insights generated from in-depth interviews, chapter 5 will have case studies and insights generated from an analysis framework which is located in the appendix.

Before all this can be done, we first need to define what we mean by Social Innovation as it is considered an umbrella term encompassing quite an array of social initiatives, processes and programs (Pue et al., 2016) which often makes it harder to define and identify, depending on which definition is used.

Chapter 2: Defining Social Innovation

2.1 The Origin of Social Innovation:

Social innovation originated as a concept tied with analysis that academics introduced due to the rise of emerging innovation and development policies, from governmental reports to academic contributions of different kinds to describe a phenomenon that had occurred arguably predating technology innovation (Edwards-Schachter & Wallace, 2017). At its source, innovation stems from the opportunities and challenges in which societal problems often provide which include climate change, income inequality, poverty, social unrest to governmental policies or the lack thereof (Bitencourt et al., 2016). Meaning they often present themselves as solutions, be it in the form of Corporate Social Responsibility initiatives from Multinational organizations, to the creation of Non-Profit Organizations (Bitencourt et al., 2016), or even Hybrid organizations which are interchangeably called Social Enterprises which were made with the intention to satisfy both for profit and for social goals, as well as governmental policies to enhance or increase such initiatives in order to tackle such issues.

2.2 The Growth of Social Innovation:

The growth of social innovation has been imminent, especially evident in countries like the US, Canada and Europe where its pioneering movement was often recorded by academics, with scope covering social organizational experiments lead by governments, society and businesses to the maker movements by individuals (Edwards-Schachter & Wallace, 2017). Its growth was supported by the rise of policies specifically like non-profit incubators which help it grow and expand with funding and mentorship, hybrid platforms or foundations to support the aforementioned hybrid organizations and social accelerators which also help social goal focused organizations to fund and reach maturity within a shorter amount of time due to its provision of supportive resources (Edwards-Schachter & Wallace, 2017).

2.3 Definitions: From the Perspective of Systemic Analysis, an Older Perspective focused on Collective Power and a Modern Perspective Offering a Simple Summary of its Essential Elements

Three definitions have been selected for the purposes of this article. The first is from a meta-analysis over a period of the last 50 years which provides a model to identify if a solution is considered as social innovation when doubts arise and to supplement as a framework for recommendations in Chapter 6. The second is an older definition which sets a foundation for what social innovation when conceptually focusing on the interrelations between the actors and agents and offers insights as to why social innovation specifically is so powerful. The last definition presents itself as a modern definition in which is often now associated with social innovation. It offers a simple general but clear overview of what Social Innovation is seen as today. That it is in essence a solution, be it by arrangements of organizations or production of goods and services to meet social goals, needs or challenges.

To define what Social Innovation is, Edwards-Schachter & Wallace (2017) has examined how it has been conceptualized through a systematic review of 252 definitions and 2339 documents over the last half century. Their systematic review compared to other available literature offers a more comprehensive view of what Social Innovation as a process is. From the actors and social practices which represent the institution who embody its cultural identity, to its institutionalization of said actors putting it into practice resulting in change in the dynamics of operation to how said practices can appear in different stages of the innovation process resources (Edwards-Schachter & Wallace, 2017).

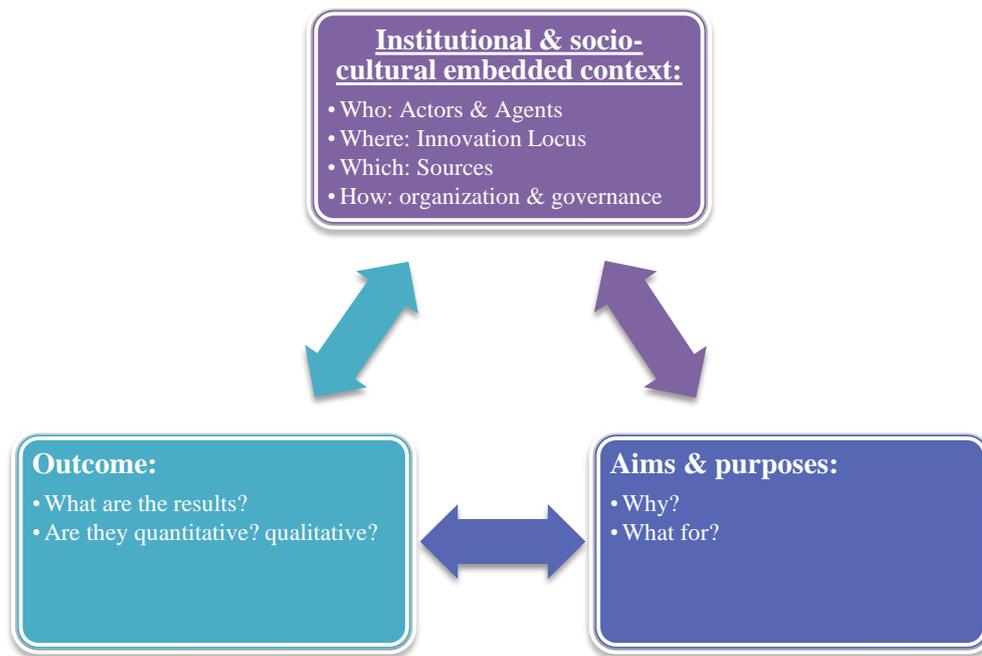


Figure 1: From “Shaken, but not stirred: Sixty years of defining social innovation”, Edwards-Schachter, M., & Wallace, M. L. (2017). *Technological Forecasting and Social Change*, 119, 6.

Figure 1 shows Edwards-Schachter & Wallace’s interactive learning process diagram which shows the elements in which guide how they see Social Innovation as a process, not only merely a solution- but starting from intention or aim, to the how it is carried out and by whom and then the outcomes of the action carried out. This will be used as reference in Chapter 6 when exploring suitable applications of Social Innovation to Hong Kong businesses and to clarify in the following sections whether an organization’s activities are considered as social innovation. It serves as a good example for the considerations or what goes behind a social innovation and its individual elements. It shows that social innovation isn’t just merely an outcome- that the aims and purposes to how its carried-out matters. It offers a much more ethical perspective ensuring that each stage is meant for good instead of using questionable means to obtain an outcome.

One of the earlier definitions by Crozier & Friedberg (1993) defines Social Innovation as a “process of collective creation in which members of a certain collective unit learn, invent and lay out new rules for...a new social practice” (Howaldt et al., 2016). Businesses are only one of the agents of social innovation, others may include research or educational institutes, government bodies or different groups and societies (Howaldt et al., 2016)-in this view the consumers or customers are seen as contributors of the solution to the social problem and not only providers of information for a need to

the business. This definition emphasizes that it is the collective creation, participation and practice which makes social innovation so effective- due to its collective power. Instead of a business and its consumer having completely separate goals, it shows that the two can interact with the identical goals in mind- overcoming conflicting interests for the greater goals which creates a stronger and more united fight for the initiative. Due to its nature, social innovation is therefore seen as a powerful contributor resulting in social change, especially to solve wicked problems as it allows the change to occur starting at the root of the issue instead of merely rectifying the symptoms which occur as the problems progresses (Howaldt et al., 2016).

The last definition offers a simple yet effective summary of Social Innovation in the 21st century, defining it as “the emergence of new arrangement via social, organizational or institutional means or the new products and services which are designed as a solution to tackle social challenges, reach aspirations or meet needs” (Bitencourt et al., 2016). Summarizing all the elements involved which contribute to social innovation and reinforcing what the point of such elements and actions are for.

In summary, the combination of these 3 definitions as layers show what social innovation is from concept to elements to stages. Therefore, we can understand that Social Innovation is the process involving who, where, which and how by the aims to tackle social challenges, aspirations and needs in order to produce a positive outcome in doing so.

Chapter 3: Hong Kong’s most pressing needs and problems

3.1 Hong Kong: An overview

With its current population at 7.5 million, Hong Kong is one of the most well-known trade and financial hubs with the freest economy worldwide due to its reputation as a small open economy under a unique “one country, two systems” governance (Sik-hung, 2020). Located at the southern coast of Guangdong, this region contains around 90% ethnic Chinese with most speaking Chinese and Cantonese or English (Martin, 2020). With life expectancy of women being 88.1 years and 82.2 for men in 2019 (Hong Kong Census and Statistics Department, 2020), Hong Kong has the longest life

expectancy in the world (Chung & Marmot, 2020). Hong Kong currently has a labour force participation of 61% (Hong Kong Census and Statistics Department, 2020).

3.2 Hong Kong: A Business Perspective

From its low tax regime, highly efficient markets, abundant opportunities for starting a business and business development to its attitude towards flow of capital and information (Sik-hung, 2020), it is considered as one of the most appealing places to start and own a business due to its unique geographical location as an entry point to Mainland China's markets with a logistics hub and free port for overseas trading allowing for expansion across Asia with a very quick and easy company registration and license obtaining procedure and clear-cut compliance regulations (Asia Business Centre, 2014).

3.3 Hong Kong's Economy, as of current

3.3.1 GDP, Labour Market and Household income

Hong Kong's current economic situation can be said to be relatively stable despite what happened in the recent years, with the protests and with Covid-19. With its GDP in Quarter 1 (Q1) of 2021 with a rate of change Year on year (YOY) of 7.9% it made quite a recovery due to the remarkable growth merchandise exports, and revival of consumption and investments to a lower degree, especially with the contraction YOY in the last 6 quarters which showed an increasing decline (LegCo, 2020). The labour market has been improving, with a slow but stable growth, and unemployment rates has also declined compared to Q1 of 2020. However, low income spiked significantly – especially median monthly household income which had a YOY rate of change in real growth at -8.9%, with the number of low-income household (defined by a household income less than HKD9100) increasing quite significantly at 6.8%, more significantly for non-elderly households but elderly households also saw a slight increase (LegCo, 2020)

3.3.2 Residential Property Market, Home Purchase Affordability

Flat prices fluctuated, but resumed its increase in Q1 of 2021, the index of home purchase affordability calculated by the ratio of mortgage repayment to income continued to grow exponentially and reached 73%, compared to the 2001-2020 average of only 47% with the total number of private flat supply unchanging (LegCo, 2020).

3.3.3 Hiring sentiments of large enterprises:

In Q1 of 2021, for sectors of import/export trade and wholesale, retail, accommodation and food services, transportation, storage and courier services, information and communications, professional and business services were all negative. Only financing and insurance stayed positive. In Q2 of 2021, financing and insurance, information and communications and accommodation and food services are starting to increase, all the others are still negative though showing signs of stabilization (LegCo, 2020).

Given all the statistics, we want to explore what Hong Kong citizens believe are the most pressing needs and problems. The statistics above serve as a number we can use to compare or generate insight from based on the interviewees answers and also following it, the literature review on academic and researchers' opinions on what those needs or problems are. This leads us to the section below.

3.4 What are the most pressing needs and problems of Hong Kong, based on the insights generated from the responses of Hong Kong citizens?

3.4.1 Method:

To understand this, the method we used was qualitative research in-depth interviewing with a small number of respondents to explore their responses and then generate insights from their responses. To reduce bias, the allotted sample demographics were pre-determined to have at least half in different age groups with genders in both, and the participants had to be born from or live in Hong Kong as a Hong Kong citizen. Participants included one Hong Kong born and raised Male in his mid-20's, one Overseas born and Hong Kong raised female in her mid-20's, one female overseas born and Hong Kong raised in her mid-30s, one Hong Kong born and raised female in her mid-50's and one Hong Kong born and raised male in his mid-60s.

This meant we had a total of 5 participants, 2 male, 3 females aged from mid-20s to mid-60s all of them raised in Hong Kong but 2 born overseas.

Those born overseas were noted of this characteristic due to the possibility of different cultural upbringings or values and traditions from their birth country possibly affecting their values and perceptions which might skew the results and therefore was noted for, so for those participants they were asked an extra question of how much their responses were based on the culture in the country they were born in compared to Hong Kong where they were raised.

The interview focused on 3 questions, with prompts to expand on their answers given after. Each interview lasted around 20 minutes. Their responses were recorded and typed to compile insights from similarities, differences and finally were grouped into categories under the 3 questions. The 3 questions were:

1. What do you perceive as Hong Kong's biggest problems?
2. Why do you still choose to live in Hong Kong?
3. What is important to you and what makes you happy?

The first two questions allowed us to weigh the pros and cons and understand to what extent the problems outweighed the pros of living in Hong Kong and vice versa. The last question gave us insights to their needs.

3.4.2 Results:

Cumulative results:

For the perceived main problems of Hong Kong, the most common responses included:

- **Housing: “small, inadequate, expensive”.**
 - Some focused-on clutter in homes preventing further consumption
 - Another claimed this was the reason causing social unrest and stress, overwork.
 - One believed that Hong Kong's building quality was lower compared to other countries for the price they cost.

- **“Cost of living is pretty high in Hong Kong”**
- **“Low wages”**
- **“Financial stresses for the future”**
- **“Political unrest:”**
 - due to shift and system changes from British to Chinese
- **“Lack of solutions for the needs of the aging population”**
- **“Healthcare system overwhelmed so health practitioners are too desensitized to most health problems affecting the public”**
- **Preservation of environment:**
 - some were optimistic due to clean energy initiatives and availability and growth of green products.
 - One was concerned about ocean pollution, lack of recycling bins.
 - One interviewee recommended for Hong Kong to adopt Japan’s trash sorting system and start educating and having children practice this habit from young age.
- **“Superficiality, shallowness and focus on materials emphasized way more compared to social issues, environmental issues etc.”**

For why they stayed in Hong Kong despite the problems, included:

- Family & friends from growing up here
- Good economic & money-making opportunities available
- Fast paced and efficient culture & benefits as a financial centre
- High degree of convenience: travel, food availability etc.
- Hong Kong allows for more freedom: financial, academic etc.

For what is important to them and what makes them happy:

- Personal values: a mix depending on the person
- To have autonomy over their own life
- Spending quality time with family and friends

- Seeing their family and friends healthy and do well
- A focus on self-care, health and social activities
- To have finances sorted out
- Work development/promotion opportunities

Differences in age groups:

For perceived problems:

- The elderly population, specifically the mid 60 male was the only one to comment on the government and their responses to current issues:
 - “Government’s methods were “too soft, too slow” in responding to issues that they aren’t well equipped in terms of experience of dealing with pressing problems due to the lack of thereof since the handover.
 - He was also the only one to comment on the lack of solutions for the needs of the aging population and about the healthcare system being overwhelmed and healthcare practitioners being desensitized.
- The mid 50’s female was the only one who commented on low wages
- The mid 20s -30s were the only ones to comment specifically on environment or pollution

3.4.3 Discussion:

One response all participants had in common was the “Housing” being “small, inadequate, expensive”, it was also the first issue every interviewee suggested first. This indicates how significant the housing problem is in Hong Kong. Many of them mentioned financial related worries, from low wages to future financial burdens. Environmental related concerns were mentioned but mostly by those aged mid-20s to mid-30s. When speaking about the environmental issues, they also seemed to have a lot more to expand on in terms of how they think it can be improved to how its development is going, signifying that they care about the issue and have been reading up on it due to their formed opinions. Political unrest was also mentioned, twice which made sense due to the recent political turmoil and protests which occurred in Hong Kong. Solutions for aging populations and overwhelmed

healthcare system were also mentioned, suggesting that the problem of aging population and insufficient healthcare practitioners may affect the livelihood of citizens and the growing aging population which serves as a worrying reminder.

Most of the answers were the same for why they stayed in Hong Kong. Hong Kong has been seen as a collectivistic culture often family oriented with concepts of strong filial piety. The responses seem to indicate that. In parallel with the statistics of how Hong Kong offers good business opportunities and economic benefits- participants also indicated the same. Some other statistics like low wages/household income matched with the response of a participant. The housing being small, unaffordable and expensive also matches up with the statistics from the economic report. One socio-cultural factor that seemed unique from the answers was an emphasis on focus on materialistic tendencies which seemed to stem from a unique cultural phenomenon or tradition. Though the participant mentioned they saw it more as an inconvenience compared to an actual problem.

The responses of the participants seemed to match up with statistics which indicated how Hong Kong was currently doing, as well as the general characteristics Hong Kong is known for. Despite the insights being valuable, caution should be had for generalizing this small sample as representative of the general Hong Kong population as there are limitations like small sample size and the degree of freedom that was given to participants to expand on the set questions despite randomness of the sample.

3.5 What are the most pressing needs and problems of the Hong Kong, based on the academics, researchers or related professionals and professional bodies?

Despite the insight from the interviews, academic articles are likely to bring a wider scope of answers on what the problems or needs may be from a larger variety of perspectives which is significant to have a more comprehensive understanding.

3.5.1 Political dissatisfaction, unrest and declining quality of life and wellbeing:

For example, Shek (2020) proposed 12 pre-existing and new issues which caused and fuelled the fire for the protests in Hong Kong which occurred in 2019-2020. The issues he mentioned includes:

distrust in central government, political dissatisfaction, threats to wellbeing and mental health, decreasing quality of life for families, lack of national identity due to the historical “one country two systems” implementation, economic or financial strains, not enough evidence based national education in Hong Kong’s formal curriculum, alleged excessive use of force by the Hong Kong police and the slow response of the government (Shek, 2020). Furthermore, the after effects of the protests hampered on the quality of life and slowed down the Hong Kong economy, with one of the reasons being the unemployment rate increasing, workers also had to take involuntary leaves during the disruption of transportation (Shek, 2020; Garcia-Herrero, 2019). In addition, a divide was formed and brought into light due to the protests causing disharmony and alienation or conflict within one’s own communities and families. The rate of depression also doubled in 2019, with one researcher describing the after effects of the protests as a “mental health tsunami” (Shek, 2020). Some of these issues overlap with the participants responses in the above section.

3.5.2 Small, Insufficient and Expensive Housing

Although the Hong Kong government decided housing was one of the most significant problems that needed to be tackled with urgency (Garcia-Herrero, 2019), the costs and shortage of housing in Hong Kong reached a new height in 2018 when the cost of a single square feet amounted to be HKD13,700, to solidify Hong Kong’s title as the city as the top city for most unaffordable housing- with an average waiting time for the more affordable option of public rental housing being 5.5 years which has steadily increased from the previous year (HKMA, 2019). Studies have shown that owning a property is one of the most sought after wishes for Hong Kong families, as well as how the housing issue is one that had caused significant discontent. As the primary sources also seem to support above. However, the housing crisis has a lot of complex underlying factors, which render the Government whom although understands the immensely high prices and major shortages- have limited options as solutions (HKMA, 2019).

3.5.3 Shortage of healthcare system and Aging population demands

Despite Hong Kong's highly efficient healthcare system, staff shortages are present in all levels in the healthcare industries. Due to the increasing demand from the needs of ageing populations as a strong trend which is projected to get even stronger in the coming decades, the healthcare system is in need for reformation (HKMA, 2019). From healthcare policies to private businesses and non-governmental organizations- initiatives to help rectify along with efforts to reduce the burdens of healthcare service providers have been growing.

3.5.4 Building a more sustainable Hong Kong

Initiatives to build a more sustainable future has also become a focus of growing prominence to the Hong Kong society and government. From growing regulations to protect the environment, encourage recycling to dumping less into landfills and reprocessing materials- sustainability has been one of the focus points of Hong Kong (Bove, 2020) and if so, the recycling industries prominence would significantly rise in the future (HKMA, 2019). There has also been a focus shift on environmental, social and governance (ESG) problems and the promotion of sustainable investing where businesses advocating sustainability finds investors who specifically fund such initiatives in Hong Kong- although research suggests Hong Kong has been slow to push such initiatives in comparison with other developed economies (HKMA, 2019).

3.5.5 Income disparity

Hong Kong's income inequality topped all G-7 countries in 2016, which widened further during Covid due to the unemployment rate increasing along with poverty with no general unemployment benefit provisions (Lam & Kwan, 2020). Unemployment most significantly affects the vulnerable groups like the older cohort aged 50-59 and youths aged 15-19, with the unemployment rate at 6.5% and 16.1% respectively with those aged above 60 often having potential employers retiring their CVs into the bin (Lam & Kwan, 2020). The handouts government has and plans to implement has arguably also benefited corporations more than the low-income cohort (Garcia-Herrero, 2019)

From statistics, to primary sources to academic opinions- all three seem to clearly indicate core problems which are parallel to the other sources. It shows the significance of such issues affecting not

only the wellbeing of Hong Kong people but also serves as an opportunity for businesses to take given the growing trends and clear indication. Despite the government seeming to implement solutions with its efforts, the solutions still seem more like temporary solutions which manage the symptoms instead of its roots. Given Hong Kong and its unique circumstances, it took some time to build those problems which means it may be likely that due to the complexity of factors beneath them, it will likely take a while to rectify the issues as well. However, since the government initiatives are often slow and somewhat muted to an extent, if more businesses take the problems as opportunities, they have a huge potential to help rectify the issues at a significantly more rapid pace, especially when people already distrust the government so much.

Chapter 4: Concept of SGR and Hong Kong's 2030 Plans

4.1 Hong Kong 2030+

The Hong Kong development Bureau's planning department has determined sustainability and sustainable growth a main focus point for the stability of Hong Kong's future, which is why it decided that creating a "smart, green and resilient city strategy" was significant (Hong Kong Development Bureau, 2016). By implementing strategic changing, from lang use, environment buildings, transport infrastructure it hopes to reduce the effects of growing environmental problems like scare resources, climate change due to greenhouse gas emissions and other factors, limited land which is especially significant to Hong Kong, aging infrastructure requiring renewal, different forms of pollution and urban resilience strengthening in response to climate change (Hong Kong Development Bureau, 2016). They've adopted the concept of Smart, Green and Resilient (SGR) specifically as a city strategy to take the aforementioned problems. Therefore, its plans to create such a city mostly reside within government initiatives of city planning.

The aims of the plans can be summarized as: achieving sustainability through resource efficient, climate resilient and low carbon approaches, a promotion of low carbon living and businesses with urban innovations and technological advancement, to move Hong Kong towards a circular economy where what is seen as waste is transformed by restorative elements and smart uses, a wish to brand

Hong Kong as a sustainable global city, to be environmentally responsible and incorporate city resilience strategies to ensure that natural or manmade disasters are well prepared for (Hong Kong Development Bureau, 2016).

The concept of Smart, Green and Resilient was developed by the company Ove Arup & Partners Hong Kong as a planning approach and conceptual framework to improve urban planning processes to respond to modern day environmental, economic and social problems, it has been adopted by Hong Kong as the concept in which it'll implement its 2030+ plans (Lau et al., 2016).

4.2 Defining Smart, Green and Resilient Cities and their characteristics

Smart city meaning investing in human and social capital in addition to communication infrastructure for sustainable economic growth and increased life quality through governance and adequate distribution and usage of resources, in addition to its traditional definition of incorporating technology into components of a city (Lau et al., 2016)

Green city meaning one that embraces the concept of eco living and low carbon lifestyles, promoting recycling, reducing emissions, eliminating wastes, using renewable energy and fostering the support for local sustainable businesses (Lau et al., 2016).

Lastly, Resilient city which is an integration of combined concepts of the seven resilient qualities a city should have from being reflective, robust, redundant, flexible, integrated, inclusive and resourceful in order to protect and mitigate any damages from manmade or natural disasters, in addition to a city's ability to recover and function after such an event occurs (Lau et al., 2016).

4.3 How does Hong Kong becoming an SGR City help tackle those problems?

4.3.1 Common Problems Encountered Transforming Hong Kong into an SGR City

Promoting an SGR city comes with its own sets of problems, problems in common with the general Hong Kong public like scarcity of resources, meeting the needs of an aging population, renewing infrastructure and designing it to suit population needs, and the effects of climate change from material damage to cost increases (Hong Kong Development Bureau, 2016; Lau et al., 2016).

4.3.1 Rebuilding and Strengthening Community Relations to Tackle the Challenges Together instead of Relying Solely on the Government

Although it doesn't directly tackle the more complicated issues mentioned prior, turning Hong Kong into a smart city through investment in human and social capital as indicated through the issues above should mean a focus on those hoping to provide goods and services for the aging population, provide staff and trainings to healthcare services which helps reduce strain, lower the cost of owning a house even if it's through indirect ways like creating more socially integrated furniture or good quality products with all in one uses. Even initiatives or products which help alleviate depression, enhance the feeling of wellbeing and quality of life. This even includes hiring employees for said businesses with fairer wages with non-discrimination against the elderly or the youth.

For green city, even more options can be laid out, starting from products made cradle to cradle, enhancing recycling initiatives all around Hong Kong, companies which turn waste into materials for new products.

For Resiliency, businesses which as a collective reach or focus on new methods which educate the communities about disaster through knowledge transfer, or newly developed products and community awareness can help repair and rebuild the segment which the political unrest created. Uniting a community or population against a problem bigger than one can solve problems which requires a community effort.

This is where social innovation comes in, because the suggested ideas above stem from social innovation- utilizing the community as a part of the solution along with businesses to promote faster changes. There are many more possibilities to explore and to think about, but underlying all the most pressing problems ailing Hong Kong- are not only the problems itself for the problems create a dynamic in which people live in or through. For example, the insecurity one feels when they don't have a place to live, or when an individual with low income can't even satisfy their basic needs.

Social innovation has the potential to bring them together, not only boosting the SGR initiatives Hong Kong plans to achieve, but also help the underlying problems which the pressing issues create on the potential of a much bigger scale since it doesn't have the limitations of the government. It reminds the

people and businesses that they have the power to make changes and to change things for the better even when the government is faced with restraint or limitations. This is why businesses and social innovation are so significant.

Chapter 5: How can incorporating Social Innovation into Start-ups or businesses be it hybrid or for-profit help resolve these issues?

5.1 Benefits of incorporating Social Innovation into Businesses

Incorporating Social Innovation into businesses can bring tangible benefits due to 3 main reasons: firstly, they are managed within a business's core operation which reduces risks and allows for better alignment and utilization of resources. Second, being aligned means the company can better form strategies which go around said business and pair with its other innovation efforts and lastly, they allow the company to leverage assets which help them earn profit (Antoniou, 2019), be it stronger distribution systems, more efficient and effective technology, human resources through talent acquisition or retention or strengthened value chains which in return increases the company's competitiveness (World Economic Forum, 2020).

Social innovation was found to have beneficial effects to a business-like increasing stakeholder trust, more sustainable production through working with or to maximize the problem of resource scarcity and reducing environmental impact which aids competitiveness through employee retention, business differentiation and potentially creating new markets. For example, research has shown that millennials care about whether the purpose of a company aligns with their own (World Economic Forum, 2020). Furthermore, investors are starting to seek sustainable businesses because sustainable businesses who focus on social and environmental issues do better financially in the long term and businesses who are able to turn societal problems into opportunities can capitalize on the unique benefits the opportunity offers whilst achieving both for profit and for social or environmental goals (World Economic Forum, 2020).

Utilizing social innovation also has the added benefit of creating shared value (CSV) as it creates a bond which links businesses to its stakeholders on a more personal level (Li et al., 2018). When businesses integrate social innovation into their programs, it becomes Corporate Social Innovation (CSI) which may include a business's capacity for innovation, its marketing skills and branding initiatives or the knowledge transfer between one sector and a partnered sector to create shared

economic, environmental or social values to positively bring forth social change (Li et al., 2018). However to incorporate SI successfully into a business, the company has to first have enough knowledge about the society or community they operate in, from the market, industry and even supply chain and partners. They must then learn to co-create with collaborators or consumers with the same goals and know the legal boundaries to keep within when they implement the CSI and lastly, they need to be able to achieve some outcome of the social goal in order to motivate its stakeholders to continue interacting with the business and continue the co-creation to exchange value (Li et al., 2018).

In order to maximize the benefits of integrating social innovation into a business, means to combine it to the core of the business containing two goals, one for profit and the other for socio-environmental goals, creating a Social Enterprise (Bittencourt et al., 2019) because they can exercise both for profit goals which allows it to survive but also stems its products and services and company strategy based on the socioeconomic goal it has decided to pursue which gives it a much stronger focus. Such a business changes the interaction with its stakeholders from a pyramid of hierarchy ranked on how much power or influence the stakeholder has, to that of an interconnected web where participation of the stakeholders is essential to the business's functions (Bittencourt et al., 2019).

Chapter 6: How can social innovation be incorporated into start-ups or businesses in Hong Kong?

6.1 Conclusion

As long as business in Hong Kong focus their socio-environmental goals in relation to the aforementioned identified needs and issues like political dissatisfaction, unrest, declining quality of life and wellbeing, small, insufficient and expensive housing, shortage of healthcare system and ageing population demands, lessening income disparity and focusing on building a more sustainable Hong Kong, regardless of which levels social innovation is included in- the benefits of integrating social innovation may present itself. For the full benefits, often its more powerful for businesses to integrate social innovation into their core principals, operating for profit and also for socio-

environmental goals, creating a dual natured hybrid which gives it the opportunity to have the benefits of attaining both goals despite its challenges. For Hong Kong businesses to focus on the most pressing issues aforementioned above where needs seem prominent, to use the framework of Social Innovation to confirm what they are doing is aligned with the process of social innovation, to use and study strategies in corporate social innovation and then to make use of the encouragement, benefits and initiatives of support the Hong Kong government has provided in its Hong Kong 2030+ plans for a SGR, along with growing significance of social, environmental trends it could serve as a lucrative opportunity to embark on to start tackling the issues of Hong Kong one business at a time. Hong Kong presents a good opportunity for those interested in incorporating social innovation in to their businesses due to its characteristics and also future initiatives and its 2030+ plans for an SGR city. It was a fruitful opportunity to be able to explore the Hong Kong environment and the ways in which social innovation could benefit through the integration of businesses. Many research gaps still exist despite. I hope to be able to investigate more aspects in the future.

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Appendix

(1) Interview Insights:

Interviewee demographics:

- Must be from or live in Hong Kong, or in the least have Hong Kong citizenship
- Age: From 20-60
- Gender: Both
- Target: 3-5

Focus Question: What are the most pressing needs of the Hong Kong community/populations?

1. J. L (Mid 20s, Male, HK Born and raised)

a. Perceived main problems:

- Inadequate housing* causing *social unrest and stress, overwork*.
- Superficiality, shallowness and focus on materials emphasized way more compared to social issues, environmental issues* and the like.
- High Income inequality** Jack believes he's well off compared to others and therefore often works to see the real world around him. Wishes for pensions to be sorted when he retires.
- Environmental issues:** Jack has high awareness of these issues due to personal significance but also because his career has constant updates about its development. But he's quite *optimistic as clean energy is getting quite mature in the consumer market for green products*.

b. Why do you still choose to live here?

- Family* is here, which keeps his roots in Hong Kong.
- Has *found a job and profession he loves in Hong Kong with growth opportunities* which he also finds *personally fulfilling*
- The convenience & the life he has built in Hong Kong:** His job is relatively new and it was his ideal job. He's been building it steadily and devoting his daily activities mostly to it, so unless he gets a really good job opportunity, he doesn't see the point in moving. *He knows Hong Kong has fast transport, and many things are convenient for him. Like eating place availability, being able to meet his friends with a few trains stops after work etc.*

c. What is important to you and what makes you happy?

- Personal Values for: control & autonomy over own life:** "If you have total autonomy, you'd be the happiest but it's impossible and you live in the society and everyone wants to be as happy as possible so you have to be compromising. Provided that you know what, it is you want. So, happiness is realizing what you want for happiness instead of just the short-term goals set which are focused on career at this stage of my life."
- High work focused development:** Jack's most happy experiences are going out to report and interview interesting/unique people with their own personalities for good or worse and hear their personalities. Jack is often happy at work in general.

- iii. **High Focus on self-awareness:** Joined his profession as he's curious and wanted to step out of his own circle. He knows people don't live like him and he wanted to see the world. When people tell or share their own stories with you, you enter their world. Going through their experiences makes Jack happy/feel like he's on an adventure.
- iv. **Prioritizing Self-care & health after work:** Often willing to pay more to eat healthy, to run and exercise on a regular (except for injured shin rest) and allots time for himself to wind down and relax every week no matter how busy he is. Wants to live a minimalist life.
- v. **Strong family orientation:** Nightly discussions with family on the living room couch which helps keep Jack's social understanding in check so he's not living in his own "bubble"
- vi. **Happy discussions and quality time with friends:** The happiness factor is really dependent on how the discussions went in a natural manner but he believes its important to have a social life to some extent. He prefers going to new places, doing new activities where he can learn new things opposed to walking in the mall (keeping the friend's interest in mind)

2. A. V (Mid 20s, Female, overseas born, HK Raised)

a. Perceived main problems:

- i. **Housing: "small, inadequate, expensive"** She practically can't buy some of the things she might need cause house is too full or room too cluttered.
- ii. **Cost of living is pretty high in Hong Kong** unless you get a good job which is hard for many people, especially if they have inadequate education. University is seen as a standard.
- iii. **Financial stresses:** funding for kids, having enough money to retire (pension), give back to those who benefitted her and to charity. Expensive investments and less returns compared to her birth country.
- iv. **Preservation of environment:** she believes the importance of forest preservation as deforestation is a huge problem around the world if not for Hong Kong as well.

b. Why do you still choose to live here?

- i. **Much better opportunities for work and develop** compared to her birth country. Her parents scarified a lot to finance her to a good school and get her a good life with opportunities in Hong Kong. Parents paid and sacrificed a lot to bring her to Hong Kong so she could live a better life with higher standards of living
- ii. She's **built a life here: Friends, family, work.** She doesn't see a point in changing. **Hong Kong can be a good place to earn money and start businesses.**

c. What is important to you and what makes you happy?

- i. **Personal Values for: Resiliency first, honesty, no toxic people, humility and righteousness:** The values Abi lives by. If Abi is someday famous and has her own office, she intends to write that and stick it on the back of her chair so they see it before they see her.
- ii. **Strong family orientation:** "Family first. You disgrace your family, you disgrace yourself" Family is one of the foundations in her culture (which is kind of Italian like), they live in separate places so she sets time for family every day)
- iii. **Prioritizing Self-care & health after work:** Abi is very focused on health as she considers it the most important. She only opts to eat healthy or natural food with low sodium contents etc. She believes in quality not quantity so

she'd rather spend on things that last longer. Also, because Abi has asthma and recently has an attack resulting in her going back to the hospital every month. Skin maintenance is important. She also posts artwork for fun. Travelling, eating nice food and being healthy is her happiest moments in general. She also worked too hard in high school so she scarified a lot. She now prioritizes relaxation & enjoyment over work goals.

- iv. **High focus on finances and believes in frugal living:** Abi does her finances every 2-3 days; she has her own excel sheet for everything she spends on. She knows her salary is comparatively high but doesn't like spending money due to family trained traditions and not to value money.
- v. **High work focused development:** Abigael self learns Cantonese (for work) and Japanese (for interest as she lost a bet), and reading to increase knowledge. One thing Abi will spend on is experience because she finds value in that. Including travel for experience, culture and learning how things go to enjoy it and stimulate her brain. [If Abi doesn't find her job engaging/fun, she will quit to pursue others despite the financial benefits. Also as her job is has pretty dangerous risks]
- vi. **BYO culture/to protect the environment:** She grew up in a culture which expected her to bring her own bottles, lunch box and utensils since her canteen was really small so now, she does that on a regular. She wants to see the world.

3. S. C (mid 30's, female, overseas born, Hong Kong raised, Chinese)

a. Perceived main problems:

- i. **Housing prices too expensive and inadequate. Building quality lower compared to some countries for the price.** Average worker needs to save 20-30 years on average on the lowest monthly wage to be able to afford one, not including renovations etc.
- ii. **Currently, political unrest due to the shift and system changes from British to Chinese.**
- iii. **Noise pollution, other forms of pollution. The environment.** Compared to birth country, Hong Kong is a lot less green- but the recent developments are promising, with a lot more integrated green facility etc. Ocean trash, littering, lack of recycling bins, garbage shortage. HK could adopt Japan's sorting system so people are more aware of trash accumulation. Then follow green cities around the world and build more clean energy and green facilities. It has to start from children's education to make more solid changes.

b. Why do you still choose to live here?

- i. **Family is here, parents getting older. Responsibility to take care** of them, family first, worries about their health.
- ii. She's **built a life here: Friends, family, work.** She likes Hong Kong people, more understanding and has seen **hardships, knows what it has been like to suffer.** Many in birth country are more sheltered/has their life dictated.
- iii. Comparative to her birth country, **Hong Kong allows more freedom. Be it academic, financial or choices in general.**
- iv. **Would consider moving when family responsibilities are taken care of,** especially for **great/better career opportunities.**

c. What is important to you and what makes you happy?

- i. **Prioritizing Self-care & health after work:** Time to self, time to exercise and time to rest is essential to good functioning. She used to sacrifice too much for work and school and it resulted in terrible health, so she's building it back up with clear boundaries of work life balance. She's not married yet so has

slightly less responsibilities compared to her friends. So, she's making the best use of her time as possible to better herself and enjoy herself. To be able to write as she wishes.

- ii. **Personal Values for: Compassion/kindness, honesty (self & others), Justice/morality, open-mindedness.** To be able to live by her values and to give back to who more people since she knows what its like to be given.
 - iii. **Strong family orientation:** ^ see above about her parents
 - iv. **High work focused development:** Learning better Chinese for work, learning coding and photoshop for interest/work. Taking makeup classes for better appearance and keeping health up via boxing classes.
4. **A. S (Mid 50s, female, Born and raised local, lived abroad 1 country, Chinese)**
- a. Perceived main problems:
 - i. **Inadequate housing causing social unrest and stress, overwork.**
 - ii. **Low wages for the majority**
 - b. Why do you still choose to live here?
 - i. **High degree convenience:** travel, food, groceries
 - ii. **Likes Hong Kong's other aspects: food, people**
 - iii. **Where she was raised**
 - c. What is important to you and what makes you happy?
 - i. **Children and family being well and happy**
 - ii. **Dogs: seeing them, feeding strays, playing with them, watching dog videos.**
 - iii. **Being able to buy something she likes, like clothing articles, really good food.**
 - iv. **Social activities & exercise:** When she goes to do **aerobic dance or yoga classes** (pre pandemic) and **being able to go out for tea or have dim sum and good food with her friends once in a while**
 - v. **Wants her own apartment with her grown child when her child can earn enough to move out with her.**
 - vi. **(Much simpler compared to the younger cohort)**
5. **A. L (Mid 60s, Male, Born and raised local- lived abroad 2 countries, Chinese)**
- a. Perceived main problems:
 - i. **Inadequate and high cost of housing, unable to meet demands**
 - ii. **Government isn't used to dealing with big problems** due to the lack of major problems from the hand over. **Methods too soft, too slow in responding.**
 - iii. **Terrible, and one of the worst globally for pensions for the aging population.**
 - iv. **Lack of solutions** for the **needs of the aging population**
 - v. **Healthcare overwhelmed so very lax about most health problems affecting the majority.**
 - b. Why do you still choose to live here?
 - i. **Good economic and money-making opportunities** are available
 - ii. **Likes Hong Kong's fast paced and efficient culture and benefits as a financial centre.**
 - iii. **Grew up here** so most friends are here, family is here.
 - c. What is important to you and what makes you happy?
 - i. **Social activities & exercise: Golfing with friends once a week and eating out with them**
 - ii. **Home maintenance:** Gardening, growing and tending to plants around their home. Fertilizing, home DIY projects.
 - iii. **Children/family related:**
 1. **Wants wife to be healthy so she can stay with him longer**

2. Wanting his children to all be employed then helping to support them to have their own apartment and move out.
3. Retired so want to travel when children get out of the house.
4. Wants children to get better job so he can have more side benefits
5. Wants children to find partner, get married and have children so he can have grandchildren.

iv. *(Much simpler compared to the younger cohort)*

(2) Analysis of Reference Case Studies of Social Innovation Integration or Social Enterprise Successes:

Patagonia

Insights	Narrowed Insights (5 why's)	User Benefits	Downsides	People	Planet	Profit
<p>Cradle to Cradle with clothing! Lead an examined Life. Know where the products you buy are sourced (from the farmer). Ask MANY questions, from source, toxicity, effects onto the environment, alternatives. Find the food and work from there instead of covering the issue and symptoms. Making the best product, things are perfected when you can't take anything away (instead of adding on to it), to make a sustainable company by not causing unnecessary harm. The focus shouldn't be on the end goal, but instead HOW you climb. Don't compromise the process. Responsible farmers takes what is needed and leaves trees for next generation. So make decisions based on benefiting future generations. Companies should be responsible for the product from its birth to its death and what to do then. Work with good suppliers and partners with "clean up your act". Do some penance. Patagonia gives 1% of sales to organizations who do good. All the tragedies comes down to environmental causes. Find CAUSES and cures. Not just cures.</p>	<p>Profit can be earned by co-existing with our planet and its resources->because we reside in and with the planet->because resources are limited and the planet needs taking care of->because we are also from the planet and without sustainability the resource will perish affecting the entire ecosystem->affecting the ecosystem we are a part of will inevitably cause us to lose at a bigger extent if the planet is at a lost->the better the ecosystem around us is managed and thrives, the better we thrive.</p>	<p>Good quality, easy to manage, repairs available, based on sustainable sourcing, is better than pre-existing products (ease of use, convenience). Less guilt, lasts longer. Lower cost</p>	<p>Company was found to be unsustainable during recession.</p>	<p>Making decisions based on future generations. Selling products to people who NEED the product instead of wanting it. Less carbon footprint when buying Patagonia products.</p>	<p>Sustainability first. All decisions made are for long term. Environmental Assessment Program. Determining the most damaging materials: Industrially Grown Cotton, Cotton fields-pesticides, toxic water, cancer rate x10. They restrained from using that at ALL. Yvon gave the company an ultimatum for either using organic farming or nothing. From spinner to the farmer, finding good partners made it work. They then worked with dyes and more. fleece and recycled products. Polyester products can be brought back to Patagonia and then be sent back to Japan to a plant and melt it back to the polymer and remake clothing. funded activists to tackle the root of the issues to make change.</p>	<p>Mid 80's: grew 40-50%, from mailing lists, retail stores, new dealers, wholesale accounts. Recession: laid off 20% of workforce to save the company. Recovery: Then developed values for Patagonia: best quality products (climbing + clothing). Product = clothing, not other things. Quality defining for products. Flextime for work. Work, play + family. Hiring people who work when they want as long as they get the work done. Women 78% of the company. Hired friends, hired passionate people. Wrote a philosophical book on business based on different management styles. New operating Business: instead of 15%, to grow as a natural growth. Controlling their growth. No debt. Low marketing budget, very low.</p>

Loop

<p>Loop: Mycelium made coffins - toxic funeral wastes. They make LIVE coffins made of mushrooms which absorb the toxins human bodies leave behind during the degradation process. It helps solve the problem of casket size troubles and harm to the environment.</p>	<p>Cradle to cradle, but for people. Lets human be part of the cycle. Grows in the lab in 7 days, absorbed in soil in 2 months. All it needs is their solution and some sawdust. Mycelium are root structures of mushroom, they grow easily on all surfaces- as recyclers or nature. They turn the dead or decaying into life- and grow and expand incredibly quickly. From a small amount to a entire coffin. The mycelium are easy to find but hard to identify the correct ones. The founder literally goes into the forest to procure new specimens for testing every week. Founder Hendrix dreams of a world people work with organisms to co-exist instead of just dead materials. Makes death a beautiful thing. It reminds us to examine what we often take for granted or what seems normal but contributes to a more damaged world. Using the microremediation of mushroom roots.</p>	<p>To let human be a part of the cycle that takes from earth, but also gives back to it -> because we are a part of it -> as the earth prolongs sustainability, so will our future generations benefit of it. > essentially protecting the future for coming generations and the planet which provides all its sustenance and needs.</p>	<p>Rigid, super lightweight, can carry up to 400 pounds. Lined with moss with help body decompose for biodiversity. Helps body transform into soil faster to help feed new life.</p>	<p>Unorthodox, may be seen as violation of some individual's religious belief. Green burials are still a niche, but a growing niche which has big potential. Changing something with such a long tradition seen as standard practice takes time.</p>	<p>Lowest cost burial casket on the market, actively reduces carbon footprint, no embalming cost, feeding new life, helping to feed the earth after death instead of polluting it. Its cheaper than even the cheapest wooden casket. Helps fulfill the green burial needs.</p>	<p>Death leave a large footprint. From leaving 200 chemicals left into the soil, especially embalming fluid. Taking 12 years to turn into a skeleton but soft tissues release microbes after a few months. The traditional caskets leaks potentially toxic substances into the soil which might contaminate other sources like water for the living.</p> <p>Sold 100 Coffins in 2021, due to them selling the lowest priced caskets by far on the market- they make up a small proportion of actual funerals. Given the raw materials they use- from mycelium found in the founder's nearby forest, sawdust, a secret solution and plastic mold in controlled temperatures for 7 days so their costs to produce a casket are drastically less than the present companies producing traditional caskets. The company, Loop Biotech had launched for a year but was born from an incubator thus for now their focus is less on profit and more on promoting acceptance of the product</p>
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Ecovative Design

<p>Ecovative design (biotech company in NY)- Native provides: Mycelium-tackling problems with agriculture & livestock. Their lab grows an eco friendly replacement to styrofoam, taking a 3rd of the space in landfills.</p>	<p>Reimagine working with nature and using things from nature to better the world. Nature provides-company principle. They make use of agricultural waste and spores. All ecovative products use basic natural building blocks. Mycelium is living rootstructures in machroom. Myco composite acts like styrofoam but is completely biodegradable (startup, dell etc). They use large recyclable plastic sheets. Using products like: wood chips, corn husks or hemp which are products local farms throw away. Then mycelium spores which solidifies and shapes the agricultural wastes turning them into molds. It breaks down in 30 days unlike styrofoams which are recycled only by 1% and takes 5 centuries to degrade. Using the same products for different methods of productions means different uses.</p>	<p>To reduce our global footprint, offer better health products with equally satisfying outcomes with a lower cost -> to get better alternatives whilst promoting the long life of the planet, us and its resources -> to peacefully co-exist with the planet and its resources so there's a future for future generations</p>	<p>Less carbon profit. The bacon is a healthier option than the original. With 1/5 the fat, high fibre and is 1/5 the price of actual pork. It can mimic whole cuts of meat instead of other options which use nince.</p>	<p>long way from potential to displace plastic and factory farming. Currently only available in 1 NY grocery store.</p>	<p>Less cost, less carbon footprint. More fibre, healthier, less fats, more earth friendly. Suitable for vegans, vegetarians. Gives people more options.</p>	<p>Takes less water to produce and grow. US has no styrofoam restrictions so the company has helped a lot with its foam alternative. MycoComposite. The meat substitute market is picking up pace so their business is boosting the initiative and drive. Helps animal agriculture.</p> <p>Lower cost for higher profit. High potential for plant based meat market which is set to double from 4 billion. Raised 100 million USD in capital, plans to produce 1 million pounds of mycelium a year by building farms. Its far from impossible foods which raised 700 million dollars to date.</p>
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ChopValue

<p>ChopValue - Canadian company is upcycling chopsticks by turning them into chopping boards, shelves, counter board and other furnitures. They pick up chopsticks with drivers from 300 restaurants a few days every week, giving it to ChopValue for free. Founder Felix Bock uses his HQ as a microfactory. They sort it on a shaker table, dip them into a water based resin then roast it in an oven for 5 hours for 200 degrees killing all germs. then they are separated. Specific grams of material for specific items. They are compressed and densifies the mat of chopsticks into a new material used as a tile for all end products.</p>	<p>As Environmental Innovators basing their business on the circular economy from transforming waste into resource- moving away from the linear economy model, they played a part in redefining waste into Resource. The company is an example of a circular economy success, focusing on beauty, function and sustainability. By using urban harvesting to obtain chopsticks, they upcycle waste - presenting it in a whole new, functional way. By transporting, remanufacturing and then giving the products a second life. They make each process a climate positive process, from sourcing to processing to what it can be done during the end of its life- cradle to cradle. Single use items has an increased severity of occupying landfills due to Covid. Upcycled 33 mill chopsticks that would've ended up in a landfill. The problem is more prominent in china where its widely used.</p>	<p>To make sure resources are abundant -> to change the cycle and perception of endproduct. -> That all endproducts can be recycled into new. -> end products are essentially resources that can be remade, re-designed and reused into something else just like the cycle of nature, it merely challenges the creativity</p>	<p>Takes custom orders. Interesting product concept, less carbon footprint, upcycled product, strong material</p>	<p>Pricier than Ikea, most popular product currently is still coasters. Source of material is dependent on chopsticks used and collected by restaurants.</p>	<p>Founder hopes to show people how upcycling is getting easier to inspire others to start a conversation about sustainability.</p>	<p>Upcycled 33 mill chopsticks that would've ended up in a landfill. The problem is more prominent in china where its widely used. 130 million pairs are thrown away in China per day.</p>	<p>3x pricier than Ikea but comparable from a desk made of solid wood. It started with only making coasters. It now has 3 franchises in NA and has more than 30 products.</p>
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TexFad

<p>Texfad makes use of the giant stems of Bananas trees by making them into fibers to make into clothing through hand weaving. Banana plants are some of the most waste full out there because they only flower once in their lifetime. Only 1 process in the entire manufacturing process requires machinery but it can be really expensive costing around 1000USD which is preventing the business from expansion. Resulting into a silky yarn that is a strong as rope, they can be dyed and weaved. They've turned most into rugs priced around 500USD. Texfad employs 25 people and is giving opportunities to its local community in Uganda. This is significant because they produce 9 million tonnes of banana, the most as a east african country. The founder has no worries of a material shortage.</p>	<p>Texfad turned one of the most abundant raw resources which was seen by most to be a wasteproduct and turned it into a material as an alternative sustainable and incredibly abundant one in the textile industry. He turned one of the biggest waste products into something useful and gave it a second life almost, in the new weaved product. By doing so, they have an almost unlimited amount of their main raw resource and won't have to worry much about its cost since the supply exceeds the demand by so much. As they succeed, they give back to the community even more through training and jobs offered so its a win win situation. they also provide training for potential incubators/startups via their own experience- so what they recieved in help they're also giving back to others.</p>	<p>To make use of localized waste turning it into something more valuable that promotes awareness of the problem of wastes -> to lower the cost of operations -> to promote successful and sustainable business -> to live in harmony with earth -> so future generations can thrive and succeed with sustained resources so earth isn't ruined by the time they embark their adventures on it.</p>	<p>More sustainable and readily available compared to other fabrics. Although they make handwoven fabric, they also see themselves as an organization which offers non formal training programs for youth supplying them with jobs and skill knowledge. They also see themselves as trainers of business incubators and offer covational training as they succeeded in starting off in</p>	<p>The equipment is costly and it requires training and expertise to produce the product, with limited manpower and a limitation from expansion due to such costly equipment- production capacity is also limited. Farmers also often just opt to throw away their</p>	<p>Beautiful innovative rugs which can be custom ordered as a sustainable fashion statement. Soft and silky but hardy as rope. It also serves as a versatile material for those allergic or with sensitive skin to polyester and the like since its such a natural material. It degrades faster so here's less guilt in purchasing more varieties of the product like fabric or even hair extensions.</p>	<p>Sustainability due to the main material abundance as a natural byproduct of consuming bananas. It absorbs dyes better than cotton, needing less water AND land to produce as well.</p>	<p>The business has grown in the past 8 years but hasn't done much to tackling the 30 billion USD banana industry. Farmers also often choose to compost the stems to make richer soil to reuse in their farms. And Chopping the stems are toiling and cost mre so they often just get rid of them. It is locally produced meaning even though it takes time to produce, its easy to obtain. takes a while for the equipment profit takes a while for revenue to outgrow its costs.</p>
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H&M Collab with Hong Kong Institute of Textiles and Apparel

<p>H&M worked with The Hong Kong Research Institute of Textiles and Apparel to create what they now have installed on their grounds- Loop where they have the license to operate it in stockholm - a recycling machine which is installed instore which makes use of a circular economy solution of changing old clothes to new clothes. Fundamentally changing the way fashion works. Using clothes to make clothes (cotton to cotton). From sanitizing them with an ozone chamber, to then cutting detailing which cannot be processed and then shredding the fabric then adding virgin fibres making the yarn stronger, clumping them and then turning that into a web, spun into a yarn and letting the machine knit the yarn into a new piece of garment. They've also invested into a green machine which recycles polyester and 3000 pounds of clothes per day, they've committed to setting a goal to achieve which is to only use recycled polyester by 2030. in 2020, less than 1% of garments are recycled. The problem itself will only</p>	<p>Garment to garment recycling could be a huge potential solution to textile waste. Its cradle to cradle like Patagonia but for casual and fast fashion in another form. H&M contributed a huge amount of clothing pollution and a huge bump in increasing the use of polyester. This means more used apparel in landfills, is burned or pollutes the ocean by people dumping them into the ocean. It helps solve the problem of wearable clothings going to waste and polluting the environment. It takes 50,000 years to deal with 6 million waste garments (which are produced in a week). But that's not the solution to the problem, the root is HOW they do business. From excessive growth to over production for profit - the cradle to cradle solves a symptom but not the problem at heart</p>	<p>For larger companies like H&M who depends on fast fashion with its characteristics of high volume production and rapid growth- the inherent problem is within the business model itself. A core for profit problem. The initiatives they had introduced although coincides with CSI- solves the symptom not the root -> the root has to be solved to truly help the problem of pollution/environmental damage/wastes -> companies should build their business model to be sustainable, not just for growth but in account of the resources and its impacts- social innovation applied in</p>	<p>Less carbon footprint, less waste production, lower costs, lower resource usage, easier to obtain new clothing which can be personalized to a certain extent, old clothings with meanings can now have a new life (provides sentimental value)</p>	<p>Designs are limited. The recycling machines aren't too developed at the moment</p>	<p>Alternatives to purchasing new garments, feel less guilty for wanting new clothes, lower cost alternatives. If people want new clothes they need to bring in the old- meaning people don't need to go out and buy new pieces of clothings or materials to create a new piece. More convenient and alternative to dealing with clothes</p>	<p>Less textile wastes, slightly less pollution. Uses less water, doesn't need to use dyes.</p>	<p>Less cost, by using their own recycled polyester, less bad press meaning possibility of increased positive associations or outlooks on the company's image.</p>
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Bottletop

<p>A British luxury sustainable fashion brand based in London: Bottletop. Bottletop because they use the tops off the aluminium cans. Materials are collected from dump sites (where the trash is separated and sold) or bought by wastepickers. The tabs are cleaned and separated and then crocheted by hand using a whole lot of pop tabs. They made use of a tradition in brazil of crocheting with these bottle tops and then popularized it. They have a store made of entirely recycled materials which are 3D printed. The bags are made of bottle tops. They wish to make fashion sustainability a norm.</p>	<p>Brands building their entire business model on sustainability helps highlight waste and drives the initiatives of social innovation further. They made use of ethical fashion as a focal point in a growing market to promote upcycling whilst earning a profit.</p>	<p>They based their business off sustainable design to create a sustainable product to preserve the planet and reduce carbon emissions -> to live in harmony with earth -> so future generations can thrive and succeed with sustained resources so earth isn't ruined by the time they embark their adventures on it.</p>	<p>They can have the aesthetics of chainmail, but made with upcycled ring pulls. Less guilt, less damage to the earth</p>	<p>Limited expansion opportunities as the founders wish to keep the business and hires limited to be able to fund them and give adequate attention to them and to manage the business well</p>	<p>Working with, training and giving jobs to disadvantaged communities they reside in. They also support their education and artisan skills as well as health education (Nepal, Brazil, Africa) They pay their workers 45% more than the industry average in Brazil</p>	<p>Helps reuse the Ringpulls off of pop cans. Uses sustainable sourcing for other materials: Zero deforestation leather, plastic free packaging</p>	<p>Really high profit as the products are marketed as luxury and designer brand. The founders use a portion of this to create their own foundation which gives back to less fortunate communities.</p>
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