



Hong Kong Sustainable Development Index (HKSDI) 2003

Prepared by:

The Canadian Chamber of Commerce in Hong Kong
The City University of Hong Kong

The Hong Kong Sustainable Development Index 2003

1.0 Introduction

We are pleased to introduce the Hong Kong Sustainable Development Index (HKSDI). This index will annually measure our progress on key social, environmental and economic priorities that are important for furthering the sustainable development of Hong Kong.

Sustainable development involves the community, business and government striking a balance that enables Hong Kong to achieve economic vibrancy and better environmental quality and social progress. If not achieved

in this balanced way, the risk is high, that over time, Hong Kong will become less attractive to business, tourists and residents.

With almost 800 members, the Canadian Chamber of Commerce is Hong Kong's 4th largest international chamber. Our members represent multi-national and local firms with strong ties and investments in Hong Kong. We have a vested interest in Hong Kong's development and success as a leading international business centre and as a place to live and raise our families.

Examples of Sustainable Development Issues

Economic: employment, job creation, investment opportunities, skilled and productive workforce and business diversity.

Environmental: clean air and water, climate change, resource conservation, natural habitats, biodiversity and waste management.

Social: education, health, civic consciousness, community pride, cultural and ethnic diversity, civil liberties and human rights.

In partnership with the Statistical Consulting Unit of the City University of Hong Kong, a formal, independent and professional survey was conducted from August 29th to September 29th, 2003. Its purpose was to ask the Hong Kong community: how important 10 priority areas are to Hong Kong's sustainable development and quality of life (the priority areas were based on those identified as part of a multi-stakeholder engagement process between March 2001 and June 2002; what these priorities mean to them; and how well they believe the Hong Kong community is performing on these issues. The survey results provide a baseline of how well the

community perceives that Hong Kong is progressing in these areas.

In coming years, we will measure our annual survey results against the 2003 baseline index score of 56.4 to create a community measure that will tell us what progress we are making in furthering sustainable development in Hong Kong.

The results of the survey are presented in this report. The views, and the interpretations of the results, are those of the Canadian Chamber.

2003 Survey - Key Findings

1. The 10 priority areas are all important aspects to address to improve Hong Kong's quality of life. All scored more than 7 out of 10.
2. Most Important Issues: Educational System, Healthy Economy and Health & Hygiene.
3. Most Satisfied with Hong Kong's Performance: Health & Hygiene.

2.0 HKSDI Survey Methodology

2.1 Surveying Techniques and Scope

Best practice surveying techniques were used to ensure the integrity of the results and that the respondents were representative of the Hong Kong community. Using the local telephone directory as the sampling frame, a computer-assisted telephone interviewing (CATI) system was used to identify potential respondents. Random samples of households were first selected and contacted, and then a “kish grid approach”¹ was applied to randomly select a qualified respondent within each sampled household.

A bilingual questionnaire was designed to capture the necessary information from residents of Hong Kong aged 18 or above. The actual interviews took place between August 29 and September 29. Training of the interviewers started on August 19. A total of **2,501 interviews** were completed.

2.2 Interpreting the Survey Questions

Respondents were asked to rate the level of importance and the level of performance in each of the following ten priority areas:

- Educational System;
- Healthy Economy;
- Health and Hygiene;
- Environmental protection;
- Caring and Ethical Employers;
- Urban Planning;
- Community Spirit and Well Being;
- Population Policy;
- Civil Liberties and Human Rights, and
- Integration with the Mainland.

The **importance and performance levels** of each priority area was measured on a scale from 0 to 10 where a “10” represents the highest level of importance or performance of the priority area.

Since the **meaning of each priority area** may vary among the respondents, we also asked the respondents to identify what each priority area meant to them (i.e. how they would define the aspects relevant to each area). While answers were matched against a list of predefined responses, the question was open-ended. Respondents therefore provided their own views and were not limited in the number of their responses. As such, the percentages in the charts that follow add up to more than 100%. If the response did not fall within one of the predefined responses, it was coded under “other”. Those respondents who chose not to respond to a particular question were coded under “did not know”. This qualitative information is not included in the index rating but is useful for understanding what the priority areas mean to the respondents.

2.3 Determining the Index

The HKSDI is defined by a weighted average of satisfaction scores for the ten pre-specified priority areas. It has a range between 0 and 100. The relative levels of importance of the 10 priority areas were used as weights. The levels of importance provided for each area were first normalized into a percentage distribution, so that the levels of importance for the 10 attributes could be summed to one.

Technically speaking, the HKSDI is calculated by the following formula:

$$\text{HKSDI} = \frac{1}{n} \sum_{i=1}^{10} \sum_{j=1}^n w_{ij} \times p_{ij}$$

where

w_{ij} is the normalized level of importance for area i provided by respondent j ;

p_{ij} is the average satisfaction level for area i provided by respondent j ;

n is the sample size.

¹ The kish grid approach involves first determining the ages of the members in each household and those that are qualified to respond to the survey, based on a predetermined age range. The qualified members are then listed by their ages and one is selected using a predetermined, random digit table.

3.0 HKSDI 2003 Survey Results

3.1 Presentation of Results

The overall results for the priority area, in terms of the ranking of importance and performance for each priority, are presented in the summary graphs below.

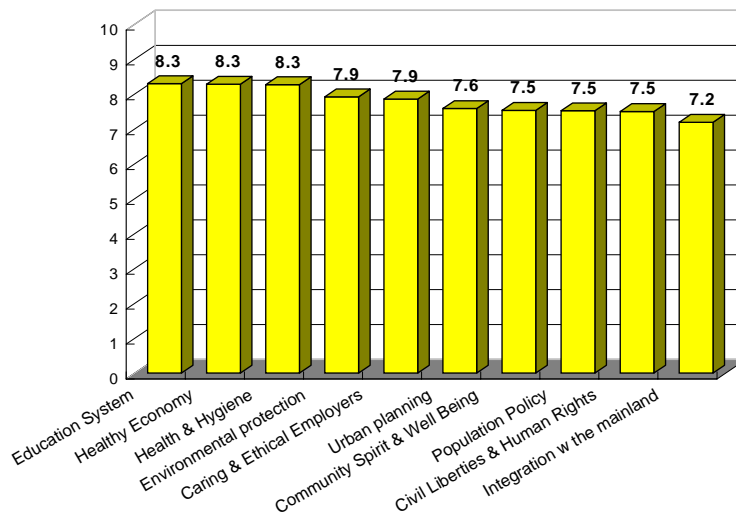
The detailed results for each priority area are presented in the remaining sections, in the order of importance as determined by the 2003 survey. The various aspects of each priority area are presented in the order of the number of respondents who identified the particular aspect. As noted in the Survey Methodology in section 2.1 above, the percentages shown beside each aspect for a particular priority represent the number of respondents who identified that aspect as being one that would improve the quality of life for the priority area under consideration and respondents could identify more than one aspect.

3.2 Summary of Results

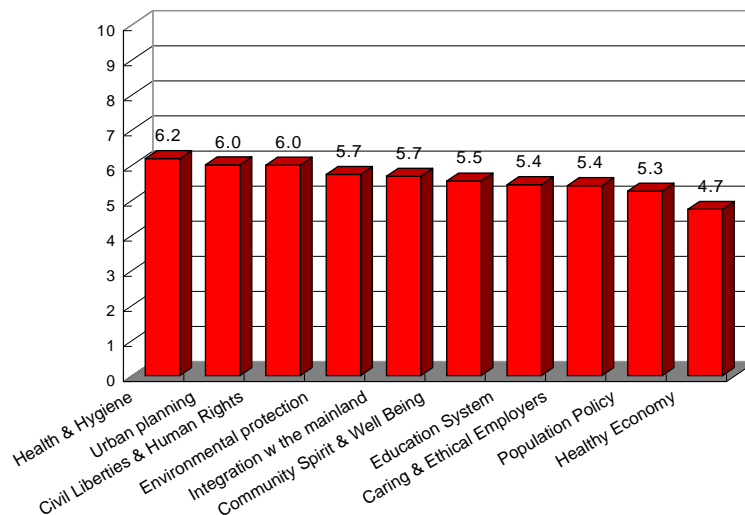
The survey results, as shown in the summary graphs that follow, demonstrate that all of the priority areas are deemed important. They also show that there is considerable room for improvement in performance.

Of note, survey respondents rated Educational System, Healthy Economy and Health & Hygiene the three most important issues. Health & Hygiene was identified as the area about which people were most satisfied with Hong Kong's performance. The biggest gap between importance and performance scores was for Healthy Economy. Healthy Economy was the only priority area that scored less than 5 on performance.

Graph 1 – Scores and Ranking of Priority Areas by Level of Importance



Graph 2 – Scores and Ranking of Priority Areas by Level of Performance



3.2 Detailed Results for Each Priority Area

1. EDUCATIONAL SYSTEM

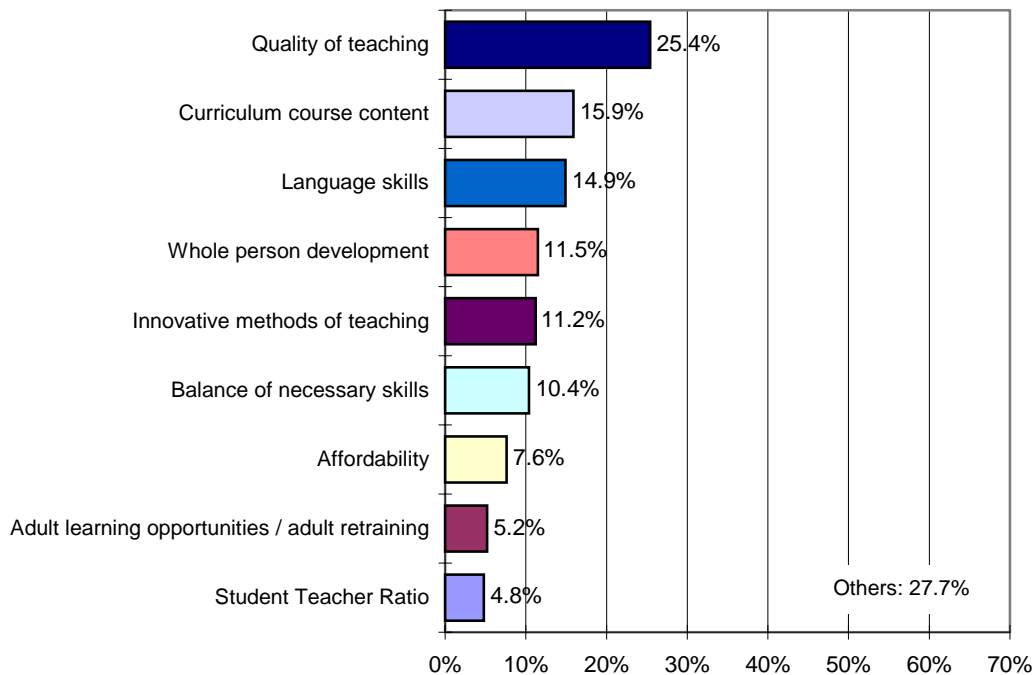
Questions Asked

*Which aspect(s) of an educational system would improve the quality of life?
 How important is having a good educational system to achieving and sustaining quality of life?
 How satisfied are you with the educational system's ability to improve the quality of life?*

Findings

Importance	Satisfaction with Current Performance
1st of 10 Highest	7th of 10 Medium

Aspects of Educational System



Note: The total percentages of respondents identifying aspects for the above priority, and for the other priorities, do not equal 100%, as respondents were able to identify more than one aspect. As the question was open-ended the aspects were not pre-defined.

What was surprising?

- There was no consensus on what part of the educational system most needed to be addressed to improve overall sustainability of Hong Kong. It is clear that this is a complex issue and there is consistent agreement that a broad number of aspects require improvement, with the highest ranking of 25.4% for quality of teaching.

What was not surprising?

- Educational system was ranked as the most important factor for Hong Kong's sustainable development.
- There are a number of important issues within education. Six of nine possible areas for improvement ranked higher than 10% (quality of teaching, balance of necessary skills, whole person development, curriculum course content, innovative teaching methods, language skills).

Key Messages

- Clearly Hong Kong people identify education as the highest priority for the sustainable development of Hong Kong. A clear consensus was not identified for any single aspect, but rather a number of areas within education were identified that required improvement.

2. HEALTHY ECONOMY

Questions Asked

Which aspect(s) of a healthy economy would improve the quality of life?

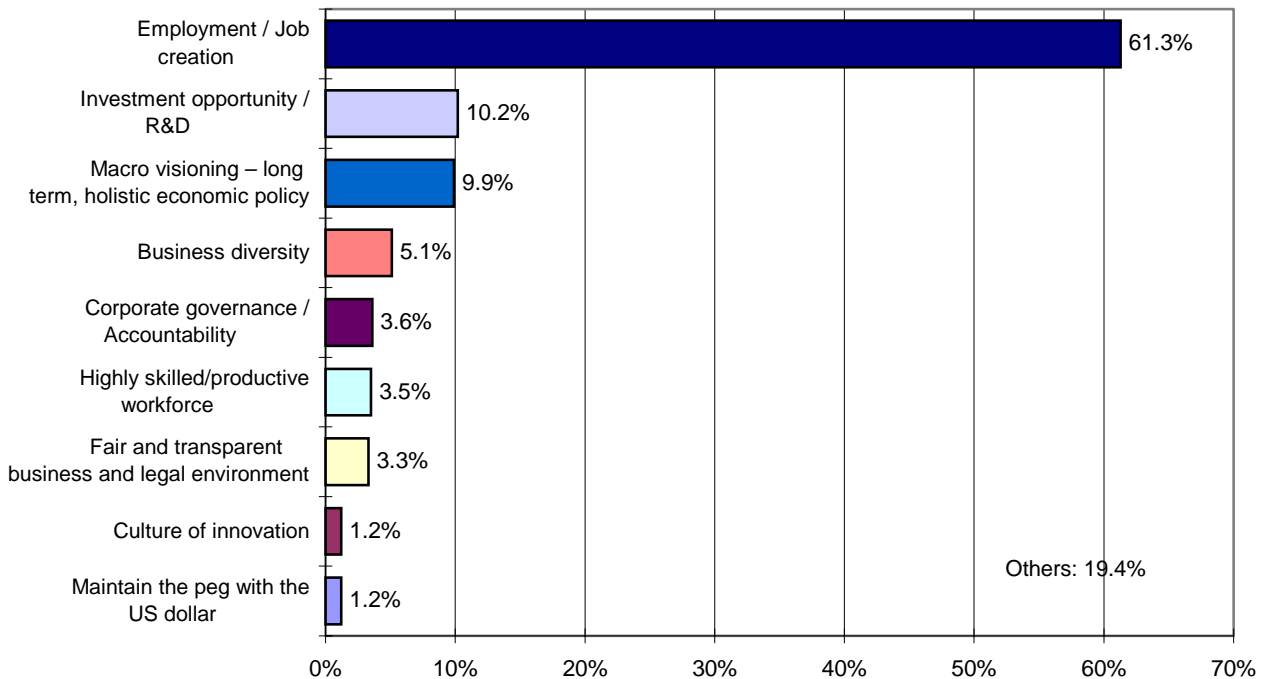
How important is a healthy economy to achieving and sustaining quality of life?

How satisfied are you with the health of the economy's ability to improve the quality of life here?

Findings

Importance	Satisfaction with Current Performance
2nd of 10 High	10th of 10 Lowest

Aspects of Healthy Economy



What was surprising?

- Other important factors in creating a long-term, sustainable and healthy economy, such as corporate governance (3.6%), highly skilled and productive workforce (3.5%), the dollar peg (1.2%), etc., barely registered as issues in the face of concern about employment opportunities and job creation.

What was not surprising?

- Employment and job creation are extremely important to the majority of Hong Kong people (61.3%).

Key Messages

- With record high unemployment rates, people are clearly focused on personal matters such as job stability and being able to earn a living.
- Other issues of importance for Hong Kong's economy, including the dollar peg, and maintaining a fair and transparent business and legal environment are not "top of mind" priorities.

3. HEALTH AND HYGIENE

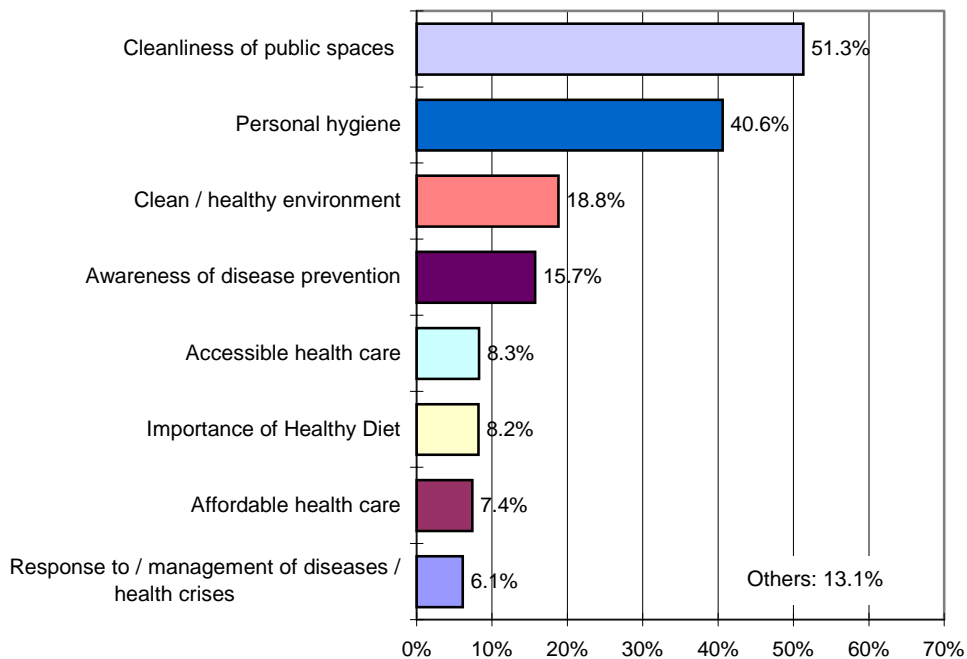
Questions Asked

Which aspect(s) of Health and Hygiene would improve the quality of life?
 How important is Health and Hygiene to achieving and sustaining quality of life?
 How satisfied are you with Health and Hygiene's ability to improve the quality of life?

Findings

Importance	Satisfaction with Current Performance
3rd of 10 High	1st of 10 Highest

Aspects of Health and Hygiene



What was surprising?

- In post-SARS Hong Kong, there is a relatively high level of satisfaction with Hong Kong's performance on Health & Hygiene.

What was not surprising?

- Cleanliness of public spaces (51.3%) and Personal hygiene (40.6%) were the most common responses.

Key Messages

- Clearly the government's post-SARS campaign to clean up Hong Kong has had the desired effect. The cleanliness of public spaces and personal hygiene rank very highly and are also both points of emphasis in the Clean Hong Kong campaign.
- Hong Kong people generally feel that we are doing well in this area; keeping our environment clean is seen as an important issue contributing to Hong Kong's quality of life by over half of the respondents.

4. ENVIRONMENTAL PROTECTION

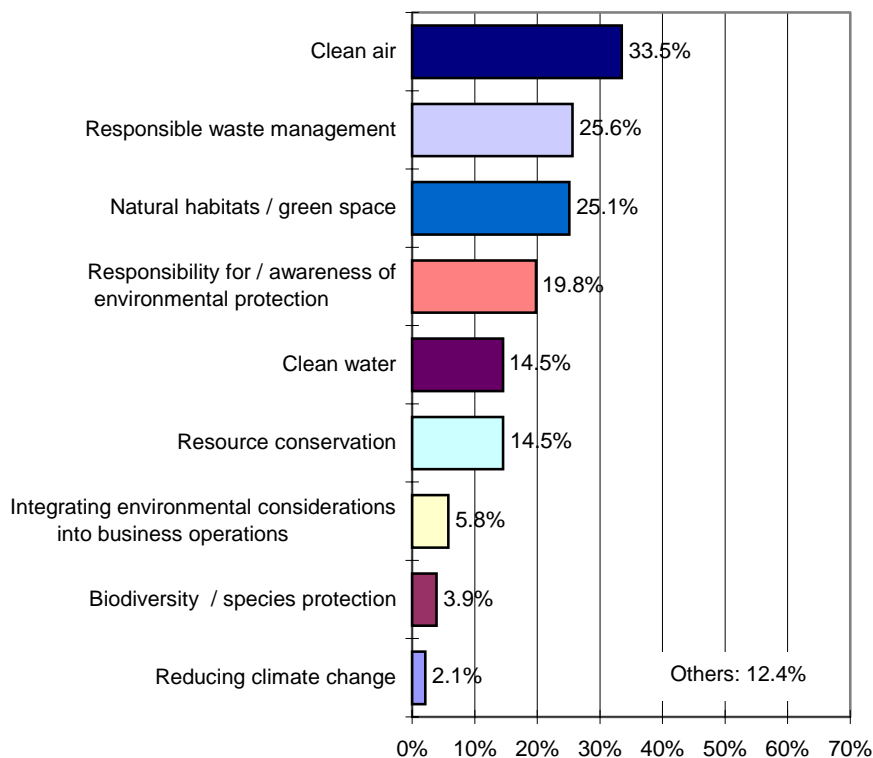
Questions Asked

Which aspect(s) of environmental protection would improve the quality of life?
 How important is environmental protection to achieving and sustaining quality of life?
 How satisfied are you with environmental protection's ability to improve quality of life?

Findings

Importance	Satisfaction with Current Performance
4th of 10 Medium	4th of 10 Medium

Aspects of Environmental Protection



What was surprising?

- Environmental protection was ranked relatively highly in terms of satisfaction with current performance.
- After air quality, waste management and natural habitats and green space were identified as the **next** most important issues to be addressed by 25.6% and 25.1% of the respondents, respectively.
- Natural habitats are recognised as aspects of environmental protection but not biodiversity and the protection of species.
- Environmental awareness was identified as an important way to improve quality of life (19.8%).

What was not surprising?

- A wide variation on what is important with regard to environmental protection exists.
- Air quality was the most important environmental concern (33.5%) and climate change was only identified by a minority of respondents (2.1%).

Key Messages

- Environmental protection is viewed as an important issue, particularly with regard to air pollution, waste management and the preservation of natural habitats and green space.
- While respondents believe that Hong Kong is performing relatively well on environmental protection issues, this demonstrates a low level of awareness regarding the actual status of environmental quality/protection in Hong Kong.
- Assigning responsibility for and raising awareness of the importance of environmental protection is also seen as an important issue for furthering sustainable development in Hong Kong.

5. CARING AND ETHICAL EMPLOYERS

Questions Asked

Which aspect(s) of caring and ethical employers would improve the quality of life?

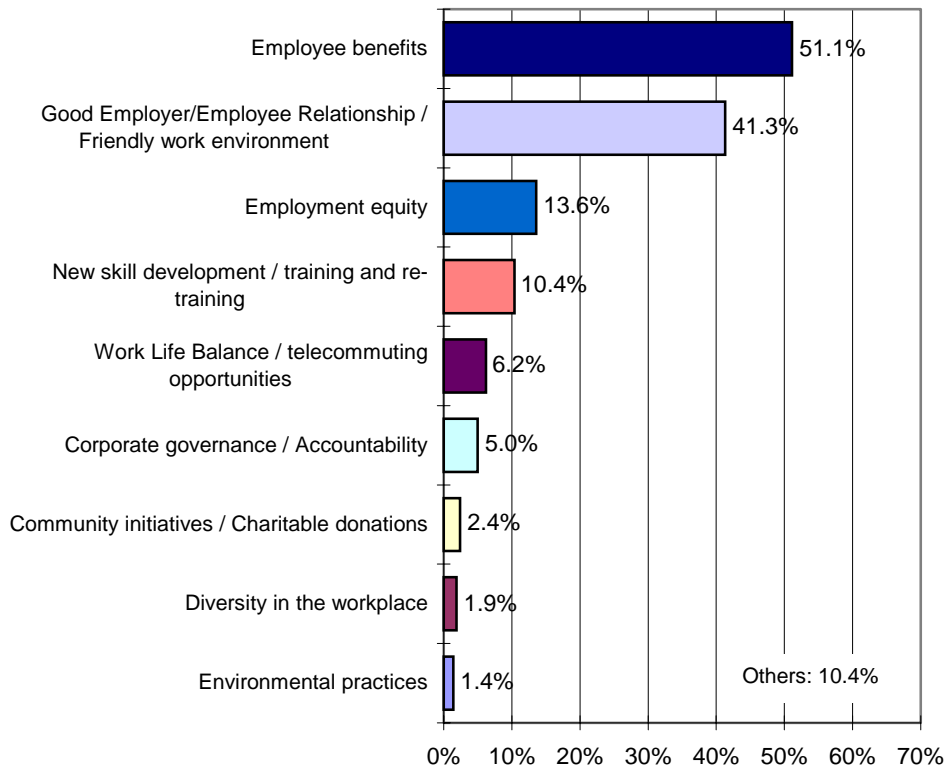
How important is having caring and ethical employers to achieving and sustaining quality of life?

How satisfied are you with caring and ethical employers' ability to improve the quality of life?

Findings

Importance	Satisfaction with Current Performance
5th of 10 Medium	8th of 10 Low

Aspects of Caring and Ethical Employers



What was surprising?

- Relatively high level of importance afforded to caring and ethical employers within the overall context of Hong Kong's sustainable development.

What was not surprising?

- Majority of respondents defines caring and ethical employers by the benefits they provide to their employees, the environment they provide at work, and equity in the workplace (51.1%, 41.3% and 13.6%).
- Awareness is low regarding the broader concepts of corporate social responsibility and governance.

Key Messages

- Given the relatively low level of satisfaction with this area, employers are not meeting the expectations of the majority of the respondents.
- The majority of respondents view employers in the traditional sense as providers of salaries and benefits.
- A significant number of respondents value employee/employer relationships and a friendly work environment.
- Awareness regarding the role of corporate responsibility and governance as part of being a caring and ethical employer is low.

6. URBAN PLANNING

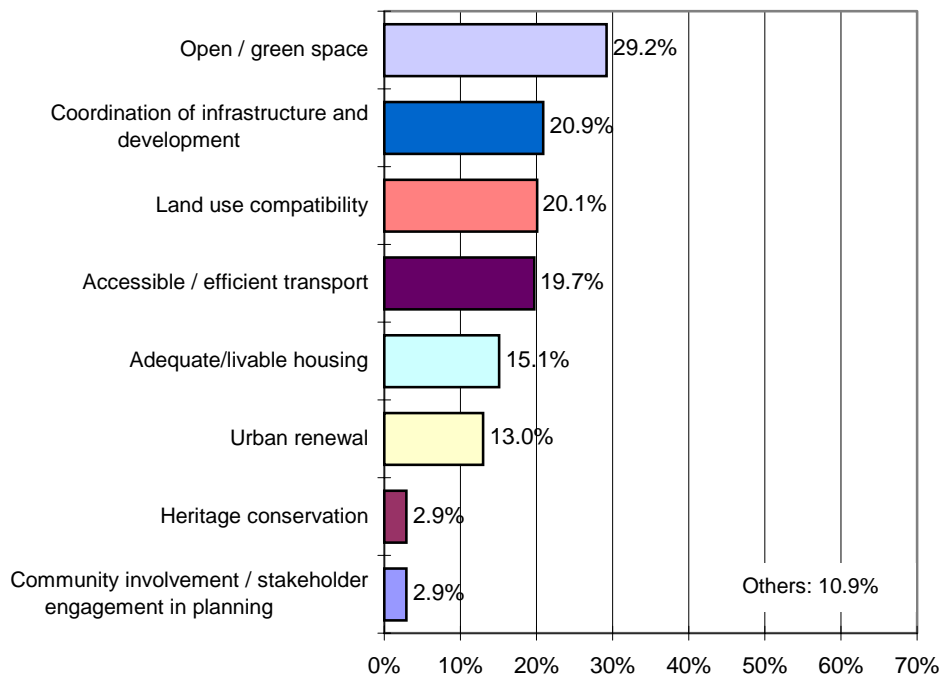
Questions Asked

Which aspect(s) of urban planning would improve the quality of life?
 How important is urban planning to achieving and sustaining quality of life?
 How satisfied are you with Urban Planning's ability to improve quality of life?

Findings

Importance	Satisfaction with Current Performance
6th of 10 Medium	2nd of 10 High

Aspects of Urban Planning



What was surprising?

- The role of stakeholder engagement, i.e. sharing and discussing community views and having input into the planning process, was only raised by a minority of the respondents (2.9%).

What was not surprising?

- The highest-ranking answer in this category indicated a desire for more open/green space (29.2%).

Key Messages

- The data suggests that generally Hong Kong is doing the right thing when it comes to urban planning. Furthermore, the low rating for community involvement (2.9%) suggests that people are either content with the level of public participation in the planning process, or that this is not "top of mind" as they have traditionally felt their views won't be heard and/or considered in the planning process.

7. COMMUNITY SPIRIT & WELL BEING

Questions Asked

Which aspect(s) of community spirit and well being would improve the quality of life?

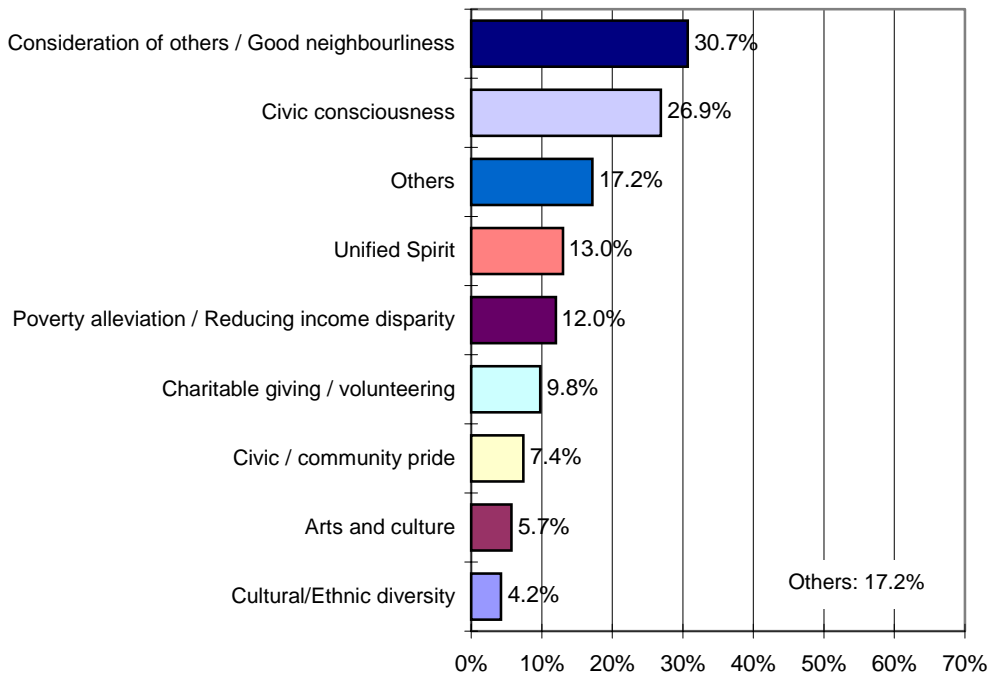
How important is community spirit and well being to achieving and sustaining quality of life?

How satisfied are you with community spirit and well being in terms of its ability to improve the quality of life?

Findings

Importance	Satisfaction with Current Performance
7th of 10	6th of 10
Medium	Medium

Aspects of Community Spirit and Well Being



What was surprising?

- That the importance of this issue was not ranked higher following the community engagement around high profile issues (SARS, Article 23, harbour reclamation, government accountability, etc.).
- That consideration of others and civic consciousness were ranked highly (30.7% and 26.9%).

What was not surprising?

- That this issue was ranked relatively low in terms of its level of performance.
- That a wide difference of opinion exists regarding what community spirit and well being means.

Key Messages

- The importance of community spirit/well being, and Hong Kong's performance against this issue, is higher than usually perceived in Hong Kong.
- It could be inferred that civic consciousness has been raised as a result of the July 1st protest against the government's proposed security law (Article 23).

8. POPULATION POLICY

Questions Asked

Which aspect(s) of population policy would improve the quality of life?

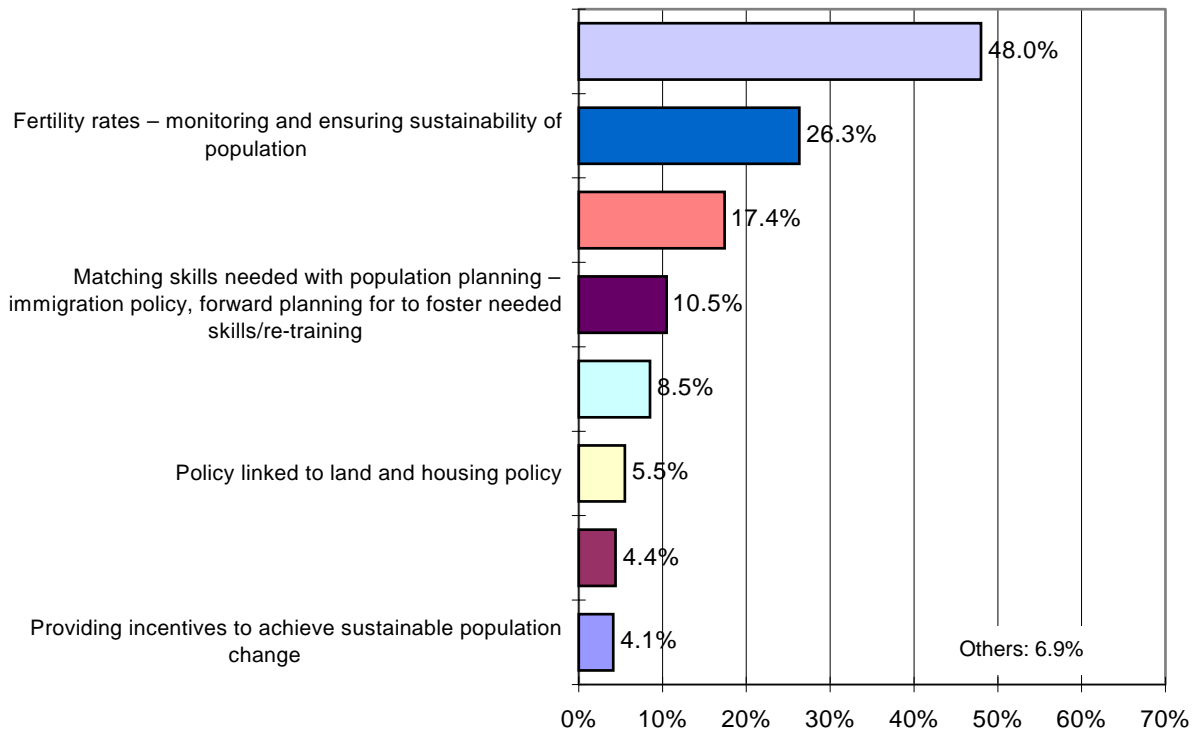
How important is population policy to achieving and sustaining quality of life?

How satisfied are you with the population policy's ability to improve the quality of life here?

Findings

Importance	Satisfaction with Current Performance
8th of 10	9th of 10
Low	Low

Aspects of Population Policy



What was surprising?

- That achieving sustainable population change and matching skills with immigration policy were identified by only 4.1% and 10.5% of the respondents respectively.
- That Hong Kong's performance for this priority area is perceived as low.

What was not surprising?

- That 48% identified managing immigration from the Mainland as the most important part of population policy.
- That fertility rates were identified as important to population policy (26.3%).
- That managing the elderly population was identified as the third most important issue (17.4%).

Key Messages

- While population policy is not ranked highly in terms of its importance, Hong Kong's performance on this issue is considered poor.
- Managing immigration from the Mainland is an important issue for Hong Kong's sustainability.

9. CIVIL LIBERTIES AND HUMAN RIGHTS

Questions Asked

Which aspect(s) of Civil Liberties and Human Rights would improve the quality of life?

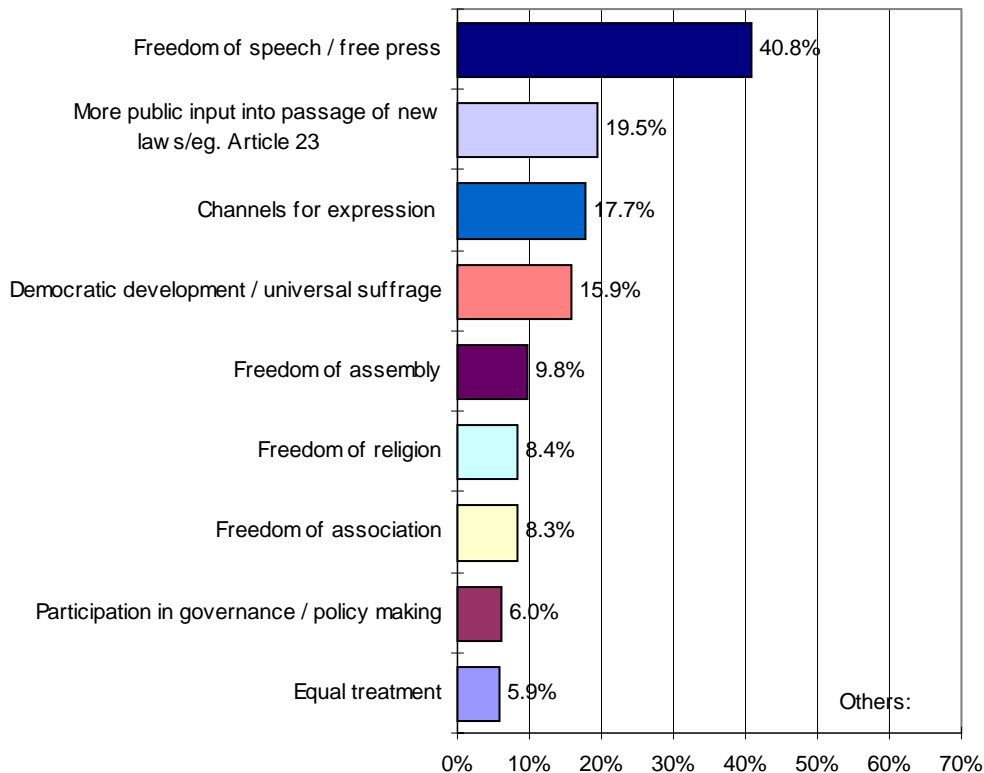
How important are Civil Liberties and Human Rights to achieving and sustaining quality of life?

How satisfied are you with the Civil Liberties and Human Rights' ability to improve the quality of life here?

Findings

Importance	Satisfaction with Current Performance
9th of 10	3rd of 10
Low	High

Aspects of Civil Liberties and Human Rights



What was surprising?

- Despite extensive media coverage and the fact that over 500,000 people participated in the July 1st protest against the government's proposed security law (Article 23), respondents viewed this priority area as the second least important and were relatively satisfied with Hong Kong's performance.
- Freedom of assembly (9.8%), religion (8.4%) and association (8.3%) all ranked with less than 10% of respondents as issues of importance for Hong Kong's sustainable development.
- Democratic development/universal suffrage was ranked lower than expected (15.9%).

What was not surprising?

- Freedom of speech and of the press were identified as most important for this priority area (40.8%).
- More public input (19.5%) and channels for expression (17.7%) were high ranking factors, meaning that people would like to have a larger say in decisions that affect Hong Kong in the long run.

Key Messages

- As the survey was conducted post July 1st, a possible interpretation of the levels of importance and performance is that the government's withdrawal of Article 23 defused the situation and that the respondents continue to have faith that their civil liberties and human rights are protected.
- The data also demonstrates that the respondents value the right to have input into the legislative process and to communicate their views to the government. The high turnout rate and the support for the pro-democracy candidates in the November 2003 district council elections further demonstrate that civil liberties and political participation remain important issues to Hong Kong people.

10. INTEGRATION WITH THE MAINLAND

Questions Asked

Which aspect(s) of integration with the mainland would improve the quality of life?

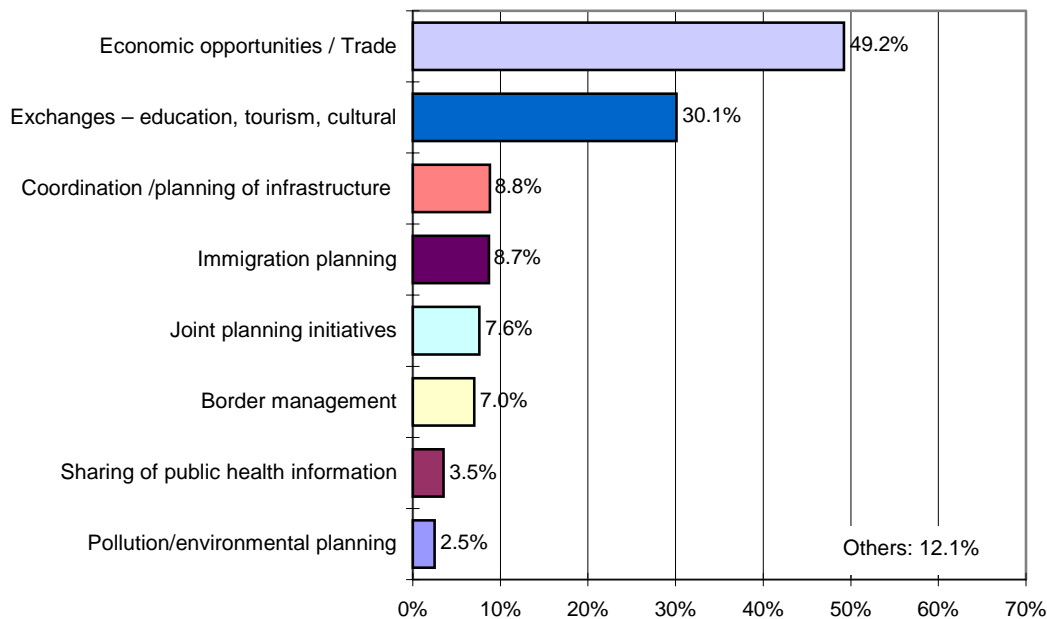
How important is integration to achieving and sustaining quality of life?

How satisfied are you with Hong Kong's integration with the Mainland in terms of its ability to improve the quality of life here?

Findings:

Importance	Satisfaction with Current Performance
10th of 10 Lowest	5th of 10 Medium

Aspects of Integration with the Mainland



What was surprising?

- That integrated planning and policy making were not identified as more important issues for the Pearl River Delta.
- Given the relatively high importance assigned to the priority area of environmental protection, that pollution/environmental planning was only identified as important to integration with the Mainland in 2.5% of the responses.

What was not surprising?

- That economic opportunities and trade were identified as the most important issues (49.2%).
- That exchanges, primarily of tourists, was identified as the second most important issue (30.1%)

Key Messages

- While integration with the Mainland ranked lowest in importance, Hong Kong's performance on this issue was ranked relatively well, with economic opportunities arising from integration as the most important element. This result may be attributable to economic opportunities arising initiatives such as the Closer Economic Partnership Agreement (CEPA).

4.0 Background on the HKSDI Initiative

4.1 The Canadian Chamber and Sustainable Development

The Canadian Chamber of Commerce in Hong Kong has a long history of raising awareness of sustainability issues and engaging the community to improve our quality of life. Highlights of our key initiatives and accomplishments on sustainable development include:

- 1996 Chamber's Environment Committee established in 1996; renamed the Sustainable Development Committee in 2002.
- 1999 Founding member of the Hong Kong Business Coalition on the Environment (BCE).
- 2001 Organized first multi-stakeholder workshop, entitled Building a Sustainable Community Conference, to identify priorities and actions for furthering Hong Kong's sustainable development.
- 2002 Organized follow-on multi-stakeholder workshop to review previous priorities and identify the top 10 priorities for Hong Kong's sustainable development as part of the HKSAR Government's *International Symposium on Sustainable Development*. Results of the *Engaging the Community Workshop* and its stakeholder engagement process recognized by legislators and the Chief Secretary, the Honorable Donald Tsang, as part of the motion debate on a Local Agenda 21 sustainable development strategy for Hong Kong.
- 2003 Launch of a business sector initiative on Corporate Social Responsibility. Development of the HKSDI by partnering with City University of Hong Kong to survey the Hong Kong community on the importance and performance of key sustainable development issues and to track Hong Kong's progress in furthering sustainability in Hong Kong.

4.2 Stakeholder Engagement Initiatives

The Chamber's Sustainable Development Committee has pioneered the process of engaging the community to help build a more sustainable Hong Kong. On the 10th and 11th of June, 2002 over 100 stakeholders from the business, governmental, academic, environmental, social and community sectors came together to identify their priorities for furthering sustainable development in Hong Kong at the *Engaging the Community Workshop*. This workshop was organized by the Canadian Chamber of Commerce in Hong Kong, on behalf of the Hong Kong Business Coalition on the Environment (BCE) and with the Hong Kong Council of Social Service and the HKSAR Sustainable Development Unit. It was an important part of the HKSAR Government's *International Symposium on Sustainable Development*. The workshop report is available at www.cancham.org.

It was a follow-on event from the 2001 *Building a Sustainable Community Conference*, also organized by the Canadian Chamber on behalf of the BCE. The workshop report is available at www.cancham.org. The main objectives of these two initiatives were to: (1) bring stakeholders from all sectors of the community together to share views in an open, engaging and facilitated discussion process; and (2) to reach consensus among these different sectors on an initial framework for furthering the sustainable development in Hong Kong.

4.3 Canadian Chamber / City University's Sustainable Development Survey & HKSDI

The Canadian Chamber, in partnership with The City University of Hong Kong and its *Statistical Consulting Unit*, developed its sustainable development survey to ask the Hong Kong community how important the 10 priorities for sustainable development are to Hong Kong's sustainable development and quality of life, what these priorities mean to them and how well they believe the Hong Kong community is performing on these issues. The survey results provide a baseline of how well the community perceives that Hong Kong is progressing on important sustainable development issues. In subsequent years, the survey results will also provide an ongoing progress report on these issues and collectively, the results will form the *Hong Kong Sustainable Development Index (HKSDI)*.

The overall objectives of the survey and the *HKSDI* are therefore to:

- Assess the importance of sustainable development issues to the Hong Kong community;
- Determine what the sustainable development issues mean to the Hong Kong community; how they are defined and which aspects are important to them;
- Track community perceptions on the importance of the sustainable development issues and progress in managing these issues in Hong Kong;
- Raise awareness of the importance of sustainable development issues in improving quality of life; and
- Encourage the establishment of initiatives and partnerships to promote and further sustainable development in Hong Kong.