**SCMP Article**

**Better ways to measure social progress in HK**

Hong Kong held its first ever international philanthropy conference last month. Organised with help from the Jockey Club, the “Philanthropy for Better Cities” forum hosted representatives from such bodies as Bloomberg Philanthropies, the Rockefeller Foundation and the Bill & Melinda Gates Foundation.

The keynote speaker was Michael E. Porter of Harvard Business School. He is best known for his development with Mark Kramer of an idea called “creating shared value” – nothing less than a reinvention of capitalism. He is also closely involved with the Social Progress Initiative, which seeks to find a better index for measuring development than basic economic benchmarks like GDP.

You could write a book about how philanthropy, the concept of shared value and the Social Progress Index overlap, and what it all means for us in Hong Kong. Let me stick to some very brief ideas.

The common theme in these ideas is that the old system is not working. Around the world, the consensus on economic models relying on free trade and market forces is under attack. In Hong Kong in recent years, respect for the business sector has turned to suspicion and criticism.There are serious reasons for this. Changes in trade and investment patterns and in technology have delivered huge benefits, but also disrupted traditional markets in products and labour. Negative results, notably a widening wealth gap, are feeding into popular discontent in many countries and regions.

There can be no turning back the clock to a pre-internet age, or a time when fast growth guaranteed jobs and social mobility even to the less skilled. At the same time, there are limits to what government and politicians can do to help communities adapt.

The philanthropists at the recent forum spoke of new solutions to tackle issues that hold people and communities back at a municipal level. These include youth and education, ageing and health, sustainability and innovation. Their comments put Hong Kong’s problems into perspective. We face serious challenges in housing, the wealth gap, demographics, and quality of life. But we are lucky not to face some terrible problems found elsewhere.

Our kids are literate and numerate. Our life expectancy and infant mortality rates are at or near the best in the world. Unemployment is low. Violence and crime – and stress and fear of being a victim – are very low (did you know Chicago has had 3,000 shootings so far this year?). Not least, our government has surpluses and reserves other cities can only dream of.

The forum heard about new approaches to government decision-making and new types of investment – often combining private and public sectors. This is where some of Professor Porter’s ideas come in. The “creating shared value” concept ties the competitiveness of a company with the well-being of the community – and vice versa. This means a company can improve its prospects if it uses its core competencies, entrepreneurial insights and resources to tackle social needs. If it succeeds, it will actually create new business opportunities for itself.

Like the methodical approach of big Western philanthropic groups, this is a long way from Hong Kong’s traditional Chinese-style paternalistic charity. Still, there is growing awareness in our business sector of social innovation and social enterprise. Many people might be surprised at the private-public partnerships helping to house the poor, getting volunteer tutors into schools and creating business incubators. But it’s early days.

One thing the government could do to help would be to adopt new ways of identifying priorities and measuring effectiveness of policy. For example, we have no data on whether a better work-life balance – through lower working hours, say – damages our economy or makes us better off. Ideas like the Social Progress Index would help us think beyond standard economic growth.The results could be surprising. An African participant at the philanthropy forum was amazed at Hong Kong’s low crime rate. Having seen the data, I told him I would really like Hong Kong to have his country’s levels of happiness.