



Brief Note on Sustainable Development

Since industrialization, the world has experienced a 15-fold increase in GDP per capita over the past 200 years. However, behind this remarkable attainment, the rapid economic growth achieved in mere decades is not without consequences. In recent years, the intensification of turbulent events frequented in every corner on earth – environmental hazards, social unrests, skyrocketing pollution – have once again proven that climate change and pervasive structural inequalities are the largest crises to be tackled in the 21st century.

Unravelling the damaging impacts of what was once used to achieve economic prosperity in the past, many are embarking onto new strategies to address and avoid exacerbating these challenges, hence coined the term “Sustainable Development”. Sustainable development is commonly defined as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs”¹. To ensure a livable world for generations ahead, our developmental agenda must not be at the expense of our environment and surrounding communities.

The concept of sustainable development has a long history. Carlowitz, a German tax accountant and mining administrator put forward the term “sustainable yield” for forestry management in 1713,² which marked the origin of sustainability. In 1972, the United Nations brought the challenge of upholding sustainability while striving for economic prosperity to the forefront of intergovernmental cooperation.³ Following this agenda, the Brundtland Commission published a report in 1987 to establish a universal definition for “sustainable development”, as defined above. This concept was subsequently adopted at the Rio Earth Summit in 1992.⁴ Sustainable development has since progressed to a new stage of widespread adoption and implementation. In 2015, the United Nations set up 17 Sustainable Development Goals (SDGs) in its 2030 Agenda to urge both developed and developing countries to collaborate and take immediate action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.⁵

The interpretation of sustainable development has evolved over time. In the past, there was a common misconception that there must be trade-offs between achieving economic goals and striving for social or environmental good. The three pillars of sustainability – environment, economy, and the society were considered as distinct spheres that are substitutes of each other, rather than concepts that can be reconciled to coexist.⁶ However, in recent years, sustainable development is reinterpreted through the lens of a ‘nested model’, which recognizes that businesses or the economy is a direct outcome of continued societal input and, in turn, built upon the environment. Hence, sustainable development now considers these three vital pillars—the economy, society and the environment—as intricately connected and interdependent.⁷

¹ United Nations. (2015). *Prototype Global Sustainable Development Report*. United Nations. Retrieved July 29, 2021, from <https://bit.ly/3j6pZUT>

² United Nations. (2015). *Prototype Global Sustainable Development Report*. United Nations. Retrieved July 29, 2021, from <https://bit.ly/3j6pZUT>

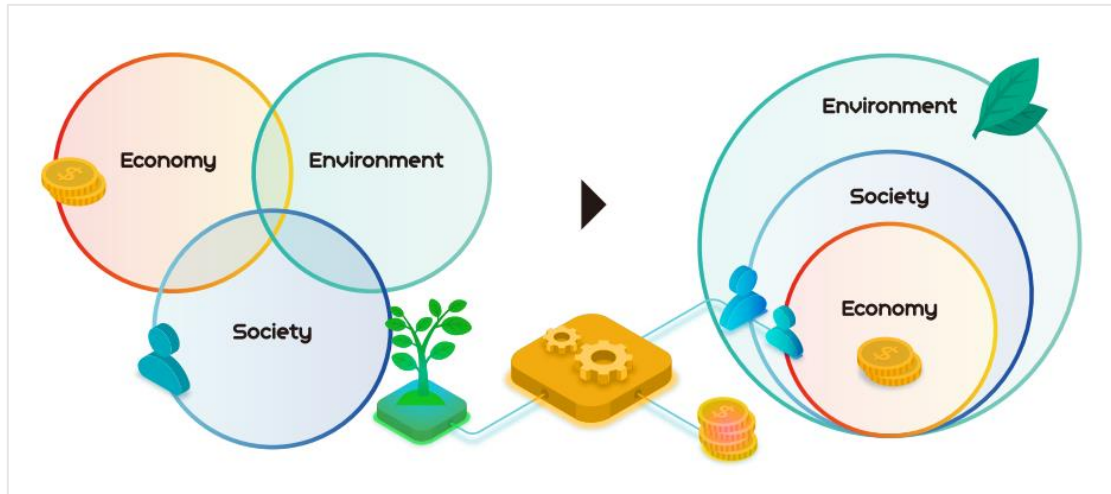
³ Sachs, J., & Pan, K. (2015). *The Age of Sustainable Development*. New York: Columbia University Press.

⁴ United Nations. (2015). *Prototype Global Sustainable Development Report*. United Nations. Retrieved July 29, 2021, from <https://bit.ly/3j6pZUT>

⁵ United Nations. (n.d.). THE 17 GOALS | Sustainable Development. United Nations. Retrieved July 28, 2021, from <https://sdgs.un.org/goals>

⁶ Sachs, J., & Pan, K. (2015). *The Age of Sustainable Development*. New York: Columbia University Press.

⁷ Purvis, B., Mao, Y., & Robinson, D. (2018). Three pillars of sustainability: in search of conceptual origins. *Sustainability Science*, 14(3), 681–695. Retrieved on 28 July 2021, from <https://doi.org/10.1007/s11625-018-0627-5>



Source: [PSLB's SME Sustainability Roadmap and Kick-Start Impact Toolkit](#) (2021)

Applying the concept of sustainable development onto Hong Kong's context, different stakeholders have their own approaches to realize the goal of sustainable development. The HKSAR Government established The Council for Sustainable Development to advise strategies and facilitate societal participation in promoting sustainable development in Hong Kong.⁸ The Government has also set up the Development Fund to provide incentives for organizations and individuals to take sustainable initiatives.⁹ Moreover, effective from 1 January 2016¹⁰, the Hong Kong Exchanges and Clearing Limited (HKEX) has tightened regulations on listed companies, requiring them to publish their ESG reports on an annual basis to disclose the company's environmental, social and governance impacts.

While small and medium enterprises (SMEs) in Hong Kong are yet to be required to comply with any regulatory requirements, in view of the trend, as well as the lack of sustainability talents and relevant resources in the sector, the Centre for Civil Society and Governance (CCSG) has therefore launched the SMEs Sustainability Leadership Recognition Scheme¹¹ in hope to bridge the collaborative effort and incentive gap between large corporates and SMEs to better support SMEs' sustainability transformation and enhance their business performance and resilience altogether.

While the 17 Sustainable Development Goals (SDGs) have not yet been widely adopted on a policy level in Hong Kong, it has laid down fundamental principles and actions that businesses, governments, nonprofits could follow. It should be of fervent interest for every sector adhering to sustainable development, undoing centuries of environmental degradation and exploitation whilst creating a more equitable, peaceful, and better future.

⁸ Environment Bureau. Council for Sustainable Development. Retrieved July 30, 2021, from <https://www.enb.gov.hk/en/susdev/council/index.htm#about>

⁹ GovHK. (2018, December 30). *GovHK: Sustainable Development*. GovHK. Retrieved on 28 July 2021, from <https://www.gov.hk/en/residents/environment/sustainable/dev.htm>

¹⁰ Hong Kong Exchanges and Clearing Limited (2020), Appendix 27 Environmental, Social and Governance Reporting Guide. Retrieved on 28 July 2021, from <https://en-rules.hkex.com.hk/rulebook/environmental-social-and-governance-reporting-guide-0>

¹¹ Centre for Civil Society and Governance. Commitment & Recognition Schemes. Retrieved on 29 July 2021, <https://ccsg.hku.hk/pslb/collaboration/commitment-recognition-schemes/>