



# **A Virtuous Economy**

**Hong Chi Association: Creating Green Opportunities  
for Hong Kong's Disabled Workers**

*Centre for Asian Philanthropy and Society*



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### HONG CHI ASSOCIATION: CREATING GREEN OPPORTUNITIES FOR HONG KONG'S DISABLED WORKERS

*Through a unique tri-partite collaboration, Hong Chi Association has kick-started a glass bottle recycling project that has provided disabled workers with valuable life skills while changing public attitudes to the environment.*

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**T**he bottles might have been emptied around the family dinner table. Or during a round of toasts for a special occasion. Whichever, residents of The Leighton Hill, a luxury housing estate in Hong Kong, deposit their empty wine bottles in recycling bins located on each floor of the complex's eight 39-story towers. Twice a day, estate employees collect and move the bottles to refuse areas on the ground floors. There, six times a week, earnest young people in royal blue windbreakers gather and sort the bottles. They collect other types of glass containers as well, but wine bottles are the most common at high-end estates such as The Leighton Hill. The bottles are then loaded onto a truck, taken to a recycling plant, and crushed into fine particles until they become sand. This is then mixed with cement to make eco-bricks, which will be



Glass bottle recycling bins have been placed at 290 collection points across Hong Kong.

transported to government construction sites and used for paving Hong Kong's eco-pavements.

These workers also pick up bottles at other locations on Hong Kong Island, while their colleagues do the same at collection points in Kowloon and the New Territories. They are participants in a unique program with two distinct but complementary goals: to reduce the thousands of tons of glass containers tossed into Hong Kong's shrinking landfills each year, and impart to people with intellectual disabilities (PID) the working skills and experience to help them to thrive.

Since 2010, the Hong Chi Jockey Club Glass Bottle Recycling Project has employed specially trained workers with intellectual disabilities to direct about 3,900 tons of glass containers from landfills into nearly 8.9 million eco-bricks, which are built into sidewalks and public plazas across Hong Kong. The three-fold mission — to reduce dependence on landfills, to enhance public awareness of environmental protection, and to promote social inclusion of PIDs — was only possible by combining the resources of three major stakeholders in Hong Kong society: the Hong Chi Association, the Hong Kong Jockey Club Charity



Hui Yuk Po joined the project in 2010, becoming a leader and public representative. (HKJCCT)

Trust (HKJCCT), and the government's Environmental Protection Department (EPD). Linking environmentalism to social welfare has been good for all partners, and for Hong Kong. The glass bottle recycling scheme has so far seen some 290 collection points set up in residential estates, shopping malls, and hospitals around the city, and about 250 PIDs receive work skills training.

### DOING THE ROUNDS

One participant in the bottle recycling project is 28-year-old Po Hui Yuk, who is autistic. He joined six years ago, when he was faced with a dearth of workplace opportunities. Since then, Po has become an emblem of the project's success, and has been featured in promotional materials. He began as a trainee in 2010, and has gone on to become a paid employee of Hong Chi Association with responsibilities to help train new participants.

Po is a graduate of a PID school that Hong Chi operates in cooperation with government agencies across Hong Kong. When the mildly- and moderately- disabled graduate, they leave worlds that offer peer socialization and expert guidance for workplace environments with little support. So some fall out of the mainstream economy, having struggled with the transition from schools or sheltered workshops. "So they feel frustrated, because they feel they are worthless," said Samme S. M. Chong, manager of the bottle recycling project. "They have no job, no standing, no value, and very few friends. It's hard."

With this project and other programs, Hong Chi offers a range of employment opportunities for people such as Po. Outside of The Leighton Hill, Po walked toward the cargo truck and watched as the bin of bottles was hoisted onto a rear lift. After his work is done there, Po and his trainee Ho Yip Chi made several more stops on Hong Kong Island. Po and Ho, who live with their families in the New Territories, have become friends. Every work day, they get the train and then ride the minibus to a nearby warehouse, where they and two other teams assemble in the morning before departing on their rounds.

One team collects at estates in the New Territories and the other at bins behind the bars on Minden Avenue, a nightlife area in Tsim Sha Tsui. On Minden Avenue alone, the teams collect an average 40 percent of the haul for the day. Once their trucks are full, they go to the EcoPark in Tuen Mun, a 50-acre plot owned by the government and designed to nurture development of a recycling industry by granting long-term leases at affordable prices to recycling companies. There, the team unload its daily haul, which on average weighs 2 tons, to K. Wah Construction Materials Limited, a company that grinds the glass into sand for eco-bricks.

### WASTE IN THE CITY

Two tons sounds like a lot, but in 2014, residents and businesses of Hong Kong tossed out about 230 tons of glass containers *per day*. This amounts to a staggering 84,000 tons for the year, according to an EPD report released in December of 2015. Because manufacturers have moved many food and beverage products into paper, plastic, or metal containers over the years, wine bottles, as well as beer and liquor bottles, are now the predominant part of the daily tonnage.

Hong Kong's refuse problem has long been worrying, and it is becoming increasingly so: landfills located in the New Territories are expected to be full by 2020. Still, the reuse-and-recycle percentage rate is very low compared to many countries in Europe (Sweden's is 100 percent) and in Asia, where Hong Kong lags behind Japan, South Korea, and Taiwan. Only about 10 percent of glass bottles bought in Hong Kong are reused or recycled following the consumption of their contents, while the rest get buried in the three remaining landfills.

Several factors account for Hong Kong's poor recycle rate, one being a lack of incentives provided to consumers. Groceries that once supported a "deposit-and-return" system for bottles have been phased out, meaning that the public was left with little option but to toss their bottles out with the rest of the garbage. Some Hong Kong-based glass manufacturers did purchase glass for recycling,

but when they eventually closed down their operations in Hong Kong, so too went the economic incentive to recycle.

For a long time, Hong Kong's glass recycling remained a low priority for environmental officials, who were faced with the more pressing concern of what to do with construction and industrial waste, such as hazardous materials, computers, refrigerators, washing machines, rice cookers, and the other electronic equipment people toss out without thinking about it too much. This is in addition to the 9,000 tons of municipal solid waste (MSW) that has to be picked up and buried each day. Between 1980 and 2013 the population grew by 30 percent, while MSW pickup increased by 80 percent. The biggest proportion of Hong Kong's MSW — some 44 percent — consists of "putrescibles," or food that will start smelling putrid quickly. Glass is one of the smallest parts of Hong Kong's daily MSW, at 3 percent.

The EPD began focusing on glass in 2008, establishing partnerships with other government branches and civic organizations. One of the first was with members of the Hong Kong Hotels Association who agreed to begin separating bottles from other waste to make pickup and recycling easier. In 2010, residents of six public rental housing estates began doing the same; by 2015, that program included 164 estates. The government also started a recycling network at private residential estates that by 2015 had spread to 800 estates. An arrangement forged between the EPD, the HKJCCT, and Hong Chi, would give rise to unique collaboration between three significant stakeholders and would demonstrate the potential for cross-sectoral collaboration to pay off in gains to society.

### EMPOWERING PIDS

Hong Chi, formerly known as the Hong Kong Association for the Mentally Handicapped, was established in 1965 as a school and care site for just four students, the parents of whom championed the cause for an educational center and environment for their handicapped children. In 1997, the name

of the association changed to Hong Chi: in Chinese “Hong” means “to assist,” and “Chi” refers to “the intellect,” reflecting the organization’s founding mission to assist mentally handicapped people to develop their potential as valuable members of society.

Within three years of Hong Chi’s founding, the school had expanded to 70 students across two campuses. With the help of dedicated teachers and the early recognition of these students’ potential, some graduates went on to find work. At a time when there were no resources to support mentally handicapped individuals, nor was there a support system for their families, Hong Chi stepped into the breach. Today, it is dedicated to serving over 7,000 people of all ages and levels of intellectual disabilities. It operates 81 services that provide special education, job training, sheltered and supported employment, and adult education, among other things that are vital to supporting Hong Kong’s PID to live their lives to the fullest. Most of its funding comes from the Hong Kong government and its social services departments, but over

the course of 40 years, Hong Chi also has received many donations from the HKJCCT. Early in 2015, the trust awarded HK\$602,328 (US\$77,420) to Hong Chi to increase the size and range of programs at its rehabilitation complex for the disabled at Tai Po in the New Territories, in its largest-ever contribution to the rehabilitation services field.

One mainstay of Hong Chi’s activities is to support the intellectually disabled to work, and in some cases, to go on to employment in the mainstream economy. Many trainees, as Hong Chi refers to them, work independently in Hong Kong’s food service, hotel, and maintenance fields. Others work in supported environments, where they are offered support and guidance to help them to contribute. “Some employers who hire our trainees tell us they are more stable and reliable than other workers,” said Philip CC Poon, chairman of Hong Chi’s Council of Management. “Our trainees just need the chance and the support to show it.” This was front-of-mind when Hong Chi was approached by the HKJCCT with a bright idea.



Hui Yuk Po joins Leong Cheong of HKJCCT, Phillip Poon of Hong Chi Association and Secretary for the Environment Wong Kam-sing to launch the third phase of the project. (HKJCCT)



Members of the glass bottle recycling team.

### BETTING ON A CAUSE

The Hong Kong Jockey Club became a major philanthropic institution in Hong Kong after the Second World War, when horseracing took off again as the city-state began contending with the socioeconomic effects of waves of disenfranchised mainland immigrants. The club's members voted to give all surplus revenue from government-regulated betting on racing to help the community bounce back. In 1959, it formed a separate entity to administer donations, and in 1993, that organization became the HKJCCT. Over the last decade, it has donated an average of US\$232.3 million a year to support its initiatives and those of hundreds of organizations, all based in Hong Kong. The donations amount to roughly 70 percent of the money it earns from regulated betting on horseracing, football, and the popular Hong Kong lottery known as the Mark Six. The other 30 percent covers the club's operational costs and its tax payments.

Over the decades, the trust and its predecessor funded wholly or in part the construction of many iconic Hong Kong landmarks: Victoria Park, Ocean

Park, the Hong Kong Academy for Performing Arts, and Hong Kong Stadium. Its funds led to new buildings and classrooms for all of Hong Kong's universities and, in 1991, it virtually underwrote the construction of an entirely new one, the Hong Kong University of Science and Technology. For many years, the Charities Trust focused on grants for parks, university buildings, and other public facilities, but then gradually began adding social services donations.

In its 2014-15 fiscal year, the HKJCCT, the sixth largest foundation in the world, donated a record annual amount, HK\$2.35 billion (US\$302.3 million), to support ongoing and new social services programs. In 2009, together with the EPD, it brainstormed a solution to address the comparatively small but still vital challenge of glass refuse. The trust would enlist its long-term partner, Hong Chi, to help create a program that linked glass recycling with job training for the intellectually disabled through one innovative project.

Hong Chi formally launched the Glass Bottle Recycling Project on April 20, 2010, at which

time trainees were deployed to collect used glass bottles from the domestic and commercial sectors. This is followed by simple processing procedures, which prepare glass bottles for repurposing, and finally, the used glass bottles are sent to a local construction plant and crushed into glass sand (as a substitute for river sand) for the production of eco-bricks. Within this, Hong Chi trainees are employed in a paid capacity, interact daily with a community of peers and trainers, and are learning a new skill set — while making a contribution to improving Hong Kong’s environment.

Over three phases (2010, 2013, and 2016), the HKJCCT has donated some HK\$19.5 million (US\$2.5 million) to Hong Chi to implement the territory-wide glass bottle recycling campaign, comprising nearly 300 collection points from which used glass bottles are picked up by intellectually disabled trainees, who are also involved in public education activities such as road shows, exhibitions, and talks. By February 2016, when the bottle recycling project’s partners gathered again to commemorate the third three-year extension, Hong Chi teams had deposited 3,900 tons of bottles and glass containers at the EcoPark. In the context of Hong Kong’s MSW figures, this does not sound like much but looked at another way, it does: enough eco-bricks were made to equal the dimensions of 422 basketball courts.

### WASTE NOT, WANT NOT

The ceremony was held in an apt location, the Zero Carbon Building, a conference facility in Kowloon Bay. It is so named because it is the first building in Hong Kong to produce no carbon emissions. All of its energy comes from onsite renewable resources, including even cooking oil. Its construction was a joint demonstration project of the Hong Kong government and local industry, the surrounding plaza paved with eco-bricks. The secretary for the environment, Wong Kam-sing, a leading force behind several EPD initiatives in the past several years, took to the stage to emphasize a particular theme of the bottle recycling project’s

third phase: “clean recycling.” The Hong Chi teams will hold exhibitions and visit schools to promote such practices as rinsing off the smelly putrescibles that attach to bottles thrown into household garbage and removing their metal caps for separate recycling.

Standing on the stage of the multi-purpose hall of the Zero Carbon Building, Wong thanked representatives of several new public and private estates and businesses that had joined the project and become collection points. He held aloft the Big Waster puppet, the government symbol for people who order more food than they can possibly eat when he turned to address the audience in a tone of upbeat urgency. “One of our society’s biggest challenges now is waste management,” he said. “Our landfills are filling up fast. We’ve got to stop wasting so much. Food. Glass. Everything. Everyone has to help solve this problem.”

The important part of this quote lies in the use of the word “society.” For success within this realm, it is incumbent upon every sector to participate, innovate, and encourage environmental protection. This cross-sectoral approach, and the proof that this can work is exemplified by the Hong Chi Jockey Club Glass Bottle Recycling Project. Between three stakeholders in Hong Kong society, this initiative has accomplished a ton — nearly 4,000 tons of recycled glass, in fact. But beyond that, it has changed the lives of hundreds of individuals and brought together an array of institutions in a way that is completely new.

### LESSONS AND CHALLENGES

The success of the Hong Chi Jockey Club Glass Bottle Recycling Project is a shining example of how new and unconventional partnerships can lead to multiple gains. Disability-related services are typically funded by the Social Welfare Department, with major philanthropic actors such as the Hong Kong Jockey Club also directing resources into this area. Beyond financial support, the HKJCCT plays a unique strategic role, too. In the case of the bottle recycling project, they were able to connect a ma-



major environmental actor with a disability services provider to create impact in both fields.

Hong Kong is not unique in the fragmentation of its charitable sector, where 90 percent of social services are delivered by more than 400 NGOs, according to the Hong Kong Council for Social Services. It does stand out for the critical role played by its larger foundations and trusts, such as the Community Chest and the HKJCCT, both of which work to develop the capacity of non-profits and pilot new models. From the 1990s, the HKJCCT began to fund software and research into how it can best invest in social impact with the greatest returns for the people of Hong Kong.


It does so by taking a bird's-eye view to identify issues and developing rationales and models for service in tandem with partners it finds qualified and capable of implementing those models and delivering services. "We do not provide services. We rely on NGOs, government, social workers, universities, and businesses to do that," said Irene Chan, head of charities for the HKJCCT. "What we do is try to find and help bridge gaps in services to society." By connecting government and charitable organizations, and drawing links across thematic sectors, too, HKJCCT is able to help devise and pilot new models for social services delivery. "To be effective, you have to be innovative, you have to do things that haven't been done before," said Leong Cheung, executive director of charities and community for the Hong Kong Jockey Club, during a university seminar on the club's philanthropic strategy in April 2016.

Beyond its convening and piloting role, the HKJCCT is interested in the sustainability of the various programs and projects it supports. "The first challenge we face is to improve, and to prove it to be successful," said Chan. To get there, the Bottle Recycling Project would need to not only ramp up its collection capacity, but also prove that it can operate sustainably and independently. The economics of the glass recycling industry pose a challenge to both of these goals; the bottles are sold for recycling for next to nothing. For Hong Chi, the priority is to ensure its trainees are well

supported and to create employment opportunities for PIDs that allow them to realize their potential. For this, it remains dependent on the financial support of the trust, which underwrote the two previous three-year-long phases with separate grants, and now made a third, for HK\$8.01 million (US\$1.03 million).

## OUTLOOK

The question remains: What next for the bottle recycling project, and the likes of its employees such as Po? It currently is financed fully by the HKJCCT, and its funding is not yet finalized beyond 2019. There is the potential for the project to be subsumed into the EPD, which would commit the resources required to continue services at existing collection points and integrate the project into its existing recycling programs. Perhaps most important, Hong Chi will likely be retained as a contractor to the project, continuing the opportunity for PIDs such as Po to earn a living and make a meaningful contribution to society. For now, EPD, Hong Chi and HKJCCT are looking to make a success of this three-year phase, where it is expected that 2,200 tons of glass will be collected and 160 more vocational opportunities will be created for PIDs.

At one point in the extension ceremony, Wong Kam-sing, Hong Kong's environment secretary, stood on an auditorium stage waving "Big Waster," the small brown puppet who became such a popular recycling emblem in Hong Kong that it even has its own Facebook page. Wong invited persons connected with the bottle recycling project onto the stage for photographs. One of them was project trainer Po, who had come so far along on this journey. After the ceremony, he was asked what he was thinking as he shook Big Waster's hand. "I am happy to have a chance," said Po. "I feel proud to be a leader." 

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## QUANTITATIVE INDICATORS

	Glass Bottle Recycling Project	Hong Chi Association**
<b>Financial</b>		
Planned budget or income versus actual expenditure for the fiscal year*	Budget: 2010-16: HK\$11.58 million (US\$1.49 million)  March 2016- February 2019: HK\$7.99 million (US\$1.03 million)  Expenditure for program to date: HK\$10.91 million (US\$1.40m)	Income: HK\$702.55 million (US\$90.30 million)  Expenditure: HK\$705.87 million (US\$90.73 million)
Income composition by source: individuals, corporations, events, trusts, other (please specify)	Hong Kong Jockey Club Charities Trust: 100%	Government grants and subventions: 87.4%  Lotteries Fund grants: 1.2%  Donations from Hong Kong Jockey Club: 1.3%  Donations from Community Chest: 0.2%  Donations from others: 1.7%  Fundraising projects: 1.2%  Others (i.e. income from fees): 7.0%
Income composition: domestic versus international	Primarily domestic	

## Personnel

Staff retention rate	NA	NA
Turnover rate	NA	NA
What is the board composition?	Overseen by Hong Chi Association board	Occupation: financial & accounting – 6; legal sector – 3; PR & marketing – 2; Education – 1; HR – 1; medical – 1; others – 2  Gender: men, 8; women, 8
How many meetings does the board hold per year?		4
How many staff members are there?	5	1,900
How many staff members have attended some non-profit or management training course?	NA	NA

## Quantitative Indicators Continued

## Organizational

Do you publish an annual report?	Yes, quarterly progress report to Hong Kong Jockey Club Charities Trust	Yes
How many sites/locations do you currently operate in?	290 collection points in Hong Kong	Hong Kong
Do you measure results?	Yes. Activities tracked include: <ul style="list-style-type: none"> <li>● 3,900 tons of used glass bottles collected</li> <li>● 290 collection points set up</li> <li>● More than 250 trainees received training, with 10 percent moving on to jobs since 2010</li> <li>● 440 community programs organized to promote glass bottle recycling and social integration</li> </ul>	Yes. Activities tracked across the Special Education, Training and Rehabilitation Services, Social Enterprises and Communications and Fundraising divisions
What types of outreach?	Print, social media, press coverage	
Do you regularly meet with government representatives?	Yes	
If yes, on a scale of 1-3 how close is the relationship with government? 1 = not close; 2 = somewhat close; 3 = very close	Closeness of relationship = 3	

\* Exchange rate, HK\$7.78 = US\$1.

\*\*Sourced from Hong Chi Association Annual Report, 2014-15. Financial data from March 2014-March 2015.