

Chapter 5 Teaching Guide

Sustainability in Greater China (Mainland China, Hong Kong, and Taiwan)

1. Chapter Overview

Chapter 5 provides a comparative, region-specific deep dive into sustainability across Greater China—Mainland China, Hong Kong, and Taiwan. It integrates business culture, regulatory architecture, market dynamics, and geopolitical context to explain why sustainability strategies that succeed in one part of Greater China may fail in another.

The chapter emphasises that sustainability in Greater China is inseparable from political economy, governance structures, and policy direction. It demonstrates how investors, corporates, and regulators must adapt their approaches across three closely connected yet institutionally distinct markets. Through regulatory analysis, sectoral examples, and interviews with local experts, the chapter illustrates how sustainability outcomes are shaped by alignment with policy priorities, talent availability, and market openness.

2. Key Learning Objectives

After completing this chapter, students should be able to:

1. Distinguish sustainability drivers and constraints across Mainland China, Hong Kong, and Taiwan.
2. Explain how business culture influences ESG engagement and decision-making in each market.
3. Compare the regulatory frameworks governing sustainability and capital markets across Greater China.
4. Assess how policy priorities shape corporate sustainability strategies in Mainland China.
5. Evaluate Hong Kong's evolving role as a sustainable finance and disclosure hub.
6. Analyse Taiwan's strengths in governance, innovation, and sustainability regulation.
7. Incorporate geopolitical, talent, and policy risks into sustainability and investment decisions.

3. Summary of Key Points (Instructor Version)

- Greater China shares cultural roots but exhibits sharply different governance and regulatory models.
- Mainland China's sustainability landscape is policy-driven, state-guided, and closely linked to national priorities.
- Hong Kong combines international regulatory alignment with increasing integration with Mainland China.
- Taiwan emphasises investor protection, innovation, and governance reform.
- Business culture—guanxi, legalism, or consensus—shapes how ESG is implemented and communicated.
- Talent mobility and capacity constraints increasingly affect sustainability execution across all three markets.
- Green finance, high-tech innovation, and disclosure reforms create significant opportunities.
- Geopolitical and policy risks are central to long-term sustainability and investment strategies in Greater China.

4. Teaching Guidance: How to Use This Chapter

a. Recommended Teaching Approach

This chapter works best as a regional case module, ideally following the conceptual chapters on ESG interpretation, education, and execution (Chapters 1–4). It is particularly suitable for:

- MBA / EMBA courses on global strategy or emerging markets
- Executive education for multinational leadership teams
- Investor and stewardship training programs
- Policy and regulatory education

The chapter supports comparative analysis, mapping exercises, and scenario-based discussion.

b. Suggested Class Flow (90 minutes)

- i. Opening comparison (10 minutes)

Ask students:

“If you had one ESG strategy for Greater China, where would it fail first—and why?”

- ii. Cultural foundations (15 minutes)

Discuss:

- Guanxi and hierarchy in Mainland China
- Legalism and international norms in Hong Kong
- Consensus, innovation, and governance in Taiwan

iii. Regulatory architectures (20 minutes)

Compare:

- CSRC / SASAC / PBOC (Mainland China)
- SFC / HKEX / HKMA (Hong Kong)
- FSC / TWSE / TPEX (Taiwan)

Emphasise how regulation shapes incentives and disclosure.

iv. Opportunities and risks (25 minutes)

Group work analysing:

- China: policy alignment, EVs, green finance, talent drain
- Hong Kong: ESG disclosure leadership, green finance, cost and talent pressures
- Taiwan: semiconductors, net-zero transition, governance reform, geopolitical risk

v. Synthesis (10 minutes)

Reinforce that local adaptation, patience, and governance awareness determine sustainability success.

5. Common Student Misconceptions to Address

- Greater China is a single, homogeneous market
- Hong Kong operates independently of Mainland policy dynamics
- Sustainability in China is purely regulatory compliance
- Taiwan's sustainability leadership is limited to technology firms
- ESG strategies can be transplanted unchanged across regions

Instructors should redirect discussion toward institutional divergence and policy alignment.

6. Instructor Tips for Effective Discussion

- Encourage side-by-side comparison rather than linear analysis.
- Ask students to think like foreign executives entering each market.
- Highlight talent and capacity constraints as emerging ESG risks.
- Integrate interview insights to ground discussion in local practice.
- Stress the role of geopolitics in sustainability decision-making.

7. Suggested Supplementary Readings (Optional)

Greater China & Governance

- ACGA. *CG Watch* (China, Hong Kong, Taiwan editions)
- World Bank. *China Economic Update*
- ADB. *Asian Capital Markets Monitor*

Sustainable Finance & Policy

- CSRC. ESG Disclosure Rules (2024)
- HKEX. ESG Reporting Guide (2023–2024)
- FSC Taiwan. Corporate Governance Roadmap

Geopolitics & Risk

- UNCTAD. *World Investment Report*
- USTR. Trade and investment policy briefings
- OECD. *Geopolitical Risk and Investment*

8. How This Chapter Connects to the Rest of the Book

Chapter 5 applies the conceptual and practical lessons from Chapters 1–4 to a critical regional context. It shows how stakeholder dynamics, investor logic, ESG literacy, and execution discipline interact under different political and regulatory systems. The chapter sets the stage for subsequent country- or theme-specific chapters by demonstrating why regional nuance is essential for sustainable success in Asia.