

# Chapter 9 Teaching Guide

Sustainability in ASEAN (Singapore, Malaysia, Thailand, Indonesia, and the Philippines)

## 1. Chapter Overview

Chapter 9 examines sustainability in ASEAN as a region of diversity rather than uniformity, where shared cultural traits—relationship-based business practices and respect for hierarchy—coexist with highly fragmented regulatory systems, uneven enforcement capacity, and divergent stages of economic development.

The chapter emphasises that sustainability outcomes in ASEAN are shaped by three intersecting forces: (1) local business culture and informal governance, (2) fragmented and evolving regulatory architectures, and (3) acute exposure to climate risk, corruption, talent mobility, and geopolitics. While Singapore represents a rules-based, institutionally strong benchmark, other ASEAN markets operate through hybrid systems where personal relationships, political economy, and informal mechanisms materially affect ESG outcomes.

Through country comparisons, sectoral examples, and interviews with regional experts, the chapter shows why ASEAN is simultaneously high-risk and high-opportunity for investors and corporates pursuing sustainability-linked growth.

## **2. Key Learning Objectives**

After completing this chapter, students should be able to:

1. Explain why ASEAN cannot be treated as a single sustainability or ESG market.
2. Distinguish business-culture dynamics across Singapore, Malaysia, Thailand, Indonesia, and the Philippines.
3. Compare centralized versus fragmented regulatory models in ASEAN capital markets.
4. Assess the materiality of physical climate risk across Southeast Asia.
5. Analyse the energy transition challenges created by fossil-fuel dependence and policy inconsistency.
6. Evaluate corruption, fraud, and enforcement risk as core sustainability issues.
7. Understand how talent mobility and brain drain affect ESG execution.
8. Incorporate geopolitical dynamics (BRI, IPEF, RCEP, U.S.–China rivalry) into sustainability strategy.

### **3. Summary of Key Points (Instructor Version)**

- ASEAN markets share relationship-driven business norms but differ significantly in execution and governance.
- Singapore's centralized, rules-based model contrasts with fragmented systems elsewhere in the region.
- Regulatory capacity and enforcement credibility vary widely across ASEAN.
- Physical climate risks pose systemic threats to growth and capital allocation.
- Energy transition progress is uneven, constrained by infrastructure gaps and policy inconsistency.
- Corruption and fraud remain material ESG risks outside Singapore.
- Talent shortages and cross-border mobility increasingly affect sustainability delivery.
- Regional trade and geopolitical frameworks reshape investment flows and ESG priorities.
- ASEAN offers major opportunities in renewables, digital platforms, green finance, and infrastructure.

## **4. Teaching Guidance: How to Use This Chapter**

### **a. Recommended Teaching Approach**

This chapter works best as a regional synthesis module, following country deep dives (Japan, Korea, India), to demonstrate how fragmentation and diversity complicate ESG strategy at scale.

It is particularly suitable for:

- MBA / EMBA courses on Asia-Pacific strategy
- Executive education for multinational leaders and boards
- Investor and stewardship training
- Policy and regulatory education

The chapter supports comparative analysis, risk mapping, and scenario planning.

### **b. Suggested Class Flow (90 minutes)**

#### **i. Opening framing (10 minutes)**

Ask students:

“Why is ‘ASEAN strategy’ often more difficult than country-specific strategy?”

#### **ii. Culture and business norms (15 minutes)**

Discuss:

- Trust, hierarchy, and consensus
- Differences between Singapore and relationship-centric markets
- Role of informal mechanisms

iii. Regulatory fragmentation (20 minutes)

Compare:

- MAS / SGX (Singapore)
- SC / Bursa Malaysia
- SEC Thailand / SET
- OJK / IDX (Indonesia)
- SEC / PSE (Philippines)

Emphasise investor implications.

iv. Risk deep dive (25 minutes)

Group work on:

- Climate and physical risk
- Energy transition inconsistency
- Fraud and corruption
- Talent mobility

v. Geopolitics and opportunity (20 minutes)

Discuss:

- BRI vs IPEF
- RCEP and supply-chain reconfiguration
- Digital platforms and green finance growth

## **5. Common Student Misconceptions to Address**

- ASEAN is institutionally similar across countries
- Singapore's standards apply region-wide
- ESG disclosure quality equals enforcement strength
- Climate risk is long-term rather than immediate
- Corruption is declining uniformly across ASEAN

Instructors should redirect discussion toward institutional realism and risk-adjusted opportunity.

## **6. Instructor Tips for Effective Discussion**

- Encourage country-by-country comparison rather than generalisation.
- Separate regulatory ambition from enforcement capacity.
- Treat fraud and corruption as ESG risks, not compliance footnotes.
- Highlight talent constraints as execution bottlenecks.
- Link geopolitics directly to sustainability and capital flows.

## **7. Suggested Supplementary Readings (Optional)**

### **ASEAN & Regulation**

- ASEAN. *ASEAN Taxonomy for Sustainable Finance*
- World Bank. *ASEAN Economic Outlook*
- ACGA. *CG Watch – ASEAN*

### **Climate & Energy**

- ADB. *Climate Risk and Adaptation in Southeast Asia*
- IEA. *Southeast Asia Energy Outlook*

### **Governance & Risk**

- Transparency International. *Corruption Perceptions Index*
- OECD. *Responsible Business Conduct in ASEAN*



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

Chapter 9 synthesises the book's core message that sustainability in Asia is defined by institutional diversity, not uniform frameworks. ASEAN illustrates how culture, regulation, climate risk, governance and geopolitics interact at scale. The chapter prepares readers for later discussions on regional portfolio construction, stewardship escalation, and managing sustainability risk across fragmented markets.