

# Corporate Environmental Responsibility in Singapore and Malaysia

## *The Potential and Limits of Voluntary Initiatives*

*Martin Perry and Sanjeev Singh*



This United Nations Research Institute for Social Development (UNRISD) Programme Paper has been produced with the support of the MacArthur Foundation. UNRISD also thanks the governments of Denmark, Finland, Mexico, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom for their core funding.

Copyright © UNRISD. Short extracts from this publication may be reproduced unaltered without authorization on condition that the source is indicated. For rights of reproduction or translation, application should be made to UNRISD, Palais des Nations, 1211 Geneva 10, Switzerland. UNRISD welcomes such applications.

The designations employed in UNRISD publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of UNRISD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The responsibility for opinions expressed rests solely with the author(s), and publication does not constitute endorsement by UNRISD.

ISSN 1020-8216

# Contents

<b>Acronyms</b>	<b>iii</b>
<b>Summary/Résumé/Resumen</b>	<b>iv</b>
Summary	iv
Résumé	v
Resumen	vii
<b>Corporate Greening</b>	<b>1</b>
Strategic advantage	1
Avoiding disadvantage	2
Acting responsibly	2
<b>Voluntary Environmental Initiatives and Self-Regulation</b>	<b>3</b>
Third-party involvement	4
Regulation as a benchmark	5
Relationship to mandatory regulation	5
<b>Corporate Voluntary Initiatives in Singapore and Malaysia</b>	<b>5</b>
Environmental issues in Singapore	6
Environmental reporting	9
ISO14001 policy statements	10
"Responsible Care"	11
Environmental issues in Malaysia	12
<b>Environmental performance of foreign TNCs in Singapore and Malaysia</b>	<b>15</b>
Explaining environmental commitment	17
Motivation for voluntary action	18
Perceived benefits of voluntary action	18
ISO14001 and environmental commitment	20
Codes of conduct	21
<b>Conclusion</b>	<b>21</b>
<b>Bibliography</b>	<b>37</b>
UNRISD Programme Papers on <b>Technology, Business and Society</b>	<b>41</b>
<b>Figures</b>	
Figure 1: Environmental Action among TNCs in Singapore and Malaysia	34
Figure 2: Main advantage from investment in voluntary environmental initiatives in Singapore and Malaysia	35
Figure 3: Second main advantage from investment in voluntary environmental initiatives in Singapore and Malaysia	35
Figure 4: Main advantage from investment in voluntary environmental initiatives by high and low performers in Singapore	36
<b>Tables</b>	
Table 1: Motives for, and constraints on, corporate greening	24
Table 2: ISO 14001 certifications in Southeast Asia	24
Table 3: Response profile and representation of the organizations	25
Table 4: Summary of respondent characteristics	28
Table 5: Reasons for environmental management expenditure among pollution-intensive organizations according to their environmental commitment	29
Table 6: Percentage distribution of firms by ownership, pollution intensity, location, size, type of product manufactured and sector	30
Table 7: Environmental commitment and employment size in Singapore	32
Table 8: Influences (other than regulation) motivating environmental action	32

Table 9: Motivation to implement an environmental management system (EMS)	33
Table 10: Distribution of the type of environmental code of conduct followed by the respondents in Malaysia	33

## Acronyms

<b>ASEAN</b>	Association of Southeast Asian Nations
<b>BOD</b>	biochemical oxygen demand
<b>CAP</b>	Consumers Association of Penang
<b>DBS</b>	Development Bank of Singapore
<b>EDB</b>	Economic Development Board
<b>EIA</b>	environmental impact assessment
<b>EMAS</b>	European Environmental Management and Audit Scheme
<b>ENSEARCH</b>	Environmental Management and Research Association of Malaysia
<b>ESCAP</b>	Economic and Social Commission for Asia and the Pacific
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GDP</b>	gross domestic product
<b>IBM</b>	International Business Machines Corporation
<b>ISO</b>	International Organization for Standardization
<b>MICC</b>	Malaysian International Chamber of Commerce and Industry
<b>MIDA</b>	Malaysia Industrial Development Authority
<b>NGO</b>	non-governmental organization
<b>NITC</b>	National Information Technology Council
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PAP</b>	People's Action Party
<b>PROKASIH</b>	"Clean River" Programme of the Indonesian Ministry for Population and Environment
<b>SAM</b>	Sahabat Alam Malaysia
<b>SCIC</b>	Singapore Chemical Industry Council
<b>TNC</b>	transnational corporation
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNCTC</b>	United Nations Centre on Transnational Corporations
<b>UNRISD</b>	United Nations Research Institute for Social Development

## **Summary/Résumé/Resumen**

### ***Summary***

The neighbouring Southeast Asian countries of Singapore and Malaysia have contrasting environmental reputations. The small city-state of Singapore, with a population of 4 million and a population density of around 6,150 per square kilometre, is often seen as a model green city. That reputation rests partly on its efforts to control urban congestion and pollution, as well as the retention of green landscapes within the built environment. Malaysia, on the other hand, with a total population of around 20 million distributed between the comparatively urbanized peninsula and the less developed states of Sabah and Sarawak, has a poor environmental image. Deforestation, loss of biodiversity and the marginalization of indigenous populations in resource management decisions account for much of that negative image.

The real comparative environmental performance is a good deal harder to judge than immediate impressions suggest, not least because Malaysia's GDP per capita is a third of Singapore's. On current income, Singapore ranks among the world's top 10 richest countries. Its elevation to this group has been rapid, but Singapore has yet officially to accept the status of a developed country. That mantle would bring economic implications and international obligations, potentially including responsibilities under the United Nations Framework Convention on Climate Change. Government reticence aside, Singapore's affluence arguably makes Western expectations of environmental responsibility a relevant performance benchmark, particularly as its economy is built on the investment of foreign transnational corporations. Malaysia, on the other hand, is still managing the transition to an industrial society. Around a quarter of the workforce is employed in agriculture, and nearly half the population lives outside urban areas. Malaysian lawmakers have demonstrated a willingness to strengthen environmental protection, and high-income status may yet be achieved with a greater proportion of the country's land area designated as protected natural environment than in many older industrial nations. This may be a reasonable expectation, given the ecological significance of tropical forests.

Advocacy of corporate voluntary environmental initiatives—understood as actions taken to reduce environmental impacts, and promote awareness thereof, that have not been required by government regulation—to strengthen environmental management can be justified in Singapore and Malaysia, although for different reasons.

Singapore is the regional headquarters of many transnational corporations with branch establishments across Southeast Asia. Demands to demonstrate a strong environmental commitment in Singapore, especially where this extends to the ecological footprint of business organizations, may accelerate the potential environmental leadership role that transnational corporations can play. As a “developmental state”, the priority in Singapore has been to maximize immediate economic opportunities while protecting business organizations from scrutiny by NGOs or the wider community. Consequently, although per capita incomes now

exceed those of many older industrial countries, interest in environmental responsibility lags behind that which might be expected on the basis of Western experience.

Malaysia has experienced a greater growth of environmental concern than Singapore, judging by the activity of environmental NGOs that seek to apply informal pressure on corporate and regulator behaviour. Surveillance by international pressure groups is also significant for resource-based industry, and this adds to pressure for voluntary environmental initiatives. Rising incomes, a significant presence of transnational corporations and official acceptance of local environmental pressure groups provide indications that voluntary initiatives are poised to play an increasing role in Malaysia. The likelihood is further increased by the World Bank's efforts to promote "informal" regulation, involving community pressure on business to improve environmental performance, and other new ways of making environmental policy.

The influences that encourage voluntary environmental initiatives, the types of action taken and the extent to which these may substitute for other forms of environmental regulation form the basis for the discussion in this paper. It begins with a review of the motivations thought to encourage voluntary initiatives over other ways of promoting environmental improvement. The extent to which voluntary action should be seen as an alternative to governmental regulation is then discussed, noting, among other issues, that such action is often closely related to regulatory enforcement. The discussion then turns to a review of corporate voluntary environmental initiatives in Singapore and Malaysia, which is based on original survey results from a sample of foreign-owned transnational corporations in both countries. The concluding section comments on the significance of voluntary action observed in Singapore and Malaysia.

When this paper was written, Martin Perry was an Associate Professor in the Department of Geography at the National University of Singapore. He is now a Senior Research Analyst for the Department of Labour, New Zealand. Sanjeev Singh is a Ph.D. scholar in the Department of Geography at the National University of Singapore.

### ***Résumé***

Singapour et la Malaisie, pays voisins d'Asie du Sud-Est, ont des réputations diamétralement opposées pour ce qui est de l'environnement. Le petit Etat-cité de Singapour, avec ses quatre millions d'habitants et une densité d'environ 6.150 habitants au kilomètre carré, apparaît souvent comme un modèle de cité verte. Cette réputation tient en partie à ses efforts pour limiter l'engorgement et la pollution en ville, ainsi qu'aux efforts réalisés pour que des paysages de verdure subsistent au milieu des constructions. La Malaisie, en revanche, avec une population totale d'environ 20 millions, répartis entre la péninsule relativement urbanisée et les Etats moins développés de Sabah et de Sarawak, offre une piètre image environnementale. Le déboisement, l'appauvrissement de la biodiversité et le fait que les populations autochtones sont tenues à l'écart des décisions relatives à la gestion des ressources en sont en grande partie responsables.

Au-delà de ces impressions immédiates, il est très difficile de juger de ce qu'il en est vraiment de l'environnement dans les deux pays, ne serait-ce que parce que le PIB de la Malaisie par habitant est le tiers de celui de Singapour. Les recettes ordinaires de Singapour la classent parmi les dix pays les plus riches du monde. Elle s'est rapidement hissée à ce rang mais n'a pas encore officiellement le statut de pays développé. Celui-ci entraînerait des répercussions économiques et des obligations internationales, dont éventuellement des responsabilités en vertu de la Convention-cadre des Nations Unies sur les changements climatiques. Les réticences gouvernementales mises à part, la richesse de Singapour fait sans doute des attentes occidentales en matière de responsabilité environnementale un critère de performance parfaitement applicable, d'autant plus que son économie repose sur les investissements de sociétés transnationales étrangères. La Malaisie, de son côté, négocie encore son passage à la société industrielle. Environ un quart de la main-d'œuvre est employée dans l'agriculture et près de la moitié de la population vit hors des agglomérations urbaines. Le législateur malaisien a montré sa volonté de renforcer la protection de l'environnement et la Malaisie pourrait se hisser au rang des pays à haut revenu en ayant proportionnellement une superficie plus vaste de parc naturel protégé que beaucoup de pays industrialisés de longue date. On peut raisonnablement le penser, vu l'importance écologique des forêts tropicales.

Les initiatives environnementales volontaires—définies comme des actes destinés à atténuer les effets sur l'environnement et à les faire mieux connaître sans qu'il y ait obligation légale d'agir dans ce sens—que peuvent prendre des entreprises pour renforcer la gestion de l'environnement se défendent à Singapour et en Malaisie, mais pour des raisons différentes.

Singapour est le siège régional de nombreuses sociétés transnationales implantées, au travers de filiales, dans toute l'Asie du Sud-Est. Si elles se sentent obligées de se montrer écologistes convaincues à Singapour, surtout si leur image est en jeu, il y a de bonnes chances que les sociétés transnationales jouent plus vite que prévu un rôle moteur dans la protection de l'environnement. La priorité de Singapour en tant qu'"Etat développemental" a été de maximiser les débouchés économiques tout en protégeant les établissements à but lucratif du contrôle des ONG ou de la collectivité dans son ensemble. En conséquence, bien que les revenus par habitant dépassent maintenant ceux de bon nombre de pays industrialisés depuis

**预览已结束，完整报告链接和二维码如下：**

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_21556](https://www.yunbaogao.cn/report/index/report?reportId=5_21556)

