

Perceptions of Ethical Investment Opportunities from Respondents in Thailand, China and Singapore

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Abstract: Focusing on profitable investment opportunities is not the only way to run a successful portfolio nowadays. Due to changing preferences of customers, companies and investors in terms of choosing the right financial assets, ethical matters and morality are getting more and more important in the financial sectors. Especially in Asia and its emerging and developing markets, socially responsible investing is on the rise due to the economic growth and its growing importance in the world financial markets. This research paper concentrates on the perceptions about ethics and morality in Singapore, Thailand and China containing a comparison between these countries in terms of ethical decision making process for potential investors. The major findings from 676 respondents from the three countries is that Singaporean investors are more concerned about ethical and moral matters connected with their investment decisions compared to respondents in Thailand and China. Various factors and their analysis are presented along with recommendations for future research.

JEL Classifications: M12, M14, M16, M38

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1. Ethical Investment

Globalization and a growing competition on markets make today's companies and investors think outside the box. Sometimes managers and investors are tempted to cross the line toward what society considers unethical practices (Cavico and Mujtaba, 2009, 2011). Chen, Mujtaba and Heron (2011) recommend that students and managers should be trained using ethical scenarios to assess their perceptions and further their level of ethical maturity regarding today's complex decisions regarding right and wrong choices as well as decisions that must be made between several "right" options.

In order to differentiate one's business from others in the moral dimension, social responsibility becomes more important for individuals as well as organizations in today's society. As such, today's employees, investors, and managers need coaching regarding effective leadership and management of their character and organizational brand (Lundrigan, Tangsuvanich, Yu, Wu, and Mujtaba, 2012). There is a noticeable boom on western financial markets in terms of responsible and ethical investments. In comparison \$2.71 Trillion broad responsible investments on the U.S. markets and \$2.15 Trillion on European markets are made during 2008 (The Responsible Investment Association Australasia, 2008). Due to increasing economic growth rates in Asia and the so called emerging markets, this research focuses on Singapore, Thailand and China in order to analyze the investment behavior and the significance of ethical investment in this area.

Ethical investment is an investment philosophy which attempts to balance the return or benefits on investment and morality of a firm's activity (Mehmood, Mehmood and Mujtaba, 2012). Ethical investors seek to invest in firms that make a positive contribution to the society or environment and quality of life usually through mutual funds or unit trusts. It is also known as socially responsible investing (SRI) that describes an investment strategy which seeks to maximize both financial return and social good. In general, socially responsible investors are aware of the business laws and favor corporate practices that promote environmental stewardship, consumer protection, human rights, and diversity (Cavico and Mujtaba, 2011b). Some, but not all, avoid businesses involved in alcohol, tobacco, gambling, weapons, and/or the military sector. The areas of concern recognized by the SRI industry can be summarized as the environment, social justice and corporate governance (businessdictionary, 2011; Wadhwa, 2009).

2. Norway's Ethical Investment Considerations

When a society is thinking in a socially responsible manner, then private and public sector officials are encouraged to make such investment. As reported by Cavico and Mujtaba (2009), the Norwegian government created an ethical investment pension fund. The fund aimed to make their immense oil wealth grow for the benefit of its citizens as well as to make the world a better place. Significantly, the \$263 billion fund is governed by strict government imposed ethical guidelines to ensure that the money is not invested in companies linked to such unethical practices as weapons production, human rights abuses, environmental damage, or corruption. The goal has been to ensure that only ethical investments are made on behalf of the Norwegian people. An organization, called the national Council on Ethics, oversees the fund's investments in up to 4000 companies worldwide. The leader of the Council underscored that one major purpose of the fund was to enable the people of Norway "to sleep better at night." The national Council of Ethics periodically reviews investments, and then makes recommendations to the Finance Ministry; and if it agrees, the ministry orders the bank to sell its stake in the banned company within a few weeks.

Offshore oil fields have made Norway the world's third largest oil producer after Saudi Arabia and Russia. Norway as a nation donates more foreign aid per capita than any other country. Norway is a nation of 4.6 million people. It has been placing its huge oil profits into an investment fund, called the Norwegian Pension Fund – Global, which will provide a retirement pension for millions of Norwegians once the country's oil resources have been used up. There currently is no set year for disbursements from the fund to begin or the set amount to be distributed to each retiree. The fund, which is operated by the Central Bank, presently is worth almost 2.5 times the entire central government budget for 2007. In 2005, the government transferred \$34 billion to the fund (Cavico and Mujtaba, 2009).

What make the fund controversial, according to Cavico and Mujtaba (2009), is the government imposed ethics guidelines, first imposed in 2004. Since then, 18 companies, 12 of them U.S.-based, have been excluded; but one of them, oil and gas producer Kerr-McGee Corp, was reinstated in late 2006. Wal-Mart, the world's largest retailer, was also "blacklisted" as unethical by the fund in 2006, allegedly for labor abuses and discouraging unions. The Wal-Mart ban drew an angry response. Last year, the fund also banned Boeing, Honeywell, Northrop Grumman Corp, and United Technologies for contributing to the production of nuclear weapons. Alliant Techsystems, General Dynamics Corp, Lockheed Martin, and Raytheon Company were blacklisted because they contributed to the manufacture of cluster bombs. The U.S. Ambassador to Norway, Benson K. Whitney, denounced the entire ethics program, calling it unfair, inconsistent, and hypocritical. He further stated that the ethical investment process was not just and contravened the values of the Norwegian people.

Norway is not the only entity to review its investments. As originally reported in the Los Angeles Times in January of 2007, the Bill and Melinda Gates Foundation announced that it would review all its investments to determine if they are morally and socially responsible, in particular that they contribute to health, housing, and the social welfare and do not contravene environmental stewardship and human rights. So a study of perceptions regarding ethical investments in Thailand, China and Singapore is timely and relevant for today's competitive markets and those who are considering doing business in these countries.

3. Study Methodology

As it is an international comparison between China, Thailand, and Singapore the survey was exclusively conducted online with the use of the survey and analyzing tool which can be find on the following website www.socisurvey.de, (OFB, 2011) in order to reach respondents as many as possible. Through the use of social networks and e-mails to respondents, a response of 676 from the targeted population was achieved. This represents a total response rate of 34%. Unfortunately in some areas of China it was not possible to reach colleagues electronically due to government policies and restrictions. The survey itself is split into two parts. The first part asks about personal data such as age, gender, occupation, nationality, etc. The second part deals with ethical investments as assessed by the respondents' understanding of socially responsible investment.

This primary research is based on a survey of respondents through electronic means and connections through social media for a quantitative data analysis. The sample population of the study contains respondents from three different countries in East Asia with a total population of approximately 1.4 billion individuals. For quality and representativeness of the study, a compression of the population was made in terms of income and possibility of future income. Therefore most of the potential respondents represent the higher working class and university students.

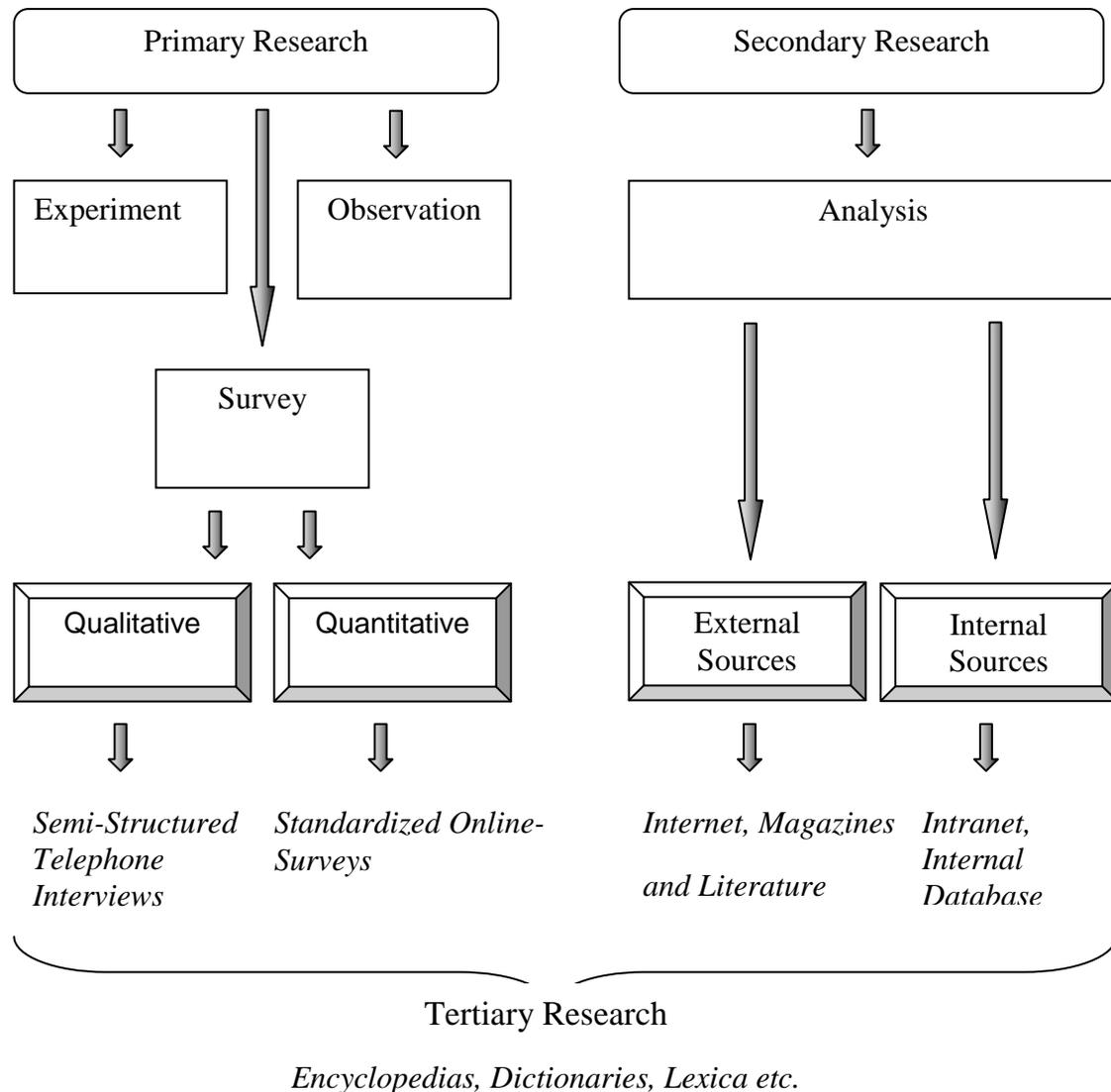


Figure 1 – Research Process and Sources

In order to get a representative sample, approximately 2,000 potential respondents were reached via direct e-mails, social networks and web messengers. Finally 676 respondents have answered the survey completely so that a response rate of 34% could be achieved. This kind of data collection has several advantages as researchers can save money and time, and it is speedier to get online results as data entry step is eliminated. Furthermore, reaching respondents is easier and quicker through online means. Disadvantages can include the lower response rate as most people receive too many surveys and that it is not always anonymous which makes it difficult to generalize from the results. The inductive approach is used, which means that the research focuses on theory that is narrowed down into specific hypotheses. The hypotheses are tested based on significance levels as either correct or incorrect by means of a survey and statistical analysis of data (Cooper, 2010). In general, the researchers also interviewed several experts from each of the three countries

to finalize the survey and to make sure it is cross-culturally appropriate. Furthermore, as presented in Figure 1, the researchers used both secondary and primary research to make conclusions.

3.1 Chi-Square-Test and Goodness-of-Fit in SPSS

The chi-square is one of the basics for statistical significance that is useful in analyzing whether a frequency distribution for a categorical or a nominal variable is consistent with expectations, or analyzing whether two categorical or nominal variables are related or associated with each other. The test involves nominal or ordinal variables. Chi-square is used to determine the frequency with which individuals fall in the category or combination of categories. In addition, the test usually associated with GOF (goodness-of-fit) is used and it refers to how well realistic the computed tables or matrix of values are suitable for an expected population or predetermined tables or matrix of the same size (Zikmund, 2010).

3.2 Decision Statements and Objectives

In order to determine the hypotheses, decision statements and research objectives have to be developed to assure that the research problem is constituted into action (Zikmund, 2010). It is important that decision statements, objectives and hypotheses are logically linked together and make sense for further research processes. For the research in the area of ethical investments the following objectives and decision statements are used where the hypothesis is derived from.

Table 1 Decision Statement and Hypothesis

Decision Statements	Objectives	Hypothesis
<ul style="list-style-type: none"> • Are people in South-East-Asia interested in investing ethically? • Which country considers socially responsible and ethical investments? • What is the profile of typical ethical investors in South-East Asia? 	<ul style="list-style-type: none"> • Identify key factors of ethical investments in Thailand, China and Singapore. • Provide information for investors, corporations and governments. • Observe who is interested in ethical investments in terms of nationality, gender, age and occupation. 	<ul style="list-style-type: none"> • Singapore is most ethical option for investment opportunities compared to Thailand and China.

3.3 Hypothesis

A hypothesis explains a phenomenon. In a scientific context a hypothesis needs to be tested and proved. The term hypothesis is used in formal logic for a proposition; thus in the proposition "If P, then Q", P predicted the hypothesis; Q can be mentioned as a consequent. P is the assumption in a "What If" question (Zikmund, 2010). The hypothesis (H1) $H_1 : S_1 \succ S_2$ of this study is that Singapore is most ethical in doing investments compared to Thailand and China. The alternative for this hypothesis (H0) $H_0 : S_1 \leq S_2$ is that Singapore is the least ethical in doing investments than Thailand and China. This proposition is tested with the Chi-square goodness-of-fit test.

4. Analysis of Key Findings

4.1 Question 1

Significant results based on the opinions of the respondents are chosen in order to give a clear picture of the overall hypothesis testing process.

On a scale of 1 to 10, and irrespective of your religious faith, or absence of a faith, how strongly do you feel you stick to the principles of that faith? As shown in table 2A and table 2B, there appears to be a relationship between nationality and the faith of the respondents. Furthermore you can see that for Thais faith is much more important than for Chinese. You can probably link that to the fact of the political system and of course the culture of the country. Singapore on the other hand has a mix of people from different countries, for some of them faith is something very important and for others it is not that important or even totally unimportant. Nevertheless, the Chi-Square Test represents a rate of 25% with a value less than 5. Concerning the hypotheses, it cannot be expected that there is a relationship between nationality and the faith of the respondents. The main reason for that is as that Singapore has no real preference in faith.

Table 2A Correlation between faith and nationality (Crosstab)

		Nationality				Total	
		Thai	Chinese	Singaporean	Other		
Faith	Totally disinterested	Count	1	18	5	4	28
	Expected Count	6.0	16.4	3.3	2.3	28.0	
	2	Count	3	43	4	4	54
	Expected Count	11.6	31.6	6.4	4.4	54.0	
	3	Count	4	55	4	5	68
	Expected Count	14.6	39.8	8.1	5.5	68.0	
	4	Count	7	36	12	3	58
	Expected Count	12.4	34.0	6.9	4.7	58.0	
	5	Count	33	56	8	9	106
	Expected Count	22.7	62.1	12.6	8.6	106.0	
	6	Count	14	35	8	3	60
	Expected Count	12.8	35.1	7.2	4.9	60.0	
	7	Count	23	34	4	7	68
	Expected Count	14.6	39.8	8.1	5.5	68.0	
	8	Count	21	32	4	4	61
	Expected Count	13.1	35.7	7.3	5.0	61.0	
	9	Count	7	14	8	6	35
	Expected Count	7.5	20.5	4.2	2.8	35.0	
	Totally devout	Count	11	16	12	2	41
	Expected Count	8.8	24.0	4.9	3.3	41.0	
Total	Count	124	339	69	47	579	
Expected Count	124.0	339.0	69.0	47.0	579.0		

Table 2B Correlation between faith and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	86.506 ^a	27	.000
Likelihood Ratio	88.807	27	.000
Linear-by-Linear Association	2.927	1	.087
N of Valid Cases	579		

a. 10 cells (25.0%) have expected count less than 5. The minimum expected count is 2.27.

4.2 Question 2

There are many definitions as to what represents an ethical investment, and we would like your personal interpretation as to what you believe the terms mean. The question for the respondent is: from the list provided evaluate how ethical you believe each of the business propositions are in terms of your investing in them. Rate the degree to which you would invest in this business type.

Table 3 Correlation between armaments manufacture and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	47.129 ^a	15	.000
Likelihood Ratio	46.032	15	.000
Linear-by-Linear Association	.259	1	.611
N of Valid Cases	534		

a. 3 cells (12.5%) have expected count less than 5. The minimum expected count is 3.88.

Armaments manufacture is considered unethical for most respondents since 128 out of 319 Chinese people consider it as very unethical. On the other hand for 41 out of 65 people from Singapore armaments manufacture is not seen as something very unethical. One of the reasons for that is that for Singapore independency is very important and as a small country the army has to be supported to hold this status. This is similar to Switzerland where the army is very important to guarantee their independence (Stockholm International Peace Research Institute, 2011). Concerning the statistical analysis, the Chi-Square Test shows that there is a relationship between nationality and the answer to this question. So the hypothesis is confirmed.

Data showed that factory farmed food won't be seen as unethical. For the Chinese 217 out of 312 people factory farmed food is least accepted. As well in Thailand and Singapore factory farmed food is not seen as something unethical. One of the reasons for that is probably that most people in the world are living in South East Asia and the food production for these people is much more complex than in the western society in terms of food distribution. Furthermore, the trend of organic food hasn't reached these countries that much as it has happened in Europe and also in the United States. Table 4 shows that the Chi-Square Test is accepted; unfortunately 29.2% have an expected count from less than 5. Due to these data, the hypotheses cannot be approved.

Table 5 shows that Thais and Chinese people see the erotic industry as something unethical and for the people from Singapore it is something normal. The reason for that can be that more western society characteristics are present in Singapore and the more traditional one in China and Thailand. Furthermore the Chi-Square Test shows that there is a relationship between nationality and the answer to this question. Additionally, only 8.3% of the tested values have an expected count from

less than 5. The hypothesis is approved due to the fact that there is a relationship between these countries and their perception about the erotic industry.

Table 4 Correlation between factory farmed food and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	55.049 ^a	15	.000
Likelihood Ratio	56.465	15	.000
Linear-by-Linear Association	1.869	1	.172
N of Valid Cases	525		

a. 7 cells (29.2%) have expected count less than 5. The minimum expected count is 1.80.

Table 5 Correlation between erotic industry and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.759 ^a	15	.004
Likelihood Ratio	32.556	15	.005
Linear-by-Linear Association	11.537	1	.001
N of Valid Cases	527		

a. 2 cells (8.3%) have expected count less than 5. The minimum expected count is 3.06.

For most people from all three countries the pharmacy industry is not something unethical as pictured in table 6. So for most people in these countries the pharmacy industry is perceived as good and they don't relate them to illegal drugs. One of the reasons for that is probably the fact that all of these countries had a huge economic growth in the last few decades and that medicine was hard to get in former times. Even the Chi-Square Test shows that there is a relationship between nationality and the pharmacy industry. Nevertheless the Chi-Square Test provides an error rate of 25% and the hypothesis could not be approved in terms of a non-existent relationship between nationality and this factor.

Table 6 Correlation between pharmacy industry and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.252 ^a	15	.000
Likelihood Ratio	51.116	15	.000
Linear-by-Linear Association	1.969	1	.161
N of Valid Cases	527		

a. 6 cells (25.0%) have expected count less than 5. The minimum expected count is 1.49.

Table 7 Correlation between oil companies and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	54.846 ^a	15	.000
Likelihood Ratio	53.708	15	.000
Linear-by-Linear Association	4.278	1	.039
N of Valid Cases	528		

a. 6 cells (25.0%) have expected count less than 5. The minimum expected count is 1.53.

The Table 7 demonstrates that most Thai and Chinese respondents rate oil companies as ethical. Even for Singaporean people it doesn't seem to be something unethical. Considering the

huge amount of energy which these countries need, this answer is quite understandable, even after the accident in the Gulf of Mexico caused by British Petroleum. The Chi-Square Test shows that there is a relationship between nationality and the oil companies. Since the error rate is 25% the hypothesis cannot be accepted.

Similar to oil companies the atomic industry is not seen as highly unethical. Especially in China, 222 out of 315 respondents said that the atomic industry is ethical. On the other side, Thailand and Singapore have a quite different perception. Both of these countries require a lot of energy but perhaps the accident through the 2011 tsunami followed by the earthquake and the melting of nuclear plants in Japan made people these countries think about safety issues with that kind of energy. Table 8 provides that there is a relationship between nationality and the factor of atomic energy. Therefore the hypothesis is accepted.

Table 8 Correlation between atom industry and nationality (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	66.667 ^a	15	.000
Likelihood Ratio	70.321	15	.000
Linear-by-Linear Association	.372	1	.542
N of Valid Cases	530		

a. 2 cells (8.3%) have expected count less than 5. The minimum expected count is 3.56.

4.3 Question 3

Respondents were told that you may have felt many of the manufacturing investments were unacceptable, but often some people have ethical issues with personnel policies and processes associated with non-contentious areas. Using the same scale evaluate how likely you would be to invest in a company you know adopts these policies?

For these countries the use of child labor is not accepted at all and it is considered unethical. So when people become aware of the fact that an organization is using child labor, they aren't willing to invest in this company. This factor has probably changed as all of these countries are becoming wealthier and they know the importance of education for their children. Table 9 pictures the relationship between nationalities and the use of child labor. On the other side there is an error from 29.2% so the hypothesis cannot be accepted.

Table 9 Correlation of companies using child labor, ignoring health and safety issues (**Chi-Square Tests**)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	54.046 ^a	15	.000
Likelihood Ratio	59.575	15	.000
Linear-by-Linear Association	.331	1	.565
N of Valid Cases	521		

a. 7 cells (29.2%) have expected count less than 5. The minimum expected count is 3.11.

China and Thailand are famous for their low health and safety issues for employees in their factories. As seen from the data, it is reasonable to conclude not investing in these kinds of companies. For Singapore on the other hand it doesn't seem to be that important as for the countries. Table 9 describes the Chi-Square Test on this fact and permits the approval of the hypothesis.

It seems that the environment is a quite important factor for people in all of the three countries as presented in table 10. The reason for that is probably that the respondents are more and more affected from the climate change in the last few years and that China suffers from huge environment problems. From the Chi-Square Test you can see that the hypothesis is accepted as there is an error rate from just 12.5% and the data has a normal distribution.

Table 10 Correlation between companies polluting the environment and nationality
(Chi-Square Tests)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.949 ^a	15	.000
Likelihood Ratio	46.530	15	.000
Linear-by-Linear Association	3.481	1	.062
N of Valid Cases	521		

a. 3 cells (12.5%) have expected count less than 5. The minimum expected count is 2.56.

4.4 Question 4

Respondents were told again that you may have felt it was broadly unacceptable to invest in opportunities where you were aware of such inappropriate practices taking place, but what if the potential return is significantly higher than with other more ethical investments. How might this change your view? Which of the statements best reflects your opinions?

Most people are willing to invest in armaments factories when they would get double the return than they would get on other investments. This factor shows that people are just willing to invest in this field when they expect to get a significant amount of extra money. Table 11 shows that trend, especially in the case of respondents from China and Singapore. The Chi-Squared test shows that the hypothesis is accepted although there is an error rate of 20%.

Table 11 Correlation between armaments manufacture and nationality (Chi-Square Tests)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	127.386 ^a	12	.000
Likelihood Ratio	142.313	12	.000
Linear-by-Linear Association	2.177	1	.140
N of Valid Cases	513		

a. 4 cells (20.0%) have expected count less than 5. The minimum expected count is 2.42.

For the tobacco production, the picture is quite similar but with one major difference, the Chinese are willing to invest in this field when they will get 100% more return as table 12. Data shows that 37 of 92 Thais and 28 out of 46 people from Singapore do not change their decision even if they would get more profit. By means of the Chi-Square the hypothesis is accepted.

Table 12 Correlation between tobacco production and nationality (Chi-Square Tests)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	74.283 ^a	12	.000
Likelihood Ratio	77.279	12	.000
Linear-by-Linear Association	.001	1	.971
N of Valid Cases	508		

a. 1 cells (5.0%) have expected count less than 5. The minimum expected count is 4.98.

4.5 Question 5

Finally, respondents were told that you we would like your views on a series of statements concerning ethical investment and other people’s behavior. From the statements below can you indicate the degree to which you agree or disagree with the statement?

As table 13 exhibits, 44 people out of 61 from Singapore consider unethical investments when the return is much higher. In China 157 out of 311 would consider investing is unethical because when the profit will be much higher. Furthermore the Chi-Square Test shows that the hypothesis is accepted.

Table 14 concludes that for most people from all three countries areas they would never invest. This fact shows the presence of ethnical thinking in the investment decision from all of these countries. Furthermore, the Chi-Square Test showed that the hypothesis is accepted and the error rate is 0%.

Table 13 Correlation between nationality and potential returns on unethical investments
(Chi-Square Tests)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.303 ^a	12	.018
Likelihood Ratio	23.641	12	.023
Linear-by-Linear Association	.108	1	.742
N of Valid Cases	509		

a. 2 cells (10.0%) have expected count less than 5. The minimum expected count is 2.65.

Table 14 Correlations between nationality and investment, irrespective of returns
(Chi-Square Tests)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	130.232 ^a	12	.000
Likelihood Ratio	121.147	12	.000
Linear-by-Linear Association	1.880	1	.170
N of Valid Cases	505		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.52.

5. Conclusion

5.1 Summary

The hypothesis that Singaporean respondents care more about ethical investments than Thai and Chinese citizens was rejected in 8 factors as the error range was higher than 25%. On the other hand the hypothesis was accepted in 39 other considerations. This result shows that, based on the respondents’ data, the hypothesis $H_1 : S_1 \succ S_2$ approved. Therefore, the alternative hypothesis $H_0 : S_1 \leq S_2$ is rejected. This study focused on how people in these three countries think about ethical investments. The reason for the approved hypothesis might be that Singapore has a higher living standard than Thailand and China. This can be proved with the GDP per capita data from The World Bank of the year 2010. Singapore’s GDP per capita is \$ 43,867 which is nine times

higher than Thailand's GDP per capita (\$4,613) and ten times higher than China's GDP which is \$ 4,393 (The World Bank, 2011). Perhaps another reason one can find in the history of Singapore is that it is a western-orientated society as the British Empire occupied and influenced the country for around 150 years. Additionally the political system might also influence the thinking of the society; as Singapore is a republic, Thailand is a unitary parliamentary democracy and constitutional monarchy, and China is a communist state with a single-party system. The analysis of the data implies that probably a correlation between the political system and the thinking of the people exist. Another factor is the rate of corruption in a country.

The anticorruption organization Transparency International with headquarters in Berlin Germany provides data about the worldwide extent of corruption. Together with Denmark and New Zealand, Singapore is the country with the lowest corruption rate in the world. On the other hand, Thailand and China are both on position number 78 in the world ranking (Transparency International, 2011). This implies that people in Singapore are more loyal to laws and regulations of government and the society than Thailand and China. Due to the compiled data in some areas there is a significant difference in the understanding of what is ethical or unethical. One example is armaments manufactures which in the opinion of the people of China and Thailand are very unethical as opposed to the people of Singapore where that kind of investment is seen more positively. In total the figures show clearly, that ethical investment is a very important and interesting field in developing countries like China and Thailand where people do not have too much extra money to invest. Relating to the future, South East Asian countries are developing and growing in importance in wealth. In order to assure a sustainable future, social responsibility, ethics and morality have to be considered in investment decisions which apply for governments, investors as well as corporations.

5.2 Research Recommendation

There are different possibilities to continue and develop this area of research. In the developing and emerging countries, educational work should be involved in terms of social responsibility, morality, ethics, and environment. People have to take into account that not only monetary and material possessions are important in a sustainable context, but also liability and responsibilities concerning the environment they live and work in, are essential necessities. In order to extend the research topic and provide further research about ethical investments in South East Asia additional countries could be surveyed in order to find out why certain perceptions of respondents are seen as ethical or unethical. Due to the key findings it is recommended that improvements of quality of the data could be assured through cooperation with major governments, investment firms and other experts from the financial sector.

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Appendix:

Investment Survey (Text version)

Thank you for agreeing to participate in the survey examining ethical investment and the reaction of investors to the various concepts involved. We stress that this questionnaire will be totally anonymous and any information you may provide will be totally confidential and not relayed to any other person, neither will the identity of any person be revealed. The questionnaire is divided up into a number of sections, and most questions simply require a tick or cross to answer. For each question there is no correct answer, we are interested in what you think and feel about the topics presented.

Section 1: A few details about yourself

1. Your nationality:
Thai []
Chinese []
Singaporean []
Other: []

2. Your gender:
Male
Female

3. Your age:
Under 21
21 – 35
35 – 50
50+

4. What is your occupation?
Student
Employee
Officers
Management
Self Employed
Unemployed
Retired

5. On a scale of 1 to 10, and irrespective of your religious faith, or absence of a faith, how strongly do you feel you stick to the principles of that faith?

Totally disinterested - 1 2 3 4 5 6 7 8 9 10 - Totally devout

Section 2: Investing Ethically

There are many definitions as to what represents an ethical investment, and we would like your personal interpretation as to what you believe the terms means. From the list below evaluate how ethical you believe each of the business propositions are in terms of your investing in them.

Degree to which I would invest in this business type:
Definitely Probably Possibly Possibly Probably Definitely
Yes Yes Yes No No No

- Armaments manufacture
- Tobacco production
- Alcohol production
- Contraceptive production
- Factory farmed food
- Fashion for production
- Erotic industry
- Discos and Bars
- Pharmacy Industry
- Oil Companies
- Atom industry

You may have felt many of the manufacturing areas above were unacceptable, but often some people have ethical issues with personnel policies and processes associated with non-contentious areas. Using the same scale evaluate how likely you would be to invest in a company you know adopts these policies.

- Uses child labour in manufacture
- Pays below minimum wages
- Ignores health & safety issues
- Employs trafficked immigrant labour
- Bans trade unions
- Threatens endangered species
- Pollutes the environment
- Discriminate minorities

Again you may have felt it was broadly unacceptable to invest in these opportunities where you were aware of such policies taking place, but what if the potential return is significantly higher than with other more ethical investments. How might this change your view? Which of the statements below best reflects your opinions?

If return compared to average for the sector was
100%+ 50%+ 20%+ 10%+ No difference

- Armaments manufacture
- Tobacco production
- Alcohol production

- Contraceptive production
- Factory farmed food
- Fashion for production
- Erotic industry
- Discos and Bars
- Pharmacy Industry
- Oil Companies
- Atom industry
- Uses child labour in manufacture
- Pays below minimum wages
- Ignores health & safety issues
- Employs trafficked immigrant labour
- Bans trade unions
- Threatens endangered species
- Pollutes the environment
- Discriminate minorities

Finally we would like your views on a series of statements concerning ethical investment and other people's behaviour. From the statements below indicate the degree to which you agree or disagree with the statement.

Totally Agree Agree Neutral Disagree Totally Disagree

- People should be allowed to exercise free will in their investing
- I would never knowingly invest in an area I believed to be morally wrong
- Everyone is different in their moral and ethical values
- It is impossible everybody would not invest in unethical areas
- I feel no empathy with those people who invest in unethical areas
- I can be friends with a person whose ethical views are different to mine
- If the potential returns were much higher I would consider an unethical investment
- There are certain areas I would never invest in, irrespective of the return

Thank you for completing this questionnaire and we hope you found it thought provoking.