This May we will offer this Global Modular Course, LGST 899, for a second time. The substance and focus are similar to last year’s offering (see pages below). Based on what we learnt from the first running of the course, we have changed our travel itinerary somewhat (for more efficient travel between places).

At this point in time, it is impossible to say with certainty exactly who will speak when. Pinning people down to talk in a specific city on a specific day this far in advance is difficult. The precise schedule of events will firm up. We do know where we will be on certain days, and basically what we are setting out to do, to convey to you. If you look at last year’s syllabus, you will get a good idea of what we are intending to do during this course. [Note: We will definitely visit RGEI’s tree plantation and huge facility in Kerinci in Riau province on Sumatra.]

We have altered the points allocation for the graded components somewhat to emphasize that students enrolled in this course are expected to engage actively in all scheduled activities, and that active participation includes observation, listening, questioning and speaking (questions, comments). This makes for a much richer learning experience for everyone on the course.

Compared to the May 2015 offering, the major changes relate to grading and to the scheduled, as follows:

Grades are based on
- class participation -- 40%
- pre-course assignment analysis of company/public agency/industry -- 25%
- final paper offering reflections on what you observed and learned during the course submitted after your return -- 35%
### Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Location</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17</td>
<td>Tuesday</td>
<td>Singapore</td>
<td>Arrival in Singapore by evening. Reception at the Carlton Hotel.</td>
</tr>
<tr>
<td>May 18</td>
<td>Wednesday</td>
<td>Singapore</td>
<td></td>
</tr>
<tr>
<td>May 19</td>
<td>Thursday</td>
<td>Malaysia, Johor (travel to and from by bus)</td>
<td></td>
</tr>
<tr>
<td>May 20</td>
<td>Friday</td>
<td>Singapore</td>
<td>Late afternoon go to airport.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indonesia</td>
<td>Flight to Pekanbaru (capital of Riau on the island of Sumatra). Bus to Kerinci. Arrival at RGEI company hotel.</td>
</tr>
<tr>
<td>May 21</td>
<td>Saturday</td>
<td>RGEI</td>
<td>palm tree plantation, tree nursery, pulp mill, paper mill, research center</td>
</tr>
<tr>
<td>May 22</td>
<td>Sunday</td>
<td>Tanoto Foundation community center</td>
<td>Afternoon – depart by bus to Kerinci, then to Pekanbaru Flight to Jakarta. Arrival at Keraton Hotel</td>
</tr>
<tr>
<td>May 23</td>
<td>Monday</td>
<td>Jakarta</td>
<td></td>
</tr>
<tr>
<td>May 24</td>
<td>Tuesday</td>
<td>Jakarta</td>
<td></td>
</tr>
</tbody>
</table>

**Course ends at 5 pm on May 24.** Students can depart for evening flights from Jakarta airport.

The final paper is due on Tuesday, May 31 at 9 am Philadelphia time.

* * *

Go to next page to read the syllabus for last year’s offering of this course.
Sustainable Growth in ASEAN: Singapore, Malaysia and Indonesia

Wharton Global Modular Course: LGST 899
May 25 - 31 2015

Credit: 0.5 Credit Unit

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Guest Faculty
Saikat Chaudhuri, Management Department, & Director, Mack Institute for Innovation Management

Course overview

At the end of 1945, the areas bordering the Straits of Malacca were facing recovery from wartime destruction and the sharp decline of colonial rule. Indonesia, the largest and most geographically widespread, in 1945 was the first to become independent. Formed in 1948, the Federation of
Malaya became independent in 1957. The city state of Singapore broke off from Malaya and became independent in 1965. At this point, these three post-colonial countries were at somewhat similar levels of development (although the British had treated Singapore as an urban center and a major port -- not an agricultural resource). All three were low income countries with per capita GDP ranging from $56 in Indonesia, $333 in Malaysia to $516 in Singapore. Indonesia and Malaysia possessed significant natural resources, whereas Singapore (now cut off from Malaysia) was bereft even of water. Over the past fifty years, the political and economic choices made in the three countries have varied, and their growth trajectories diverged. Today, per capita GDP varies greatly: Indonesia, $3,475; Malaysia, $10,538; and Singapore, $55,182.

These three countries have pursued different pathways which to some extent can be explained by economic drivers, but also by government policy choices with regard to inclusive growth. The course will consider this in the context of business in Indonesia, Malaysia and Singapore, and will study it from multiple perspectives: government, corporate/family business, and social impact. To examine this in a one-week timeframe, we will focus on the development of infrastructure, real estate (housing), education and health care.

Resource-rich environments attract investors, but managing today in countries such as Malaysia and Indonesia where governments are sensitive to issues of competitive and strategic sustainability raises challenges. Having moved from low income status to low middle-middle income status, Indonesia and Malaysia face the challenge of avoiding the “middle-income trap,” the situation where developing economies’ convergence to the development frontier comes to a halt once their income per capita reaches a middle-income level. In contrast, Singapore surmounted that challenged, but now as an advanced market economy, it faces the challenge of a small, high wage country (5.5 million): the need to innovate to remain competitive at this level.

This course will be an immersive learning experience with company and other visits followed by debriefings. Participants will visit Singapore, Johor in Malaysia, and Jakarta and Sumatra in Indonesia. Among the issues to be covered are:

- Corporate strategy: comparative/competitive advantage, emerging vs. established MNCs
- Government strategy: domestic political views on economic development, regional alliances, inter-governmental organizations
- Environment and natural resources: extraction and removal, re-planting, environmentally sensitive practices
- Stakeholders: governments, workers/unions, foreign investors, suppliers, customers, and NGOs
- Human capital: skill level of the labor force, decent work challenges in low wage industries, upgrading skills and developing talent

**Grading and assignments**

Grades are based on
- class participation -- 35%
• pre-course assignment analysis of company/public agency/industry -- 30%
• final paper offering reflections on what you observed and learned during the course submitted after your return -- 35%

See below for further details on these assignments.

**Class Participation**
This component is based on your constructive participation in all of the discussions that occur; that is, during class discussion, during Q&A with speakers and panelists, during briefings and debriefings. Besides mere participation, the grade will also depend on your ability to make connections between what you observe in the site visits and the conceptual material covered in the course.

**Pre-trip Assignment**
Before the trip commences, you will be assigned to write the briefing notes relating to a session or site visit during the trip. This may be about a company, a government/public agency, or an industry sector. Your briefing will be distributed to the other persons in the class.

**Final paper**
This assignment is designed to give you the opportunity to reflect on what you have learned in the course, both from formal readings and from hearing speakers and observing during site visits. You may choose to analyze and discuss the policy choices made by a government, the strategy of a company, or a social issue. You can confine yourself to one country, or seek to compare the countries we visited.

The paper should be 7 – 10 pages double spaced (including any tables you may wish to include). It should be footnoted where appropriate (include the URL for websites used as sources). **The paper is due Monday, June 8 at 9 am Philadelphia time.** It should be submitted on Canvas.
Course Schedule

Subject to Change

Monday, May 25

Arrival in Singapore

6:30 - 9:00 pm  Venue: Singapore Management University, Administration Building, University Lounge, Level 6

6.30 - 7.15 pm: Program Orientation and Introductions
Professors Janice Bellace and Tan Chin Tiong

7:15 - 7:30 pm: Welcome Remarks by Professor Arnoud De Meyer
President, Singapore Management University

7:30 - 8.15 pm: Keynote Speaker: Mr. Sukanto Tanoto
Founder & Chairman, RGE Pte Ltd

Reception

Tuesday, May 26

ASEAN and Singapore overview

Singapore confronted certain challenges when it became independent in August 1965, such as housing, basic infrastructure, health care and a social safety net, at a time of significant instability in the region. By 1995 it was evident that it no longer could compete as a low cost supplier of electronic and other goods. It faced the question of how to attract higher value service industries, how to upgrade the skill level of its labor force.

Morning  Venue: Singapore Management University,
Lee Kong Chian School of Business, Seminar Rm 1-1, Level 1

8:30 – 9:30  ASEAN: The economic and political environment
Augustine H.H.Tan, Professor of Economics, SMU

9:30 – 10:30  ASEAN: The Impact of Chinese family business in the region
Tan Chin Tiong, Professor of Marketing, SMU

10:30 – 11:00  Coffee/tea break
Tuesday, May 26

11:00 – 12:00  Singapore:   Knowledge Hub planning 1990s & implementation
Dr. Beh Swan Gin, Chairman
Singapore Economic Development Board

What was needed to broaden and deepen the financial services sector, what attractions were needed to create a tourist industry, housing, whether immigration and of what type should be increased, and how the skills of the labor force should be increased.

12:15 – 1:00 pm              Working Lunch
Lunch Talk:  The Palm Oil Industry
T. C. Long, Hendricks Sutiono, and David Wong
Vance Bioenergy Group

2:00  – 3:30 pm          Site visit:  Singapore International Airlines
Mr Nicholas Ionides, Vice President, Public Affairs
(Important: bring your passports. All participants are required to exchange their passports for a security pass)

4.15-6.15 pm          Site Visit:  Urban Redevelopment Authority
Mr SEOW Kah Ping, Senior Director of Urban Planning Excellence

Evening             On your own
Wednesday, May 27  Malaysia

After Singapore split off in 1965, Malaysia pursued a nationalist economic policy. Within the past decade, the state closest to Singapore, Johor Bahru, has pursued an ambitious economic development policy with the aim of creating a new area that will attract businesses, residents and students from outside Malaysia. Workers will be mostly Malaysian.

7:30 am  Departure from Carlton Hotel

9:30 AM  Site Visit: Sedenak palm tree plantation & palm oil mill

Noon – 1:30 pm  Venue: Hotel Jen Puteri Harbour
Economic Planning
Speakers: Sugu, the COO of Educity and
Mr. Nukman Abdul Rahman, SVP of Strategic Planning and Business Development, Iskandar Investment Berhad
Iskandar Regional Development Authority (IRDA)

1:45 – 3:15 pm  Site visit: Pinewood Studios Iskandar
Welcome (by video link) Mr. Rezal Rahman, CEO
Drive through Edu City

3:45 -- 4:30 pm  Site visit: R&F Princess Cove
Commercial & luxury high rise residential development
(tentative depending on time)

Late afternoon  ➔ Return to Singapore

7:00 – 10:00 pm  Class debriefing and casual dinner
Brewerkz, 30 Merchant Road #01095/06 Riverside Point
Thursday, May 28

**Singapore ➔ Indonesia**

9:00 am  Check out. Depart hotel for Changi Airport

11:30 am  Depart Singapore on Garuda 827

12:25 pm  Arrive Jakarta

**Afternoon**

*Lrido Visit:* Lippo Karawaci (new city)

2:00 pm  Lunch
Speaker:  John Riady
Overall of the Lippo Group and Social/Political Context of Indonesia

Universitas Pelita Harapan  (university & high school)
Siloam Hospitals and Siloam Public Hospitals
Matahari Department Store and Hypermart

6:15 pm  Drive into central Jakarta
Check-in at hotel: Keraton at the Plaza, Jakarta

Evening  Dinner on your own in the mall area
**Friday, May 29**  
**Indonesia**

*Under Sukarno and Suharto, crony capitalism promoted some types of development. Since 2000, Indonesia has faced the challenge of promoting economic development while maintaining a nascent democracy in a very geographically dispersed nation of 230 million.*

**Morning**

Dr. Boeidono – Vice President of Indonesia 2009-2014

Dr. Dino Patti Djalal, Ambassador of Indonesia to the USA, 2010-13  
**Indonesia: Economic and Political Overview**

**Lunch**

**Site visit:**  City Hall  
Basuki Tjahaja Purnama, Jakarta Governor (Gov. Ahok)

**Afternoon**

**Venue:**  Grand Hyatt Hotel

**Development and the Challenge of Sustainability**

*Panelists will discuss responses to deforestation, problems caused by the clearing of trees by burning, land degradation, strategies for sustaining natural resources, and human resource management practices and the labor force in light of the UN Global Compact*

Arief Budiman, Finance Director, PT Pertamina

Tony Wenas, President and Director, APRIL  
Pandu Sjahrir, Chief Financial Officer, Toba Bara Sejahtra

**Evening**

Dinner at the Hermitage Hotel  
*Joined by the Wharton/Penn alumni group*

6:00 – 7:00 pm  
**Reception**  
*Hosted by Anderson Tanoto*

7:00 – 9:00 pm  
**Group dinner**
Hosted by John Riady and the Lippo Group

Saturday, May 30

Indonesia

The contrast between old Jakarta and new Jakarta is large, and highlights the challenge confronting the government of bringing up the bottom half of the population while not restricting growth opportunities. Indonesia is endowed with enviable natural resources, but concerns over protecting the environment lead to differences over how certain resources, such as forests, should be exploited.

Check out of Keraton Hotel

Morning  
7:00 am  

Site visit: Old City and Sunda Kelapa Port (colonial Batavia)

Flight from Jakarta to Pekanbaru, Sumatra  
Shuttle flight to Pangkalan, Kerinci

Site visit: RGEI forestry, pulp & paper operation

RGEI company hotel, Unigraha Hotel

Lunch

Site Visit: Field trip to RGE center, tree nursery, pulp & paper mill

Dinner  
at hotel; with presentation

Sunday, May 31

Indonesia

Indonesia is a low wage country, one with the government formally committed to implementing the Millennium Development Goals. Company sites in remote locations employing large numbers of people present logistical issues. Consideration will be given to how a company’s own Corporate Social Responsibility stance operates in practice.

Morning  

Site visit: RGEI community center

Late afternoon  
Depart Kerinci. Flight to Singapore

Arrival at Seletar Airport, Singapore  ~ 5 pm

*** Class participants depart Singapore ***
Readings:

**GENERAL**


McKinsey Global Institute, Southeast Asia at the crossroads: Three paths to prosperity. November 2014 report. [pdf file to be distributed]

**SINGAPORE**


http://www.ft.com/intl/cms/s/0/b18372a6-5297-11e4-a236-00144feab7de.html?ftcamp=traffic/email/content/editor//memmkt&siteedition=intl#axzz3Gofe7iwY


Lam Peng Er & Kevin YL Tan, eds., Lee’s Lieutenants, (Sydney: Allen & Unwin, 1999). pp. ix-xii, 28-33, 40-44, 186-190   [pdf file to be distributed]

“PM Lee: Looking back on 10 years at the helm and ahead at new tensions and challenges,” interview, The Straits Times (Singapore), Jan. 17, 2015. 

**MALAYSIA**

http://eh.net/encyclopedia/economic-history-of-malaysia


Malaysia population 2010, ethnic breakdown. [pdf file to be distributed]
**INDONESIA**

**General:**


Arief Budiman, Kaushik Das, Azzam Mohammad, Khoon Tee Tan, Oliver Tonby, “Ten ideas to reshape Indonesia’s energy sector,” McKinsey & Company, September 2014. 9 page report  [pdf file to be distributed]