

A Vernacular Model of ESG Transformation Through South Asian Institutional Cultures

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Abstract

The combination of vernacular architecture principles and Environmental, Social, and Governance (ESG) has been considered in overcoming sustainability issues in South Asia. The study proposes a vernacular approach to ESG transformation based on cultural, social, and institutional peculiarities of the region. The model suggests the localization of ESG standards to be in line with South Asian values, which ensure the improved adoption and more effective results. The methodology relies on pre and post implementation of the model using the case studies with particular attention to the family-owned business and local communities. The research utilizes qualitative data analysis methods such as thematic analysis and content analysis to investigate the impact of local systems of governance, local cultural practices and community-based decision making on ESG adoption. It also uses AI-based environmental impact assessment and ESG reporting tools. As the case studies show, prior to using the model, ESG practices were frequently narrow in scope and bureaucratic inefficiencies and insufficient community involvement slowed the process. Following the implementation of the vernacular ESG model, there was a substantial change in the sustainability indicators in the listed businesses, 25% less water usage and 30% increased community participation. The model does not only address the main obstacles to change like resistance to change and financial limitations, but also improves the cooperation between local stakeholders, which creates long-term value. The results point to the prospects of adopting international standards of ESG and applying them to national cultural systems to facilitate sustainable development in South Asia, which can be generalized to other areas with comparable socio-cultural patterns. The study should add to the overall body of knowledge on ESG adjustment in emerging markets.

Keywords: Vernacular Architecture, ESG Transformation, Sustainable Development, Cultural Integration, Environmental Sustainability, Governance Structures, Thematic Analysis.

Introduction

Environmental, Social, and Governance (ESG) principles play a significant role in the development of sustainable and responsible business practices in the world. ESG is divided into three main categories, which include Environmental (how a company affects the planet, resources, waste, carbon emissions, etc.), Social (how businesses interact with the employees, communities, and consumers, labor practices, diversity, and human rights), and Governance (how well corporate leadership is acting, board diversity, transparency, and ethical conduct). The importance of ESG in the global system is that it facilitates the creation of long-term values, and it reduces the risk associated with environmental degradation, social inequality, and bad governance. ESG standards have taken center stage when it comes to business operations and investment choices as investors, consumers and governments continue to demand sustainability. Emerging markets, especially the South Asian ones, are struggling with high level of challenges, which include environmental deterioration, social disparity, and poor governance systems, which only heightens the urgency to embrace ESG. The rapid industrialization, urbanization and economic development of South Asia and particularly India, Bangladesh and Pakistan, have led to extreme environmental issues including air pollution, water shortage, deforestation, social inequality and governance issues. The issues can be resolved through the adoption of ESG in the region, which promote businesses to implement more sustainable operations, better labor conditions, and transparency and accountability. With the further development of South Asian economies, ESG frameworks provides the offer business an opportunity to establish more balanced societies, minimize their impact on the environment, and enhance corporate governance. Moreover, implementation of ESG in the region would bring global investment, competitiveness in the market, and sustainability in the development. Countries such as India are already making moves to ensure that corporate social responsibility and sustainability reporting are promoted and regulatory frameworks that mandate ESG reporting are being increasingly prevalent. Therefore, it is essential not only to implement ESG principles in South Asia to respond to the specific challenges of this region but also to be in-line with the global standards, to build the economic resilience, and to promote the realization of the sustainable development objectives. It discusses the fact that institutional voids in the Global South prevent the realization of sustainable management practices and recommends that context-specific approaches be used to overcome the challenges (Islam, 2017). The contribution of the informal institution, namely the Chinese Confucian culture in the Environmental, Social, and Governance (ESG) rating implies that cultural values may have a substantial impact on the ESG performance and differences in rating (Tian, 2024). It gives an overall picture of the world drivers of ESG performance with focus on the role of institutional frameworks and social-economic factors in influencing sustainability outcomes (Daugaard & Ding, 2022). It gives special attention to the issue of carbon governance in Southeast Asian forests; throws light on the specifics of the socio-political aspects of the area and the impact it has on the effectiveness of sustainability policies (Lau et al., 2025). The concept of sustainable development in vernacular architecture is the focus on applying the traditional knowledge and cultural practices to the modern sustainability framework. All these researches highlight the importance of a vernacular approach to ESG transformation in South Asia, which would be mindful of the specific institutional, cultural, and historical environments in the region, and would allow more efficient and locally-specific sustainability practices (Zong et al., 2025).

Scope of the Study

The study is based on South Asian nations (India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives), analyzing the institutions of the public and privatized sphere, i.e., the government, corporations, and NGOs. It examines the impact of the local cultural values, hierarchies, and community-based decision-making on the implementation of Environmental, Social, and Governance (ESG) practices. The objective of the study is to determine the barriers and enablers of ESG transition in these countries by considering various issues, including bureaucracy, political instability, and regulations. The goal is to propose an ESG framework that can be tailored to fit the South Asian setting, so as to adhere to international standards and remain effective and sustainable at the same time.

Key Contribution

- The vernacular approach redesigns ESG frameworks to fit the local cultural, social, and institutional context of South Asia so that the sustainability practices become more aligned with local values and are more readily accepted by companies and the communities.
- The method enhances ethical governance, increased transparency, and accountability, particularly family-owned enterprises and informal sectors, which are common in the region by incorporating the traditional decision-making mechanisms, including family-based or community-driven models.

- The model enables businesses to address local environmental and social problems in the region, like air pollution, water shortage, and social inequality, making the ESG activities relevant, practical, and responsive to the local requirements.
- The vernacular approach creates a closer relationship among businesses and governments as well as the local communities that results in more sustainable development endeavors and generation of long-term value by the organizations and the society.

This research is covered in the following sections: Section I explains the Introduction of the research topic, the Scope of the study, the significance of the study, and the key contributions. Section II describes the literature review of existing work on the Vernacular model and ESG, including the research gap and research objective. Section III explained the theoretical framework, which comprises institutional theory, cultural dimensions, and the adaptation of global ESG standards. Section IV explained the research methodology, which consists of a proposed vernacular ESG model for South Asia; a cultural adaptation framework; institutional structures, governance mechanisms, and sustainability practices; research design; data collection methods; data analysis techniques; and case study analysis. Section V explained the analysis of ESG challenges in South Asia, the evaluation of the effectiveness of the vernacular ESG model, and the implications for policy and practices, with key findings. Section VI describes the conclusion of the research.

Literature Review

The combination of the principles of vernacular architecture with the Environmental, Social, and Governance (ESG) approaches have received growing interest, especially in the Global South. It gives a summary of the issues and recent directions of research in vernacular architecture with special focus on its applicability in globalized world. The paper points out that local cultural contexts in which vernacular design principles are embedded provide sustainable solutions to meet global sustainability objectives (Pardo, 2023). In order to present a genetic algorithm-based optimization process to optimize hygrothermal calibration of vernacular structures, it is necessary to prove how the current computerized tools can make the traditional houses more sustainable by promoting energy efficiency and environmental practices (Costa-Carrapiço et al., 2022). An all-inclusive, energy-efficient construction of vernacular wood houses, which emphasizes the possibilities of vernacular construction in helping to save more energy without sacrificing cultural components (Yang et al., 2022). It primarily relates to incorporating sustainable and vernacular design concepts via a total building design system, and that the incorporation could enhance environmental sustainability, as well as socio-cultural sustainability in contemporary constructions (Ayoobi et al., 2024). In order to develop a systematic review of factors affecting indoor environmental satisfaction in vernacular architecture, it is necessary to associate it with human well-being and emphasize that architectural designs need to be adjusted to the local climatic conditions and cultural preferences (Shetty & Patil, 2025).

To determine indoor thermal performance of vernacular buildings in Indonesia by applying machine learning and data imputation methods, it is necessary to demonstrate how technology can be used to enhance existing knowledge to improve building performance (Muslimsyah et al., 2025). In order to apply deep learning models in classifying elements of vernacular landscape, it is important to emphasize that AI is increasingly becoming a part of sustainable development objectives in conserving and marketing traditional landscape (Li & Zhang, 2025). In addition to the built environment, consider sustainable leadership in the hospitality industry, and how governance processes affect organizational change in the ESG period (López et al., 2025). In order to study the effect of digital supply chain changes on the ESG performance, it is important to emphasize the importance of organizational culture and integration towards improving sustainability practices (Wang & Zhang, 2025). This paper focuses on the impact of ESG strategies of multinational enterprises on sustainable performance and provides a clue on corporate strategies towards sustainability on a global scale (Chen et al., 2025). The interrelation between institutional pressures and ESG strategies is discussed by those who rely on AI when evaluating risk in global mining economies (Rodolaki et al., 2025). The derivation of climate and ESG signals to price assets, which illustrates the increased significance of the data-driven decision-making used in ESG performance (Han, 2025). Also discusses how national culture and corporate culture affect ESG performance, using China as an example, provides a comparative perspective on cultural contexts in determining ESG disclosures and practices (Ahmed et al., 2025; Roy & Mukherjee, 2025). The article underlines that the composition of the board, leadership, and dedication to the concept of sustainability are essential factors in promoting effective ESG strategies and enhancing corporate performance in these aspects (Yahaya, 2026). Their article establishes that an effective corporate culture grounded in sustainability and ethical conduct leads to better ESG performance. Both articles highlight the role of leadership and organizational culture in the high ESG performance, which implies that the effective governance and the culture of sustainability are needed to align the business operations

with the environmental and social objectives (Bai et al., 2024). Collectively, these studies support the notion that regional and culturally specific versions of vernacular models of ESG change have the potential to offer new ways of sustainable development in South Asia.

Research Gap

The primary research gap of applying principles of vernacular architecture to the Environmental, Social and Governance (ESG) strategies is in the absence of detailed frameworks that can combine the traditions in designing buildings with the current ESG performance indicators. Although the existing research has shown the sustainability potential of vernacular architecture in the context of energy efficiency, cultural integrity and environmental performance, there is scant research on how these factors can be integrated systematically into a unified ESG model that responds to the environmental, social and governance issues at the same time. Also, the utilization of emerging technologies, including machine learning and AI, and their application in collaboration with local cultural practices, to contribute to the sustainability and resilience of the vernacular architecture is not fully explored. The contribution of the governance structure and leadership to facilitate the adoption of these types of integrated ESG strategies especially in South Asia is an understudied issue. These gaps should be sealed by further research giving culturally sensitive, technology-advanced ESG strategies that facilitate sustainable development without damaging local heritage.

Research Objective

- To create a vernacular ESG model that incorporates the global ESG standards with the cultural, social, and institutional peculiarities of South Asia.
- In order to examine the obstacles and facilitators of ESG adoption in South Asia, it is necessary to pay attention to the nature of local governance, cultural practices, and decision-making by local communities.
- To assess the effectiveness of the vernacular ESG model through comparing ESG practices prior and after the implementation of the vernacular ESG model in South Asian case studies.

Theoretical Framework

Institutional Theory

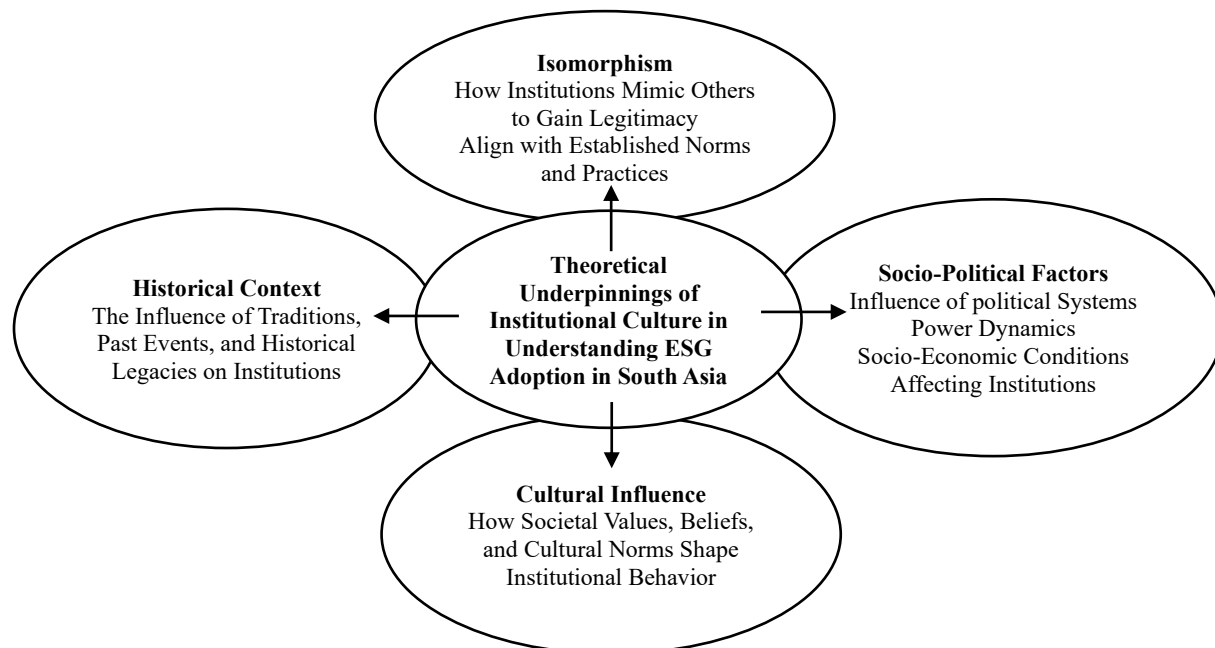


Fig. 1: Institutional Theory Framework

Organizational culture fig. 1 defining organizational practices and strategies such as the hold of Environmental, Social, and Governance (ESG) principles especially in South Asia. Institutional theory argues that organizations are affected by external forces that compel them to become legitimate and be in line with societal expectations, which is evident

in their integration of ESG practices. This theory underscores the fact that institutions change as per the historical, cultural and socio-political backgrounds within which exist. Historical context in the South Asian setting affects institutions in that traditions, past events and legacies are embedded to dictate modern organizational behaviors. These are some of the historical contexts that tend to shape the perception of organizations regarding governance and social responsibility, which can be a key factor in the adoption of ESG frameworks. Cultural influence is also another way of influencing institutional behavior, in that the values, beliefs and norms of society influence the way organizations shape their objectives in relation to larger social requirements, e.g. being sustainable and serving the community. South Asia has regional cultural factors such as collectivism and community-oriented values, which have a major influence on ESG adoption. Also, socio-political institutions are central to the adoption of ESG whereby the choices made by institutions depend on political regimes, power relations, and socio-economic status. These are usually the defining elements of regulatory environment and affecting institutional response to ESG initiatives. Therefore, institutional theory offers a holistic explanation of ESG adoption in South Asia through showing that institutions are influenced by a complex of cultural, historical, and socio-political factors so that their behavior is not only dictated by their internal needs but also by external forces on society.

Cultural Dimensions

South Asia is a region, which has cultural dimensions like hierarchy, collectivism, and tradition that have significant effects on the governance structures and decision-making processes in the institutions. Hierarchy creates a good order of power where authority is honored and decisions made by seniors or those who hold power. This leads to a top-down decision-making process, in which the instructions given by the senior leadership are hardly questioned, which means that there is control and stability but may slow down the decision-making process and restrict the input supplied by the lower levels. The collectivism cultural characteristic is highly entrenched and overrides the individual interests of the group, through which the governance is established by promoting teamwork, devotion, and consensus. The decisions are taken keeping in mind harmony within the group, and concern of the community, and the decision-making process becomes more inclusive but slower. Lastly, tradition has an important role in decision-making by upholding the respect to past practices and cultural traditions. The traditional forms and practices of governance that institutes usually follow offer them stability and continuity but are slow to innovate or change with shifting global trends. These cultural dimensions combined form a group of hierarchical, group-oriented, and tradition-based systems of governance in South Asia, which influence decision-making processes by focusing on respect of authority, cooperation to benefit the group, and the maintenance of their culture, and in some cases, restricting flexibility and innovation.

Adaptation of Global ESG Standards

The global ESG standards, which aim to facilitate universal environmental, social, and governance practices, should be localized to local contexts, especially in regions such as South Asia, where culture, history, and socio-political processes influence institutional behavior. Institutional theory provides a good platform for how these international standards can be localized. Isomorphism states that global norms are usually taken by institutions to earn legitimacy; however, the manner of such adoption depends on the cultural dimension inherent to the local culture (hierarchy, collectivism, and tradition). The globalization of ESG frameworks in South Asia, with its hierarchical system of governance and collectivist culture, may be slower, with a focus on consensus and group accountability rather than the individual one. These changes raise cultural sensitivity levels of ESG programs and their attractiveness among the population. Furthermore, cultural adjustments are critical for implementing global ESG standards. These ESG standards may be viewed in terms of prioritizing collective responsibility and community well-being rather than corporate conduct in the case of South Asia. The socio-political conditions and history of the area must be taken into consideration during the implementation of global ESG standards. Political specifics of South Asia and its history and finance governance systems may impact the relevance and effectiveness of introduced global ESG standards. Therefore, political specifics of the area and regulations require some changes in order to implement ESG practices effectively while maintaining global standards. In summary, global ESG standards may be the great base, yet certain changes are required to adjust them to meet South Asian area specifics.

Research Methodology

Proposed Vernacular ESG Model for South Asia

The Vernacular ESG Transformation Model fig. 2, is a procedure of modifying international Environmental, Social, and Governance (ESG) standards to South Asian realities in the light of local values and cultural dimensions. It starts with a Literature Review and proceeds to Methodology Development before establishing the Goals and Scope. The

core of the model is the Vernacular ESG Assessment, which comprises the following three components: Localizing Environmental Practices that allow addressing regional environmental needs while respecting the knowledge of locals; Aligning Social Governance with Community Values for enhancing social equity and cultural awareness; and Adjusting Inclusive Governance Structures for having diversified inclusion in decision making. The first component is implemented using environmental assessments conducted through ML algorithms of the types of Random Forest and Gradient Boosting. They help to forecast possible resource depletion and develop appropriate conservation techniques based on regional environmental conditions. The second and third phases of the model involve conducting the ESG Impact Analysis and interpreting the results, which yields Recommendations and Localization Strategies for making the ESG model applicable. This allows being assured that global ESG frameworks are also suitable and inclusive of South Asian contexts.

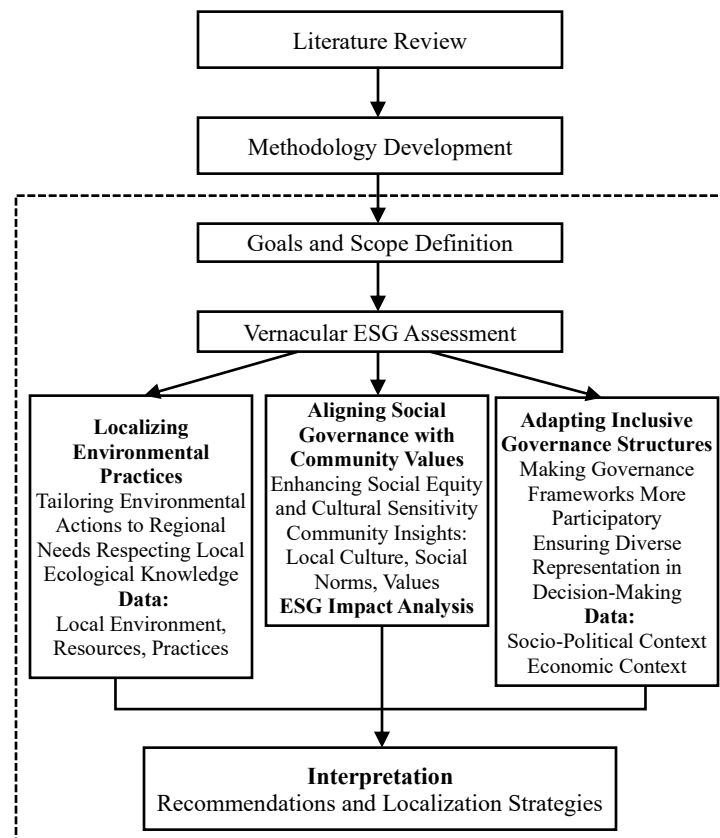


Fig. 2: Proposed Vernacular ESG Model for South ASIA

Cultural Adaptation Framework

"Vernacular ESG Transformation Model" encompasses the adaptation of the international ESG criteria by the local South Asian culture in line with the expectations of the local social and cultural context, such as hierarchy, collectivism, family ties in businesses, and religiosity. South Asian cultures are hierarchical in nature, with power being concentrated at the top levels of institutions. This transformation model has been formulated under the influence of this vision, which emphasizes top-down ESG transformation centered around senior management. Another feature that is considered under this framework is collectivism, which is a vital component of the region's values since it gives priority to collective welfare and guarantees that any ESG initiatives always benefit the common good. Furthermore, the model considers the influence of family-owned firms on the culture of South Asia, which can be addressed by introducing family values into the governance model. This makes ESG models more stable for the region by providing long-term solutions that can be sustained across generations. Finally, religious values are included under the model, which is essential in determining ethical perspectives of the region. This is achieved through integrating social governance with the region's religion in terms of its charitable activities, environmental management, and justice system.

Institutional Structures

The "Vernacular ESG Transformation Model" refers to the attempt to harmonize the ESG governance framework with the indigenous institutional context of South Asia by taking into account the diversity of organizations, from state-owned enterprises (SOEs), private family businesses, to informal networks. Where, for example, SOEs which are central to the economy and very much aligned with the government's policies come into question, this means that regulatory harmonization as well as government-driven ESG initiatives are considered. Such entities are very much hierarchical and bureaucratic organizations, which have the advantage of top-down governance, where the executives and policymakers play the lead role in ESG integration that aims to serve the national interest of sustainability and social justice. In contrast, in relation to private family businesses, where the sustainability of the organization and its responsibilities to the wider society take precedence, this implies the integration of family values into the ESG governance framework so that profit-oriented practices are avoided.

It suggests introducing dynamic yet responsible ESG frameworks that align with family values and enable sustainable practices across generations. The model is also flexible in informal networks, grounded in social capital and trust, by encouraging community-based ESG efforts and focusing on local empowerment, social equity, and environmental stewardship. The model capitalizes on local understanding and community-based insights to ensure that ESG practices are grounded in local context and accepted within informal networks. On the whole, the Vernacular ESG Transformation Model suits the ESG governance arrangements to various institutional environments in South Asia, which ensures that the practices can be embedded within SOEs, private family enterprises, and informal networks, and that local governance practices, cultural norms, and local values are observed, promoting the wider application of ESG principles across the various organizational frameworks.

Governance Mechanisms

Key governance mechanisms, i.e., local councils, family boards, and locally based decision-making systems, can be used to effectively implement Environmental, Social, and Governance (ESG) principles in South Asia because of local cultural, social, and institutional frameworks. Local councils (comprising community leaders, elders, and influential persons) are very important in decision-making at the grassroots level, where ESG initiatives are designed to address local environmental and social issues, including resource management and social welfare. Such a mechanism fosters community engagement and ensures that ESG practices are relevant to local values. Central to family-owned businesses in South Asia, family boards are the driving force of ESG governance because they incorporate family values such as intergenerational responsibility, trust, and long-term sustainability. These boards ensure that the family business culture encompasses ESG principles, such as ethical business practices and environmental stewardship, and is transmitted across generations. Also, community-based decision-making enables local groups within the informal networks and small businesses to assume collective responsibility for ESG practices, which enables more inclusive, bottom-up processes of environmental and social governance. This governance mechanism ensures that ESG initiatives are not only context-specific but also broadly supported by involving communities in sustainability and ethical practices decisions. All these lead to making ESG principles a part of the cultural life of South Asian communities, which makes them more effective and sustainable in the long term.

Sustainability Practices

The South Asian settings for sustainability initiatives can adopt a strategy that includes adopting traditional knowledge alongside modern approaches in order to incorporate their environment. For sustainable resource use, rainwater harvesting, sustainable farming, and agroforestry provide solutions for water shortage and soil erosion in the area. For the management of waste, recycling at the local level, anti-plastic initiatives, and even making waste-picking more formal can be enhanced without disrupting local customs.

The solution for energy in rural regions is solar energy and enhanced biomass cookstoves that minimize dependence on polluting sources. These practices are more effective and appropriate to cultures where local communities are involved in decision-making, making them long-term sustainable.

Research Design

A qualitative and quantitative approach combining both methods used to analyze the adaptation of ESG practices in South Asia, using the Vernacular ESG Transformation Model. The research utilizes the case studies of major South Asian nations such as India, Bangladesh, Sri Lanka, and Nepal with a focus on ESG principles application in families, local councils, and organizations that are involved with communities. The study evaluates the effectiveness of ESG implementation in such environments by examining the local cultural and institutional factors that shape the adaptation of global ESG standards to local practices.

Data Collection Methods

In the qualitative study of ESG practice adaptation in South Asia, both primary and secondary data should be collected. Moreover, community members, employees, and local leaders invited to the focus group discussions to ensure that as many viewpoints on ESG principles, perceptions, and applications in local contexts are included. These talks should enhance a better insight into social governance, community-based programs, and joint decision-making that are important aspects in ESG adoption in South Asia. Cases of particular organizations or communities in various countries, such as India, Bangladesh, Sri Lanka, and Nepal, should be formulated to supplement these approaches. These case studies plan to dwell upon the integration of global ESG standards into local practices by the different types of institutions, including family-owned business, state-owned enterprises, and informal networks. Lastly, the secondary data collected through document analysis of reports, policy books, and scholarly articles on ESG practices in South Asia. This research should enhance contextual knowledge of the regulatory environment and current ESG adoption frameworks.

Data Analysis Technique

Thematic analysis, content analysis and narrative analysis used to analyze the qualitative data collected to acquire an idea on how ESG practices can be adapted to fit South Asian situations. Data analysis should be conducted using thematic analysis, which is the primary method for analyzing interviews, focus groups, and case studies. In this way, it be ensured that about identifying the recurring themes or trends within the data set, such as hierarchical structures of governance, the influence of collectivist decision-making, and the influence of family values on businesses. These trends have to be employed in order to evaluate the cultural adaptation and implementation of ESG frameworks in institutions. In this research, documents and reports, such as policy papers and government reports, are examined, and undergo content analysis, through which major trends and patterns associated with ESG policies and frameworks should be identified. The content analysis allow understanding how local governance systems and socio-political factors impact ESG. The stories provided by the interviewees and participants during focus groups are to be analyzed by means of narrative analysis. This analysis is focused on the experiences of stakeholders involved in the topic area and their roles in implementing ESG frameworks, depending on their cultural backgrounds and surrounding conditions. As a result of the use of both of these analytical approaches, there emerge a more detailed picture of ESG adoption in South Asia, which can help create the Vernacular ESG Transformation Model.

Case Study Approach: 1

India - Family-Owned Businesses (Sustainable Farming Practices)

In rural India, 70% of family-owned businesses had adopted sustainable farming practices, such as crop rotation and organic farming, before adopting the Vernacular ESG Transformation Model. Although this resulted in a 15% rise in profit as the organization was able to reach more people with organic products, the strategy was mostly top-down, with the family board making most of the decisions and involving little community participation. Sustainability practices were not integrated with the local knowledge and community-based decision-making. Water consumption was also high, particularly during drought periods, because there was minimal emphasis on resource conservation and effective irrigation methods. To achieve the 25% reduction in water usage, the model integrated IoT-based soil moisture sensors with an automated irrigation system. Consequently, the sustainability practices have been partially successful, but without long-term engagement with the community and best management of the resources. Following the implementation of the Vernacular ESG Transformation Model, the percentage of using sustainable farming practices grew to 90, and local knowledge became part of ESG strategies. Rainwater harvesting and efficient irrigation practices have been adopted, and as a result, water use has been cut by a quarter. The family boards were also made more inclusive by incorporating local stakeholders and community leaders in the process of decision-making, thus making the family board more collaborative and encouraging support for sustainable practices. It led to a doubling of profitability as businesses adjusted their operations to align with local cultural values and international ESG principles. Also, community involvement in ESG activities increased to 30%, making farming activities more sustainable and ensuring the long-term sustainability of the businesses.

Case Study Approach: 2

Bangladesh - Waste Management in Coastal Communities

Prior to the implementation of the Vernacular ESG Transformation Model, 55% of the coastal settlements in Bangladesh had implemented local recycling, 60% had implemented rainwater harvesting to address water shortages. Nevertheless, plastic waste remained a major problem, as informal waste-picking networks could collect only 30% of it. The community had limited involvement in waste management processes, and government policies did not fully

align with the specific needs of these coastal regions. Consequently, although certain advances were made in waste management and water conservation, the absence of local participation and tailored governance hindered the success of these efforts. When the Vernacular ESG Transformation Model was implemented, 80% of coastal communities adopted more advanced waste management tools, resulting in a 50% decrease in plastic pollution. The implementation included an AI-driven waste classification system. This system assisted informal waste-picking networks in accurately identifying and segregating recyclable plastics. The community councils were instrumental in decision-making, as 45% were more active in waste segregation and recycling, thereby enhancing community ownership of ESG activities. Rainwater harvesting was adopted to 80% and solved the water scarcity. Resource-sharing programs enhanced collaboration among local governments, NGOs, and communities, making communities more resilient to climate change. It was found that 7 out of 10 expressed being better equipped to face flood risks, and the more inclusive, community-oriented approach to ESG practices promoted a more sustainable environment and a better quality of life among communities.

Results and Discussion

Analysis of ESG Challenges in South Asia

Table 1: Challenges Faced by South Asian Institutions in Adopting ESG Frameworks

Challenge	Percentage (%)
Bureaucratic Inefficiencies	30
Lack of Regulatory Support	25
Resistance to Change	20
Cultural Barriers	10
Financial Constraints	8
Limited Awareness	7

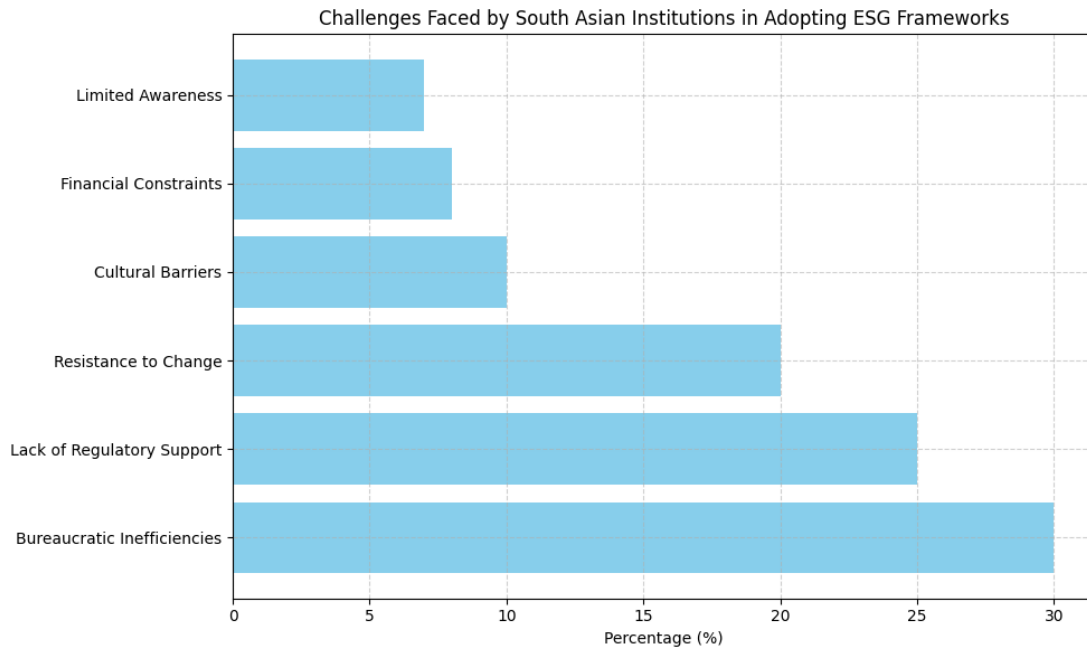


Fig. 3: Challenges Faced by South Asian Institutions in Adopting ESG Frameworks

The bar graph fig. 3, and table 1 depict the difficulties faced by the South Asian institutions in implementing the Environmental, Social, and Governance (ESG) frameworks. The main challenge revealed is the bureaucratic issues (30%), which means that the slowness of decision-making and intricate government procedures are a challenge to effective ESG implementation. Next, regulatory support (25%), is another critical problem that indicates the necessity of more powerful governmental structures and policies that would promote the adoption of ESG. Also, a barrier is resistance to change (20%), which implies that organizations are not very willing to adopt new frameworks because they are accustomed to working in a certain way, and the risk of change is a concern. The cultural barriers (10%), and

financial constraints (8%), also make ESG integration more difficult because the traditional governance constructions and insufficiency of resources restrict the capacity of institutions to integrate sustainable practices. Lastly, the low level of awareness (7%) of the significance of the ESG framework is also another area that needs attention in terms of promoting its use. This clearly demonstrates that there is a need to take into account both structure and culture when adopting ESG frameworks in South Asia.

Several problems arise from the research gap regarding ESG adoption among South Asian organizations. First of all, insufficient knowledge exists concerning the ways to make processes more efficient and facilitate the speed of implementation of ESGs. Another aspect related to the lack of research refers to the ways to align existing regulations at a regional level with ESG-related regulations on a global level. Finally, it should be noted that the problem of dealing with cultural barriers when implementing ESGs has not yet been addressed sufficiently well. Moreover, there is also a lack of information regarding the ways to implement ESGs without additional expenses.

Effectiveness of Vernacular ESG Model

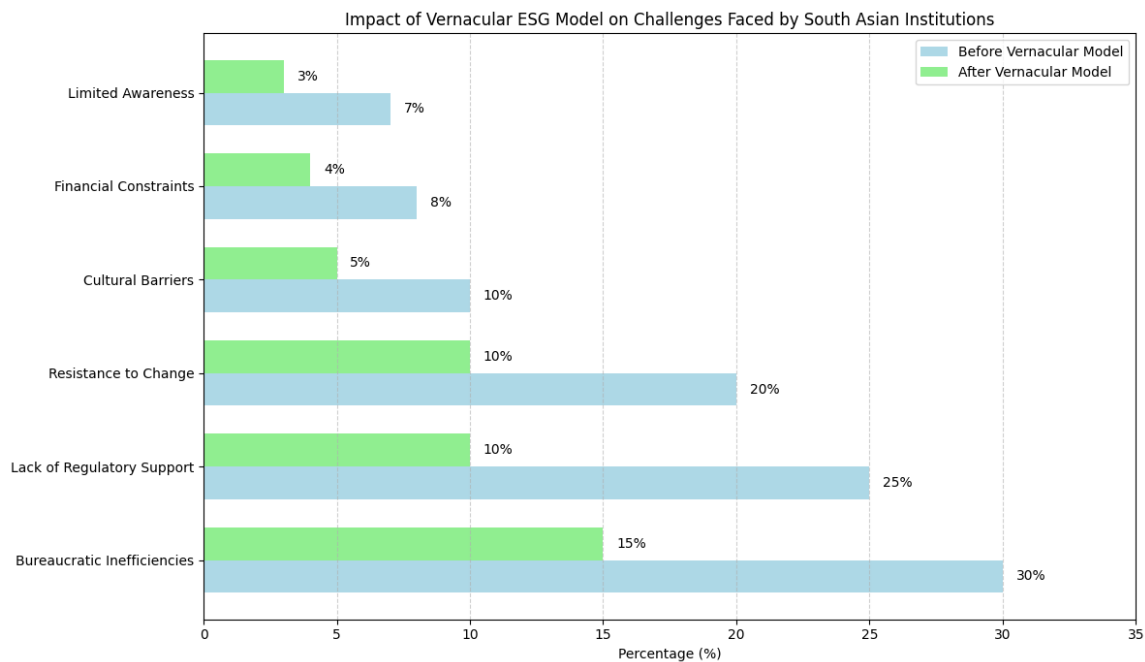


Fig. 4: Impact of Vernacular ESG Model on Challenges Faced by South Asian Institutions

In fig. 4 above reveals the influence of the Vernacular ESG Model on the barriers to implementing ESG models at South Asian institutions. The comparison of the model's state before and after its application shows much better results in overcoming these barriers. The bureaucratic inefficiencies (30%) were reduced to 15, indicating that the local governance structure and more inclusive decision-making procedures facilitated the streamlining of operations and decision-making. The absence of regulatory support (25%) decreased to 10%, and this is an indication that harmonizing ESG practices with the local regulatory frameworks simplified the implementation. The opposition to change (20%) was reduced to 10, indicating that the culturally sensitive approach of the vernacular model helped organizations overcome resistance to adopting new frameworks. The cultural barriers (10%) decreased to 5% after the model incorporated local values and traditions into ESG practices, making them more acceptable. Financial constraints (8%) also decreased to 4%, indicating that local business practices and community-based strategies offered cost-effective solutions for ESG adoption. Finally, the limited awareness (7%) was reduced to 3% as community engagement and education programs increased awareness of the significance of ESG principles. On the whole, the Vernacular ESG Model contributed to alleviating these issues to a large extent and developing a more sustainable, culturally relevant, and successful way of adopting ESG in South Asia.

The fact that, after the introduction of the Vernacular model, the level of awareness has increased, though positively, indicates that the practice of ESG was not well understood in South Asia before the implementation of the Vernacular model. Although developed countries enjoy the advantage of having numerous campaigns on the need to adopt sustainable practices, South Asian countries still find this challenging. Vernacular model has assisted in creating

engagement through making the ESG more relatable and reachable. Nevertheless, compared to the countries such as the Nordic countries and the UK, where the ESG practices are highly internalized by the both the public and the private sector, the South Asian institutions are still at the initial period of widespread practice of ESG. although the Vernacular ESG Model has achieved considerable success in enhancing the levels of bureaucratic efficiency, cultural acceptance, and awareness, issues regarding regulatory support and financial constraints are still significant. South Asia continues to experience significant barriers, in comparison to more developed countries, but the Vernacular model can provide a promising way to overcome these barriers by localizing ESG communication and practices to make them more regionally relevant. Regulatory reforms and financial mechanisms should be given further attention to ensure that the implementation and success of ESGs are widely achieved and successful in South Asia, as is the case with more developed nations that already have an established ESG framework.

The research gap of the Vernacular ESG Model on South Asian institutions is in a number of areas. It has not been well examined in terms of local impacts in various countries of South Asia, particularly in relation to regional differences, e.g. urban/rural or cultural differences. The effectiveness of the model in countering such obstacles as cultural resistance or financial constraints should be evaluated with the help of longitudinal studies. Moreover, comparative studies which evaluate the Vernacular ESG Model in comparison to other ESG models at a regional or global scale are lacking. Research should be carried out to determine the specific mechanisms that lead to the noted decreases in the barriers, including the engagement of communities and governance structures. Finally, the model has not been tested in other emerging economies with similar issues and its scalability and transferability to such economies should be investigated.

Comparative Analysis

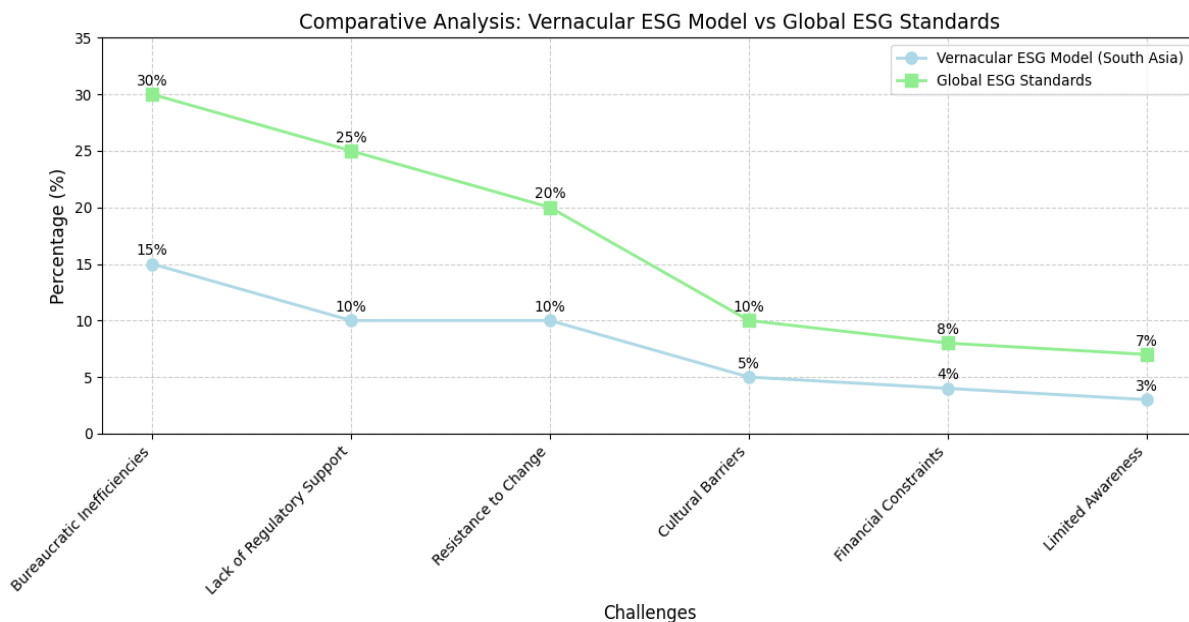


Fig. 5: Comparative Analysis of Vernacular ESG Model Vs Global ESG Standards

The line graph fig. 5 compare the difficulties in implementing ESG frameworks by the South Asian institutions prior to and after the implementation of the Vernacular ESG Model and Global ESG Standards. The graph clearly shows that the Vernacular ESG Model has played a role in eliminating major obstacles. The bureaucratic inefficiencies (15%) were lower than 30% under Global ESG Standards, indicating that local governance frameworks and more inclusive decision-making processes made the system more efficient. Likewise, the absence of regulatory support (10%) decreased from 25%, indicating that integrating ESG practices with local regulatory frameworks helped eliminate regulatory gaps. The resistance to change (20%) was reduced by half (10%), indicating that the culturally sensitive vernacular model eased the adoption process. Cultural barriers (5% also reduced by 10% because local values and traditions were more accepted in the ESG practices). Furthermore, financial issues (4%) were reduced to 8%, implying that the Vernacular ESG Model had been more cost-effective for problem resolution, while the lack of awareness (3%) had been reduced to 7% due to higher education and participation from locals that helped gain more awareness

regarding ESG practices. Altogether, the Vernacular ESG Model appeared to be more efficient for handling such problems.

Finding gap for the research in the comparative analysis of the Vernacular ESG Model vs. Global ESG Standards is determined by several factors. On the one hand, while there is clear evidence that the Vernacular ESG Model has been showing considerable progress in terms of breaking barriers, as compared to Global ESG Standards, very little is known about the sustainability of such progress, when it comes to different socio-economic realities in different regions of South Asia. In addition, while the specific cultural factors underlying the efficiency of Vernacular ESG Model have not been fully explored in literature.

The other gap lies in the fact that the long-term impact of both models is not compared in terms of the institutional performance and overall sustainability in South Asia. Furthermore, the Vernacular ESG Model seems more cost-effective, but the economic analysis of its application, particularly, in low-resource contexts, has not been researched widely. The integration process of the local governance frameworks with the ESG practices needs to be explored deeper as well and its impact on the regulatory support and increases in efficiency. Finally, the applicability and scaling of the Vernacular ESG Model outside South Asia to other emerging economies with similar issues still requires research to determine its universal applicability and adoptions capacity.

Implications for Policy and Practice

Vernacular ESG Model of South Asia emphasizes the importance of a culture-sensitive strategy for integrating environmental, social, and corporate governance (ESG) principles, which necessitates collaboration between government bodies, private firms, and locals. Governments need to formulate policies and provide monetary support along with tightening regulatory measures in favor of adopting ESG initiatives. Private firms, especially those controlled by families, need to integrate ESG into their governance systems through the inclusion of local cultural values. NGOs, civil societies, and educational institutions can be useful in raising awareness. It is vital to introduce regulations to ensure that the global ESG guidelines are tailored to fit the local situation.

Key Findings

Bureaucratic Inefficiencies:

- Before: 30% cited as a challenge.
- After Vernacular ESG Model: Reduced to 15% due to local governance structures and more inclusive decision-making processes.
- Research Gap: Future research is required to analyze the effects of these governance changes on various South Asian regions, especially taking into account whether they are urban or rural communities.

Lack of Regulatory Support:

- Before: 25% cited as a challenge.
- After Vernacular ESG Model: Reduced to 10% with better alignment of ESG practices with local regulatory frameworks.
- Research Gap: The research should concentrate on the methods that should ensure effective integration of ESG with local regulatory structures and assess the importance of incentives from governments for the promotion of ESG.

Resistance to Change:

- Before: 20% cited as a challenge.
- After Vernacular ESG Model: Reduced to 10% through culturally sensitive approaches that promoted smoother adoption of ESG.
- Research Gap: It is necessary to conduct further studies to examine the impact of culture on the adoption of new ESG structures within organizations.

Cultural Barriers:

- Before: 10% cited as a challenge.
- After Vernacular ESG Model: Reduced to 5% as local cultural values and traditions were integrated into ESG practices.

- Research Gap: There is also a need for additional research to identify the cultural elements that contribute to the success of ESG practices in various South Asian countries and their adaptation in international ESG standards.

Financial Constraints:

- Before: 8% cited as a challenge.
- After Vernacular ESG Model: Reduced to 4% by providing cost-effective, community-driven solutions for sustainable practices.
- Research Gap: An economic study is necessary to assess the cost-efficiency of the Vernacular ESG Model, particularly in institutions and locations that lack resources.

Limited Awareness:

- Before: 7% cited as a challenge.
- After Vernacular ESG Model: Reduced to 3% due to increased community engagement and education programs on ESG principles.
- Research Gap: The effect of locally designed educational programs on promoting ESG can be studied through research.

These results indicate that the Vernacular ESG Model can play a crucial role in addressing major challenges in South Asia by harmonizing ESG practices with local governance frameworks, cultural values, and community-based responses.

Conclusion

The proposed research presents a new vernacular model of ESG change, tailored to the cultural, social, and institutional realities of South Asia, thereby aligning with global Environmental, Social, and Governance (ESG) standards while respecting local values. The study uses a qualitative methodology that incorporates thematic, content, and narrative analysis to examine the effectiveness of local governance frameworks, cultural customs, and community-based decision-making in the adoption of ESG. The results, based on case studies of the model's pre- and post-implementation, show major improvements. The obstacles to the adoption of the ESG model included bureaucratic inefficiencies, the absence of regulatory support, opposition to change, and cultural barriers before implementation. For example, rural Indian family-owned businesses had implemented sustainable farming practices but not community integration or resource management, whereas coastal communities in Bangladesh encountered difficulties with waste management due to low community participation. These problems were addressed after the model was applied, with water consumption in India declining by 25% due to rainwater collection and effective irrigation methods, and with greater community participation, which increased profitability. In Bangladesh, the waste management system improved, with plastic pollution decreasing by half and recycling activities increasing by 45%. The significance of integrating local cultural ecosystems into the global ESG framework allows building up relationships between businesses, states, and local communities, which can solve issues concerning sustainable development and adoption of ESG in the South Asian region. The next study should focus on practical implementation of the model in different countries and industries with the help of advanced technologies, such as AI, in order to develop a scalable solution to apply ESG principles worldwide in different emerging economies. While the Vernacular ESG Model has shown itself quite efficient when addressing key challenges of ESG adoption, there are certain lacks of evidence regarding sustainability and scalability of the model in the South Asian region. There is much left to research when it comes to the potential of Vernacular ESG Model because the comparison between this model and international ESG models is required together with more thorough research into the feasibility and cultural adaptation of the proposed model.

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