

2nd Roundtable Indo Korean CSR Forum

Globalization is an inevitable phenomenon in human history, bringing the world closer through the exchange of goods and products, information, knowledge and culture. But over the last few decades, the pace of this global integration has become much faster and more rapid because of unprecedented advancements in technology, science, communications, transport and industry.

But at the same time, globalization is also fostering a range of challenges like undermined labor and environmental standards and depilation of natural resources, exacerbating the gap between rich and poor, both among and within countries. These challenges are threats to sustainability and viability of businesses. Hence, the role and responsibilities of businesses are being redefined. The best way for a business to achieve sustainable development is through Corporate Social Responsibility (CSR). CSR has emerged as a dynamic business process. It addresses the concerns and aspirations of all the stakeholders on one hand, while proactively addressing development issues with the expansion of geographic footprints of businesses on the other thereby trailing ways to address inclusive development.

In India, CSR is not a new concept and Indian businesses have been engaged in industrial and social welfare since late 1800s. Post the economic liberalization, there has been a significant increase in FDI inflows and has contributed to India to become one of the fastest emerging economies. India now boasts of strong strategic, economic and diplomatic relationship with countries like USA, EU, Korea, Russia etc.

With the friendly economic policies, the Republic of Korea is one of the top ten investing countries in India. The relation between Korea and India has taken a giant leap in recent times, with the accomplishment of forty years of diplomatic relationship; the relation between the two nations is growing fast in different areas of bilateral business operations as well. Recently, Tata Motors, Mumbai signed an agreement for acquiring Daewoo Commercial Vehicles, Kunsan (South Korea) at a cost of US\$ 102 million.

The Republic of Korean is a market economy which ranks 15th in the world by nominal GDP and 12th by purchasing power parity (PPP), identifying it as one of the G-20 major economies. Korean companies have not only earned a name for just their product quality and professional services but they have also demonstrated their social commitment and responsibility. Their efforts towards address ethical, transparent management and social concerns had gathered pace post the Asian crisis of 1997. According to the survey by the industrial association, Federation of Korean Industries (FKI) in 2006, 75% of the 120 largest companies in Korea are engaged in CSR projects and 87% name such involvement as a necessary company activity. According to the same survey, large Korean companies spend approximately 2% of their profits on CSR activities.

Concomitantly, India is in a midst of a tremendous revolution in the domain of CSR. For the first time in history, the Government of India is in the process of legislating CSR as an important deliverable for business through the Companies Bill, 2012.

To further engage, discuss, share and understand the essence of CSR, its policies, challenges, best practices and prospects it holds for business sustainability, inclusion and above all, leading to future international business engagement and cooperation, **FICCI Aditya Birla CSR Centre for Excellence** and

the **Embassy of The Republic of Korea** in India hosted the **2nd Indo-Korean CSR Forum** on 14th December 2012 at The Leela Palace Hotel, New Delhi with the theme, “**Corporate Social Responsibility: Issues, Challenges , Practices and Prospects**”.

The forum was inaugurated by the **Hon’ble Ambassador of the Republic of Korea, H.E. Mr. Kim Joong-Keun**. In his keynote speech the ambassador highlighted that in 2011 the bilateral trade crossed 30 Billion US dollars and the two countries have spread wide capital of 40 billion US dollars by 2015. The Hon’ble Ambassador also announced that three Indo-Korean forums have been launched in Delhi itself and he is happy that it was supported by the minister of defense, state minister of science and technology and the minister of culture.

Dr. A. Didar Singh, Secretary General FICCI, in his inaugural speech expressed that FICCI values the India Korea business co-operation and shared that this corporation has nurtured for over the years. He affirmed that any type of economic crisis tends to surely impact the society and effects inclusive growth and this is where businesses are required to look in a more holistic manner and shared that India is already marshalling in that direction.

In context of CSR, Dr. Singh shared that it is a process relevant with the context of corporate governance and is associated with the concept of social development, social responsibility and social entrepreneurship. Referring to social entrepreneurship, Dr. Singh shared that it is a novel concept and is about how one deals with society and for social upliftment of the downtrodden. He concluded that Social Entrepreneurship as a concept may help the industry build alliances with focus on sectors, where alliances reach to sectoral work and these sectors include gender, education and health.

In his special address **Mr. A. K. Agarwala, Chairman, FICCI Indo-Korea Business Committee**, appreciated, that nowadays there is an increasing presence of highly charged people in discussing CSR activities not only to implement it but learn and engage in CSR. Recapitulating from old days he shared in details about Shri G.D. Birla, who was a close associate of Mahatma Gandhi, who believed that the villagers and co-workers must be treated and understood to be brothers to each other.

As a part of the forum, an exclusive panel presentation of CSR- Issues, Challenges, Practices and Prospects was organised, chaired by **Dr. Asish K. Bhattacharyya**, Head, School for Corporate Governance and Public Policy, Indian Institute of Corporate Affairs. The panel comprised of **Dr. Ashesh Ambasta**, VP-Social Investment, ITC Limited; **Dr. Pragnya Ram**, Group Executive President Corporate Communications & CSR, the Aditya Birla Group and **Mr. Nalin Kapoor**, Group Head of Marketing Hyundai Motors. Here these experienced CSR Leaders shared vividly about the CSR initiatives, impacts and challenges of their respective companies.

To understand the culture and changing dynamics of CSR in both the countries, the focus of the second panel discussion was on CSR and Policy. **Mr. Manoj Kumar Arora, Additional Director General, Ministry of Finance, GOI** and **Mr. Choe Cheol-Kyu, Deputy Director General- Ministry of Foreign Affairs and Trade, Republic of Korea** shared the CSR policies of both the governments. The participants raised numerous queries, concerns and expectations of the government with the distinguished panelists. The forum concluded with the vote of thanks by **Dr. K K Upadhyay, Head, FICCI Aditya Birla CSR Centre for Excellence**.