
2009 Global Compact China- Japan-Korea Roundtable Conference

Congratulatory Speech

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Representatives of the Global Compact Networks of China, Japan and Korea,
Mr. Georg Kell, Executive Director of the United Nations Global Compact,
All members of the Global Compact Korea Network

I would like to thank you for your presence today at the 2009 Global Compact China-Japan-Korea Roundtable. I also extend my sincere appreciation to the Local Networks which contributed to preparing this meaningful event.

China, Japan and Korea have made tremendous economic progress in the past century. In fact, Asia is moving to center stage in the global economy. At a recent summit meeting, the three nations agreed to hold annual talks and work closely together as strategic partners.

That sheds a positive light on plans to realize an “East Asian community” akin to the European Union. In the wake of the global financial crisis, many experts believe the G20, which includes China and Korea, will replace the G8. Asia is predicted to surpass Europe and North America and represent half of the world economy in 30 years time.

The growing economic influence implies greater responsibility. As Asian companies broaden their presence on the world stage, they are expected to match the western peers in terms of social responsibility.

The demands are especially high on companies from China, Japan and Korea, as they are regarded as role models for the wider Asian region.

Distinguished Guests,

In doing business, East Asia has traditionally valued the business ethic of upholding integrity when pursuing profits, which is “견리사의” in Korean.

For instance, trust has been an important virtue when conducting business in Korea. About 200 years ago, there was a famous merchant named Lim Sang-ok. He kept a cup known as Gyeyeong-bae(戒盈杯) on hand to refrain from excess. The cup was designed so that all of the contents would seep out once it was filled to a certain level. Doing one’s best but refraining from excessive greed embodies a long-held business tenet in Korea.

The spirit of “見利思義 (jià lì sīyì)” was also highly valued by the Jinshang, or Shanxi merchants, who dominated trade in China over five centuries during the Ming and Qing dynasties. According to the Jinshang, intellect could bring prosperity but virtue was essential to amassing great wealth. They also believed that an honorable person maintains integrity in the process of acquiring their fortune.

Over in Japan, the merchant-philosopher Ishida Baigan, who played an important role in the development of merchant ethics, also emphasized “せんぎこうり” .

The spirit of putting morals before short-term gains advocated by the merchants of China, Japan and Korea complements the pursuit of efficiency and profits that is the primary objective of modern-day capitalism.

There was a time in Asia when many important values were overlooked for the more pressing agenda of economic development. In Korea, transparency was sacrificed for growth under the nation’s export-driven growth model during the 1970’s. The lack of transparency left Korean companies highly vulnerable to the financial crisis in 1997.

In the aftermath of the crisis, Korean firms have paid greater attention to corporate social responsibility, with many starting to issue sustainability reports or joining the Global Compact.

Ladies and gentlemen,

Traditional business emphasis on placing virtue before profits provides excellent soil for cultivating the Global Compact's ten universal principles in Asian businesses.

The 2009 Global Compact China-Japan-Korea Roundtable can serve as an important forum to rediscover Asian values and reinforce the Asian CSR model. Through joint research and analysis into the Asian CSR model and real world examples, the three countries can take the lead in promoting Asian CSR practices on the international stage.

The roundtable also presents an opportunity to further cooperation between China, Japan and Korea to resolve regional and global CSR issues. Confucian influence along with rapid industrialization and growth are common to all three nations, which should facilitate efforts to jointly address CSR issues such as trust and integrity.

Three-party collaboration will be particularly important in the fields of environment and energy. Korea is drawing global attention with its bold investments for green growth, while China and Japan have made considerable strides in environment-friendly technology. Government level support is anticipated following the release of a joint statement on sustainable development at the recent China-Japan-Korea summit meeting. With the addition of active corporate involvement, East Asia could very well present the global standard for green growth.

In the face of a trying economy, Koreans expect businesses to meet their basic social roles by increasing investment, creating jobs and regaining market confidence. In response to these demands, SK Group plans to invest 50 billion Korean Won in social enterprises to create jobs, aligning its CSR activities with the corporate vision of pursuing happiness for all stakeholders. The Group launched a win-win internship program to give more than a thousand students a chance to intern at SK's small and medium-sized business partners. Korean CSR models, like the SK initiative, could provide other

Asian businesses with useful cues for reducing poverty, creating jobs, and fostering small businesses.

Ladies and gentlemen,

Over the span of ten years, the Global Compact has grown into the world's largest CSR initiative with participation of more than 7,000 businesses and organizations. The Global Compact is now preparing for the next ten years, giving regard to society's renewed attention on long-term value creation; risk management taking account of environmental, social, and governance aspects; and business ethics.

Cooperation between China, Japan and Korea to promote the Global Compact should give rise to a more advanced CSR model that combines Asian values with Western CSR principles. The roundtable today gives us a great opportunity to make the first strides toward that goal. I look forward to constructive discussions on how East Asian businesses can effectively realize their corporate social responsibility as regional leaders.

Thank you.
