

Dialogue on Korean Development Experience: Lessons for Bangladesh

Tuesday 23 December 2014
The Westin Dhaka, Bangladesh

Session 2
Global Best Practices of CSR: Implications for Bangladesh

The Latest CSR Trends and Implications for Bangladesh ***From Korea's Experience***

Presented by
Professor Jaemin Lee
School of Law, Seoul National University

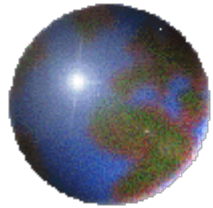
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Embassy of the Republic of Korea



Centre for Policy Dialogue (CPD)



The Latest CSR Trends and Implications for Bangladesh

- From Korea's Experience

Seminar on Korean Development Experience: Lessons for Bangladesh

December 23, 2014

Prof. Jaemin Lee

Seoul National University School of Law

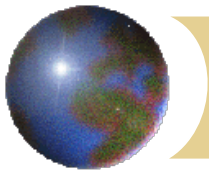
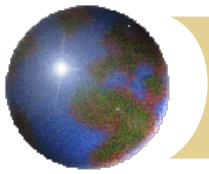


Table of Contents

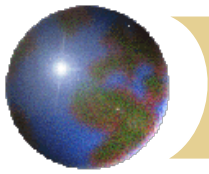
- ✦ Introduction – Corporate Social Responsibility
- ✦ CSR and Korea
- ✦ OECD Guidelines for MNCs
- ✦ New Challenges and Complexities
- ✦ Concluding Thoughts



Corporate Social Responsibility

✦ Definition

- ✦ “Commitments by business to behave ethically and to contribute to sustainable economic development by working with all relevant stakeholders to improve their lives in ways that are good for business, the sustainable development agenda, and society at large.”
- ✦ World Business Council for Sustainable Development, in *Making Good Business Sense* by Lord Holme and Richard Watts



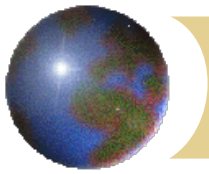
Corporate Social Responsibility

✦ U.N. Global Compact

- ✦ Launched in July 2000
- ✦ A leadership platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices
- ✦ Seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

✦ Current Status

- ✦ 8,000 corporate participants in over 140 countries
- ✦ The world's largest voluntary CSR initiative



Corporate Social Responsibility

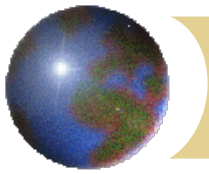
❖ Ten Principles of Global Compact

❖ Human Right

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: make sure that they are not complicit in human rights abuses.

❖ Labor

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor;
- Principle 6: the elimination of discrimination in respect of employment and occupation.



Corporate Social Responsibility

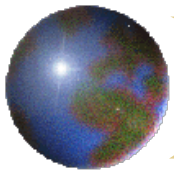
✿ Ten Principles of Global Compact

✿ Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

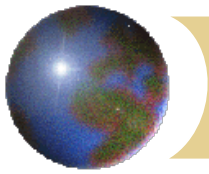
✿ Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



CSR and Korea

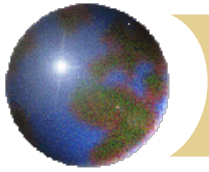




CSR and Korea

✚ CSR in Korea

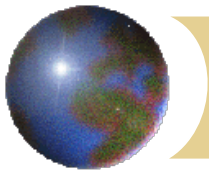
- ✚ Getting increasing attention
 - People, educational institutions, corporations and government
- ✚ Educational Institutions
 - More studies and researches conducted
 - Education courses are established
- ✚ Various activities by corporations
- ✚ Various activities by government
 - Both central and local governments



CSR and Korea

✚ Role of the Government

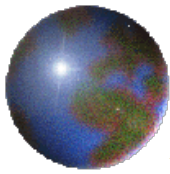
- ❏ Government supports and guides corporations' increased CSR awareness
- ❏ Coordinates with corporations
- ❏ Introduces support program
 - Tax incentives
 - Environmental protection measures and facilities
 - Matching fund
 - Large corporation and SMEs cooperation network



CSR and Korea

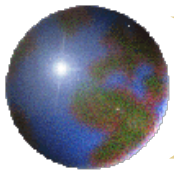
✚ Activity of Corporations

- ✚ Have realized the importance of CSR for the long-term success of their businesses
 - Win-Win strategy
- ✚ Corporations are engaged in various types of activities
 - Many different programs and agendas
 - Establishes new teams and hires/trains experts



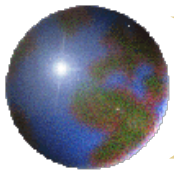
CSR and Korea





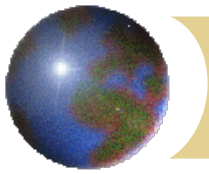
CSR and Korea





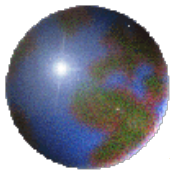
CSR and Korea





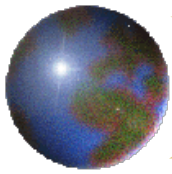
CSR and Korea





CSR and Korea





CSR and Korea

용인시사회적기업지원센터 용인시



용인시 사회적기업

대학생 서포터즈 모집

용인시사회적기업지원센터와 용인시에서는
젊고 건강한 사회적경제 생태계 프로젝트의 일환으로
창신한 가능성을 지닌 「사회적기업 대학생 서포터즈」를 모집합니다.

사회적기업 대학생 서포터즈 일정

- *활동기간 : 2014년 5월 12일 ~ 10월 17일
- *신청서접수 : 4월 1일(화) ~ 4월 24일(목)
- 1차 서류전형 → 2차 면접(4월29일) → 합격자발표(4월 30일)
- *발대식 및 교육 : 5월 12(달)일, 시간/장소 개별공지

모집 및 활동 내용

- *모집대상 : 12명 내외
- *지원대상
 - 용인시 사회적기업에 관심 있는 청년 (19세~25세 국내 대학교 재학생 및 휴학생)
 - 서류접수 교육 및 위대행사 프로그램에 참여 가능한 대학생
- *활동-내용
 - 용인시내 사회적기업 조사 및 활동 홍보 과제 수행 (블로그 기체, 소셜적기업 방문 직박 후 기사 연재)
 - 사회적기업 전시·판매장 행사지원, 운영 보조 및 홍보 보조
- *활동 혜택
 - 서포터즈 활동 인증서 발급 및 자원봉사활동 인정
 - 활동 우수자 선별, 포상 등 제공

지원방법

- *접수기간 : 2014. 4. 24(목) 18:00까지
- *지원방법
 - 지원신청서 제출
 - 제출서류 : 용인시 사회적기업지원센터(이메일, 팩스)
- *제출처 : 용인시 사회적기업지원센터(이메일, 팩스)
E-mail : jeonmo@hanmail.net Fax: 031-324-45110

선발 방법 및 홍보

- *선발방법 : 신청서 및 신청 동기 등 서류상사(3차) 대면심사(면접)후 선발
- *대상지 홍보
 - 2차 면접대상자 및 최종합격자발표는 개별 홍보

문의처

- 용인시 사회적기업지원센터(031-337-2528)
- 용인시청 지역경제과 사회적기업팀(031-324-2471)

사회적기업이 여는 따뜻한 세상



2014 사회적기업 주간 행사
7.1(화) - 7.4(금)

1 일

사회적기업의 날 "기념식"
(화)13:00 | 63컨벤션센터 2층 세쿼이아&파인룸

사회적기업 "우수상품전"
(화)13:00 | 63컨벤션센터 4층 라벤더&로즈마리룸

사회적기업 "공공구매워크숍"
(화)14:00 | 63컨벤션센터 3층 시더룸

2 일

"타운홀 미팅"
(수)15:00 | 은행회관 2층 국제회의실

"토크콘서트"
(수)18:00 | 고려대학교 LG모스공간 (슈렉스룸)

3 일

"국제포럼"
(목)10:00 | 대한상공회의소 국제회의실

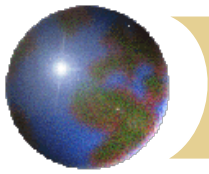
4 일

"돌봄업종 사회적기업화 전략 토론회"
(금)14:00 | 충남대인문부(대전역) 5층 익수실

"문화예술페스티벌"
(금)18:30 | 나무아트센터 대극장

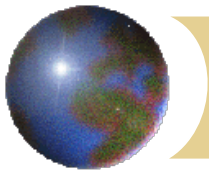
주최 **고용노동부** (Ministry of Employment and Labor) 주관 **용인시** 한국사회적기업진흥원 **고령사회적기업지원센터** (Korea Center of Social Enterprise)

[세부 내용은 socialexpo.or.kr 참고해주시기 바랍니다.]



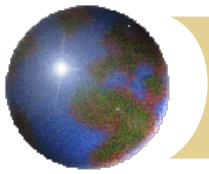
OECD Guidelines for MNCs

- ⊕ More specific rules are imposed
- ⊕ OECD adopted *Guidelines for Multinational Corporations*
 - ⊞ Soft Law – Not Legally Binding
 - ⊞ Nonetheless play an important role
 - ⊞ Accepted and implemented by Korea
 - Both by Korean corporations and the Korean government
 - ⊞ Having realized the importance of the norms and affected the CSR in many respects
 - Particularly for corporations operating outside Korea



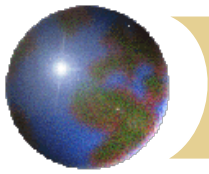
OECD Guidelines for MNCs

- ✚ Adopted in 1976
- ✚ Amended five times afterwards
 - ▣ Most recently in 2011
 - ▣ 44 countries have adopted this
 - ▣ National Contact Points established
 - NCP
 - In Korea, the Ministry of Trade, Industry and Energy is the NCP
 - Korea Commercial Arbitration Board operates as secretariat



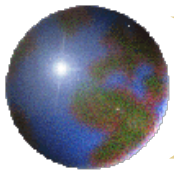
OECD Guidelines for MNCs

- ✚ MNCs Definition:
- ✚ A precise definition of multinational enterprises is not required for the purposes of the *Guidelines*. These enterprises operate in all sectors of the economy. They usually comprise companies or other entities established in more than one country and so linked that they may coordinate their operations in various ways. While one or more of these entities may be able to exercise a significant influence over the activities of others, their degree of autonomy within the enterprise may vary widely from one multinational enterprise to another. Ownership may be private, State or mixed. The *Guidelines* are addressed to all the entities within the multinational enterprise (parent companies and/or local entities). 2011 OECD Guidelines, para. 4.



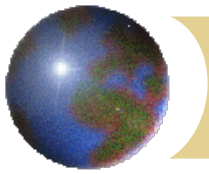
New Challenges and Complexities

- ❖ Korea's own experience and new challenges and complexities
 - ❑ MNCs are also foreign investors
 - Foreign investors in Korea
 - Korea investors outside Korea
 - ❑ Treatment of foreign investors is subject to another set of norms
 - This is a hard law
 - Bilateral Investment Treaty (BIT)
 - Free Trade Agreements (FTA)



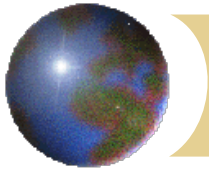
New Challenges and Complexities

- ❖ Key Provisions of BIT/FTA
 - ❖ Definition of Investment
 - ❖ Definition of Investor
 - ❖ National Treatment
 - ❖ Most Favored National Treatment
 - ❖ Fair and Equitable Treatment
 - ❖ Performance Requirement
 - ❖ Expropriation
 - ❖ Investment Arbitration



New Challenges and Complexities

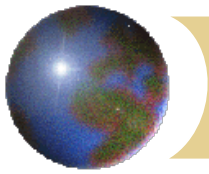
- ❖ The two norms are closely related and interacting –both relate to MNCs, mainly
 - ❖ Regulating activity of MNCs
 - ❖ Protecting foreign investors including MNCs
- ❖ These two objectives sometimes conflict
 - ❖ Raise new issues and dilemmatic situations
 - ❖ This is because the two norms have developed from different backgrounds and aim different objectives
 - ❖ At least in Korea, impose new tasks for the government and corporations



New Challenges and Complexities

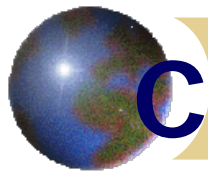
Regulation of
MNCs

Protection of
Foreign Investors



New Challenges and Complexities

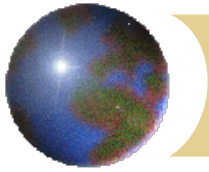
- ❖ Addressing the two norms
 - ❖ At least in Korea, impose new tasks for the government and corporations
 - ❖ Seem to raise similar issues in other countries as well
 - ❖ Efforts should be made to accommodate the two different objectives
 - Insertion of new provisions in BIT/FTAs recently
 - Incorporation of CSR concept into the BIT/FTA
 - ❖ May offer implication for Bangladesh as well



CONCLUDING THOUGHT...



- ❖ CSR and Korean Corporations
- ❖ Increasing Awareness and Activities
- ❖ New Challenges and Complexities
- ❖ Korea's Experience and Implication for Bangladesh



Thank you!
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