

## ***China Finding Balance – Part IV***

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### ***China in Contrast***

Some are quick to uniformly lump China together with its neighboring nations when making judgments about what will “play in Asia.” During my tour, I was able to visit South Korea for a week’s time to compare and contrast the neighboring nations.

While China is arguably experiencing an industrial revolution with the economic boom of the last three decades, Korea has a mature market and a currency tied directly to the US market. In Korea, sanitation, environmental protocols and safety standards are fully in place; and the gap between the haves and have-nots are in no way as wide. As such, the purchasing power of consumers is much stronger.

Conversely, people report that patriotism is not as high in Korea as it is in China. Perhaps that is because; at the same time some troubling conditions continue to exist such as sexism and limited career mobility that China has been able to make great strides against. And, while a mature Korea works on a strategy to maintain its economic status, unlimited opportunity is on the minds of the Chinese as they re-emerge on the world scene.

Despite these differences, similarities do exist. Both are very proud people, and both place great value in the power of personal networks for business partnerships and interpersonal relationships for individual advancement. They also both desire to be dominant players in the world market.

When looking through the lens of social responsibility trends, a similar overall picture emerges:

### ***Volunteerism***

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- Prestigious and sought-after position, typically unpaid and applied for by university students. Most often involves service delivery and activism (protest assembly). A wide range of NGOs are represented in Korea, with environmental organizations gaining prominence.
- MNCs offer sophisticated volunteerism programs including volunteer sabbaticals and international relief trips.



*Sign at “Take it Slow” Energy Conservation Event.*



*Volunteers from the Green Makers NGO.*

## Philanthropy and Fundraising

- It is not common to give to people that “you do not know.” If a person in the community needs help, it is more common for people to pitch in and give items and other forms of support (meals, housing, and transport assistance) than funds.
- Fundraising via VIP events, as well as walk-a-thons are common.

## Cause Communications

- Cause-related marketing promotions are limited, but interest is growing in the space as well as cause branding overall as western brands introduce efforts to Korea.
- The need for corporate social responsibility reports is emergent. Compliance is of increasing interest to investors.



Co-branded PSAs with Family Mart, Energizer, The Hite and others to support UNICEF's relief efforts for recent disasters.

## Labor Rights

- Most international safety protocols, including ISO 1004, are followed with strict adherence.
- Giving to corporate charitable requests is mandated and taken out of pay checks.
- Women are not given equal opportunity in most industries.
- Job switching is not common. With little choice in companies and a stigma attached to the disloyal, many workers remain in corporations that have done little to grow their employees.
- Labor unions exist, but are considerably weaker than those in the United States. Most often will stage silent protests. Response to activism can yield a range of results, from positive negotiations with employers to job loss.
- Consumers typically do not equate whole companies accountable for lax social responsibility protocols, viewing the primary role of business as making money.



Associating business and work with the achievement of dreams is common, as seen in the “Dream & Future” advertisement on prominent display at the Korean Stock Exchange. The association of master brands with social causes in advertisements geared toward the investment community is not common in Korea.

## Environment

- Each year Korea's "dust season" grows as portions of China erode to desert. As present four months of the year are marked by dust storms that cloud out the sun and cover Korean streets with particles.
- This, plus the increase in severe weather, makes Korean citizens uniquely aware of the climate crisis.
- Consequently, green messaging is prominent in public locations, as are public recycle bins and activist who are working to raise awareness and interest (not usually funds) for the issue.



Tourist and Korea Design Foundations' living "Green Billboard."

One of many public recycling stations in Seoul, Korea.

"Earth hour" PSA from WWF asking Koreans to switch off their lights for one hour – part of a global campaign.

## ***Conclusions***

Social responsibility, which played a significant role in Chinese history, is blossoming again in China. Recent political changes, business pressures and natural disasters have created a watershed of new dialogue, ideas and progress in this area. And, while the full induction of western ideals may take years – if at all – tremendous opportunity in the business of helping society through improved corporate citizenship exists.

While indicators and trends point to an increase in demand for improvement in social responsibility based upon the introduction of western standards of excellence, there is also potential for China to change the way social responsibility works today, bringing its rich history and years of philosophy to bear in teaching others how to “live their values.” Although highly controversial in some circles, the current Chinese notion of what it means to be communist – a shared “belief that helping people is the right thing to do” -- as well as its entrenched dedication to support its elderly, commitment to education and willingness to take dramatic action to bring about change are areas in which developed nations have long struggled.

In any case, changes in consumer, corporate, government and nonprofit behavior are coming about as the country is coming into its own. As this change is occurring, the negative impacts of growth will have to carefully be managed. China’s focus on building a harmonious society and trying to balance development with human and environmental needs to manage these potential impacts is necessary for the country and the world. But, given the mind-boggling pace of advancement that China has been able to achieve in restoring Shanghai, preparing for the Beijing Olympics and installing infrastructure to expedite business advancement, there is sufficient evidence that the country can achieve its goals, and as such there is just reason to hold tremendous hope for the future.

- Kristian

*\*The above is part of a series of posts on China. The content of the posting was generated as a result of secondary research and interviews with academic, business and issue experts while in China. Sources are available upon request.*