



BRITAIN'S RICHEST ASIANS

2002

In association with



It ain't what you do, but the way that you do it

In the face of a new trend towards ethical corporate practice, how is Asian business faring? writes *Malini Mehri*



Keith Vaz, Hinduja brothers



ASIAN business is coming of age in Britain. Take a look at the mainstream Rich Lists. Where previously there was only a handful, now there are scores of Asians.

The success stories are uplifting: the tales of hard work and sweet pay-offs; the men who pose proudly with their Ferraris; the women (regrettably fewer) with their big homes and chic clothes. All symbols of 'having made it'.

But wealth is only one measure of success. What about the status and reputations of Asian businesses? Are they seen as honest and aboveboard? Making money is one thing – but now people want to know both how it's made and what use it's put to.

Personal probity is also high on the agenda. When one in five British children lives in poverty, are Asian businesses investing in Britain's poorest communities (often their own)?

In 1994, *The Economist* wrote of "the era

of the corporate image, in which consumers will increasingly make purchases on the basis of a firm's role in society." That era is now here. So, how is Asian business faring?

These issues are in no way unique to Asian business, and the answers aren't easily available. But the questions are not going away. Last year's Hinduja/Vaz 'influence for passports' scandal saw to that. It would be an understatement to say that the episode did not do Asian business any favours. There is a definite problem when the richest Asians in Britain also happen to be on the 'most wanted list' of a foreign government for a decade-old corruption scandal.

The whispers of guilt were not helped by the reaction of some prominent British Asians. Closing ranks around the embattled duo and making race, rather than probity, the issue, smacked of defensiveness. It exposed a lack of moral leadership.

There was an easier way to counter the

damaging suspicion that Asians conduct their affairs according to less rigorous personal and ethical standards than other communities.

This way was not through denial, but by counter examples of 'good practice'. Sadly, this opportunity to turn the spotlight from those in the dock to the scores of honest Asian businesspeople was lost.

Yet the questions were left hanging. Where were the upstanding Asian business people? Could they be identified and mobilised for moral and professional leadership?

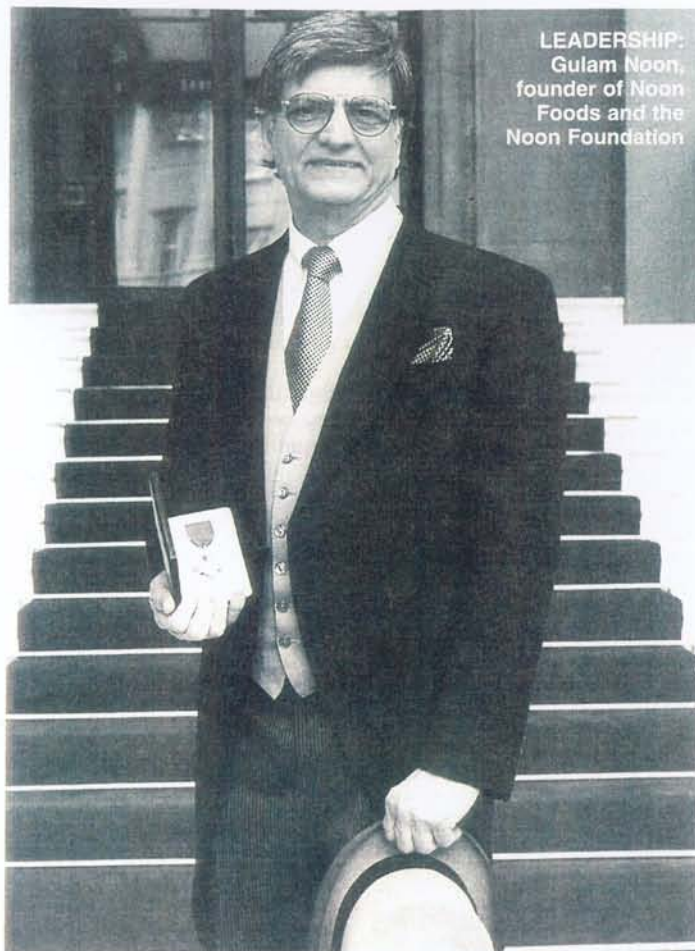
The Hinduja/Vaz scandal had one positive outcome. It provoked a strong reaction. This reaction was crystallised in a bold new initiative to actively promote leadership by British Asians for corporate citizenship.

Led by the Centre for Social Markets (CSM), a UK- and India-based independent, non-profit organisation, the initiative 'British Asians: Building Leadership for Corporate Citizenship' was launched at the Royal Society for the encouragement of Arts, Commerce and Manufacture (RSA) in July 2001 in London.

The speakers' list for the launch conference reflected where this leadership might come from: Gulam Noon, founder of Noon Foods and the Noon Foundation, and a contributor to the Prince's Trust; Baroness Usha Prashar, First Commissioner of the Civil Service and former Chair of the Parole Board; and Karan Bilimoria, founder and managing director of Cobra Beer, a businessman who is showing that ethics and rising profits can go hand-in-hand.

The conference was opened by a welcome address from the Minister for Corporate Social Responsibility (CSR), Douglas Alexander. This position – the first of its kind in the world – is an indication of New Labour's commitment to promoting a responsible role for business.

Asian business is estimated to contribute more than £5bn



LEADERSHIP:
Gulam Noon,
founder of Noon
Foods and the
Noon Foundation

'The Hinduja/Vaz scandal had one positive outcome. It provoked a strong reaction. This reaction was crystallised in a bold new initiative to actively promote leadership by British Asians for corporate citizenship'

to the British economy. The arena of corporate social and environmental responsibility is one where Asian businesses – as the UK's largest and economically most active ethnic minority group – can and must show leadership.

Asian professionals have now risen through the ranks – breaking records and glass ceilings along the way – in virtually every profession. Why then are they so under-represented in the new movement that is

sweeping the best British boardrooms – the movement for corporate social and environmental responsibility (CSR)?

The drivers for change are becoming increasingly apparent. Rising competition, commercial pressure, stiffer regulation, rapidly changing technology and consumer demands are creating a whole new playing field.

Added to this is the 'Seattle phenomenon' – the worldwide protest at the growing gulf between rich and poor.

Capitalism is held responsible, and business seen as part of the problem. It is no longer enough to simply employ people, make a profit and pay taxes. Business is now expected to be accountable and benefit society as a whole.

The Millennium Survey (2000), the largest international public opinion poll, surveying 25,000 people in 23 countries on six continents, found remarkably universal attitudes to the changing relationship between business and society.

Perceptions of companies around the world were more strongly linked with corporate citizenship (56%) than either brand quality (40%) or perceptions of business management (34%).

Two-thirds of those polled said companies were responsible for uncovering bribery and corruption, and also for protecting the environment. And over 60% in Europe and America said they would consider punishing companies who are not socially responsible.

Such attitudes are generating changes in everything from consumer spending to investment and official scrutiny. For example, a recent survey of media, institutional investors and other key stakeholders indicated that 42% of respondents believed a company's CSR track record would increasingly affect share prices.

The Centre for Social Market's work on corporate citizenship in India is evidence that the CSR agenda is not just limited to developed countries. A recent CSM conference in Kolkata drew leaders from all walks of industry.

Neither is this issue a novel concept in India. As far back as 1965, the then prime minister declared: "Business must be just and humane, as well as efficient and dynamic."

Recent research conducted by an Indian polling organisation has revealed that the IT sector is regarded as the most responsible, and the alcohol and tobacco industries as the least.

More trust is placed in the

BRITAIN'S RICHEST ASIANS

media and NGOs than in business or trade unions. Global companies operating in India are rated low in terms of their trustworthiness.

CSR then is no longer a minority issue, nor is it restricted to particular countries. It is a mainstream business issue reflecting the so-called triple bottom line of making profit, while caring for people and the planet.

In the UK, government has not been slow to respond. A review of UK company law is considering social and environmental issues. The Ethical Trading Initiative, supported by the UK government, promotes internationally agreed labour standards. The 1995 Pension Act now requires occupational pension fund trustees to report on the extent to which ethical, social or environmental factors are considered in their investment decisions.

Prime Minister Blair has challenged all FTSE-350 companies



TEAMWORK: Malina Mehra and CSM delegates, 2001

to report on environmental performance by the end of 2001, and the UK parliament now has two all-party groups on corporate citizenship.

The UK is in the vanguard of the CSR movement. Companies such as Shell, BP, B&Q, Body Shop, and InterFace have set the pace for reform in their sector.

Nor are such activities necessarily limited to big companies. A survey of small- and medium-sized enterprises revealed

that 61% of respondents were involved 'a great deal' or a 'fair amount' in the local community.

CSM's six-month initiative on 'British Asians: Building Leadership for Corporate Citizenship' brought out the implications of this changing environment for Asian business leaders.

The initiative involved a series of round-tables hosted by the Prince of Wales International Business Leaders Forum and the

Ismaili Centre.

One of the key learnings has been that there is an unmet appetite for critical discussion – followed by positive action. The initiative will now move into Phase II in Spring 2002 by taking the debate from metropolitan London to the major cities of Asian concentration: Leicester, Birmingham, Bradford and Manchester.

CSM will also launch an annual 'Integrity Award' to recognise outstanding moral and professional leadership. The ghosts of scandals past must be laid to rest.

CSM invites a new generation of leaders to rise to the challenge – step up to the stage and make your mark!

*• Malini Mehra is director and founder of Centre for Social Markets
Visit: www.csmworld.org*



... Maximising
sustainable growth for Asian
Businesses across Lancashire

Asian Business Federation
Red Rose Court
Clayton Business Park
Clayton-Le-Moors
Accrington
Lancashire BB5 5JR

Tel: 01254 879147
Fax: 01254 351295

... Committed to
increasing integrated
working between Asian
and non-Asian Businesses

Email: info@asianbusinessfederation.com

www.asianbusinessfederation.com

one voice. one vision. one voice. one vision.

HAD ENOUGH OF STOCKS AND SHARES?
TRY AN INVESTMENT IN LAND NEAR THE OLD LONDON BRIDGE
1.25 ACRE BUILDING PLOTS £3995

Invest in land approximately 35 miles from Lake Havasu City, the adopted home of the old London Bridge, in Mohave County. Mohave is one of the fastest growing areas of Arizona, and is close to the centre of the 'Golden Triangle' of Las Vegas, Los Angeles and Phoenix. A limited number of 1.25 acre plots are available in the Lake Havasu Estates Subdivision with building permission, frontage to a bladed road and the protection of a Title Insurance Policy.

For further information and a brochure call 01634 245537
(9am - 5pm, weekdays), or email your details to us at
info@lakehavasuestates.com.

Website: lakehavasuestates.com

