The exploitation of resources inevitably causes environmental damage. And it is the responsibility of not just companies, but of everyone, to wisely cope with challenges that arise as a result and minimize damage. But foreign-invested companies in Korea sometimes have trouble doing business due to standards that are stricter than those upheld for domestic companies.

On a sweltering day last June, a couple foreigners visited the Office of the Foreign Investment Ombudsman. Whether it was due to the heat or the difficulties they faced, they were flushed and sweating profusely. One was an executive at a leading global construction material company we will call Company A. Another was the head of a chamber of commerce. Company A had started its cement business in Korea in 1978. After taking over a Korean cement company in 2000, it established a full-fledged mass production system and now operates five cement production plants in Korea with a KRW 220 billion (USD 207.5 million) investment.

Company A needed the help of the Foreign Investment Ombudsman after encountering challenges trying to renew its permission to use a mountainous area at its mining site. In the summer of 2012, prolonged heavy rains had caused a landslide at a ridge opposite a limestone mining site near the plant. Despite prompt emergency response, the landslide took the lives of two workers. A three-month investigation concluded that the tragedy was a natural disaster, not man-made. Still, the company decided to restore the damaged site with its budget and settled the matter with the bereaved families.

Despite these efforts, some environmental organizations attacked Company A, spreading groundless rumors that it would not restore damages and prompting the public to shun the business for being a foreign company. Inaccuracies peppered broadcast coverage of the story, which led the Mountainous District Management Committee to withhold the permission renewal.

Three days before the Committee’s final decision was to be made, an executive of Company A came to Foreign Investment Ombudsman Dr. Ahn Choong Yong as a last resort. He explained in detail the restoration measures being taken and lamented the fact that Company A’s efforts were unacknowledged. Yet more regretful, he said, was the prejudiced claim by some environmental groups and citizens that the company would fail to handle the situation responsibly because it is a foreign firm.

The temporary permission in the place of a formal renewal led to a reduction of production for the company due to uncertainties. Had the use of the mountainous area not been permitted, the company would have had to lay off 1,000 employees, including the workers of subcontracted companies. Dr. Ahn addressed the urgent matter by calling a high-level official at the Korea Forest Service (KFS) shortly after confirming accurate facts and sending the KFS an official e-mail based on these facts. The KFS heeded Dr. Ahn’s counsel and replied that it would make a decision based on accurate facts. Fortunately, Company A was granted permission for a renewal, and its executive expressed relief about being able to continue doing business in Korea. And, the company did not forget to fulfill its promise to restore the damaged site.

This grievance resolution case gave Dr. Ahn opportunity to pause on whether a double standard is applied to foreign-invested companies. While it is the task of an environmental organization to strictly monitor business activities and shed light on wrongdoings, it is unacceptable to distort the truth with intimidation and target foreign companies. We must remember that Korean companies doing business abroad could face the same sort of prejudice and hardship. Only with the elimination of media distortions and administrative measures that adhere to a double standard can we achieve a favorable investment climate.

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