

INTER- CULTURAL BUSINESS DIALOGUE – Growth is the Goal –

Dedicated to:

***President of the European Parliament, H. E. Hans-Gert Pöttering,
President of the People's Republic of China, H. E. Hu Jintao,
President of India, H. E. Pratibha Devisingh Patil,
The Members of the Group of Eight – “G8”.***

Issued by the “Budapest Round Table 2008” on the 7th of November 2008.

Globalisation is a fact – culturally, economically, politically, and even commercially. It must serve the needs and welfare of all mankind.

1. LET PEOPLE CHOOSE

Human welfare is financed by- and hence needs sustainable global economic growth. Growth must respect fundamental moral and ethical principles, including social justice and ethical behaviour by the business and investment community.

The present economic crisis highlights that in current growth-centred models, poverty, global warming, environmental pollution and exhaustion of raw materials continue to be serious challenges. Therefore people feel a profound distrust in and resistance against globalisation. Consumer preferences should not be dictated by “one size fits all”.

Globalisation should mean choice - more choice for consumers and businesses (incl. SMEs), for labour and industry, for wealth creation and economic growth.

2. IT'S GOOD TO BE DIFFERENT

History and cultural heritage are assets – both for people and for business.

Each business culture has its own advantages and disadvantages. One business culture is not necessarily better than another. Neither does one single approach fit all. Various cultural- and societal systems can incorporate the positive features of globalisation into their own accumulated experience.

By accommodating global developments in their own cultural milieu, local innovations and experiences, with inbuilt elements of sustainability, can be acted upon and adapted globally to ensure sustainable growth and new business opportunities.

3. WE NEED YOU - AND - YOU NEED US

Variety in business cultures is a helpful asset in global value creation. They help sustainable growth, alleviate the negative effects of cyclical downturns and speed up economic recovery.

Globalisation through inter-cultural interaction can propagate high standards of integrity, transparency and honesty with commitment to a shared destiny.

Regardless of origin and location, forward-looking business people have vested interest in becoming culturally and socially sensitive at global level. This can only happen through enhanced inter-cultural business dialogue with all relevant parties' sincere participation.

Understanding of the other's business culture and background is an important step towards enriching international competencies, making business negotiations easier and becoming successful globally.

More interaction between business schools in Europe, the People's Republic of China and India is an effective mechanism for developing cultural and social awareness in new generations of business leaders. The interaction should include joint courses and regular exchange of students and Professors.

In order to enrich the quality of inter-cultural business communication curricula offered to domestic and foreign students, successful Entrepreneurs and Industrialists should be invited as teachers and to each other's Advisory Boards.

Growth is the Goal

General human welfare is financed by- and hence needs global economic growth.

Growth must respect fundamental moral and ethical principles, including social justice and ethical behaviour by the business and investment community.

Globalisation is a fact – culturally, economically, politically, and above all commercially. This phenomenon seems to be accelerating the pace of development.

The business community and business people have proven to be the biggest drivers of globalisation. They have been among the first to understand the opportunities and challenges offered by being active globally. Inadvertently, they are the most effective and vocal ambassadors of the globalised world as well as their particular culture and heritage.

However, many people feel profound distrust in and resistance against globalisation. There is a feeling that globalisation is imposing a “one-size-fits-all” approach, causing local job-losses, and mainly benefiting the privileged few. They feel that the present economic crisis vindicates their view.

The critics feel that in addition to job-losses, their cultural, economical and political heritage is being eroded and undermined. These societal issues must be addressed if societies are not to suffer internal frictions, societal rift or external animosity.

One must remember that wealth- and job-creation through sustainable growth is vital for the continued prosperity and peaceful co-existence of all nations. Together with good governance, exchange of goods and ideas between nations, contributes to wealth-creation. It is in the interest of every nation that exchanges function smoothly in an “even-handed” way.

The core rationale remains sustained economic growth, which necessitates the ability to efficiently operate in each other’s markets.

The ability to communicate across different cultures is an essential business skill in today’s global economy. This can only happen with thorough understanding of and respect for the various cultures and traditions.

Successful face-to-face business negotiations in diverse markets and various business cultures necessitate mutual understanding of the other’s business culture and background. Hands-on experience is useful to help create mutual confidence and trust. Business people who are successful in local markets may have difficulties in coping with cultural differences and communication barriers in international contexts.

While the goal is the same from the perspective of buyer and seller, i.e. to get to an acceptable agreement, the two parties may come from different business cultures and traditions (ethnic, educational, linguistic, etc.).

In certain cultures, mutual understanding and the ability to create and maintain a positive atmosphere during negotiation, equals – or even surpass – that of product quality or price.

The underlying cultural differences in business communication and negotiations could result in undesired barriers to developing mutually viable business relationships. Therefore, internationally operating business people must overcome numerous cultural differences and inconsistencies, and, optimally, turn it to their advantage.

Forward-looking business leaders in Europe, the People's Republic of China and India with the capacity to operate- and ambitions to expand abroad, all have vested interest in fostering inter-cultural business dialogue and help develop the next generation of culturally and socially sensitive business leaders in this spirit.

It is essential to respect cultural diversity and important that opportunities of international trade be used to shape a world that does not tolerate social injustice. One of the potentially positive aspects of globalisation is the opportunity to ensure high standards of integrity, dignity, quality and access around the world.

Consumers are then more likely to find satisfactory solutions to their particular needs, as suppliers are better able to detect and focus on various niche markets

BUDAPEST ROUND TABLE 2008

CO-CHAIR

- Dr. Erhard Busek Former Vice Chancellor of Austria
- Prof. Goverdhan Mehta Former President, International Council for Science, ICSU

PARTICIPANTS

- Dr. Krisztina Bárdos Executive Director, Hungarian Public Foundation for the Progress of Industry
- Prof. Alan Barrell Entrepreneur in Residence, University of Cambridge
- Prof. Miklós Boda Former President, Hungarian National Office for Research and Technology
- Mr. M N Chaini President, Indian Merchants' Chamber
- Dr. József Czimer Chief Adviser, Central Hungarian Innovation Center
- Prof. Herbert I. Fusfeld Former President, US Industrial Research Institute
- Mr. Ákos Gyömbér Managing Director, LUGA Ltd.
- Mr. Gábor Herczeg CEO, Corvinus Venture Capital Fund
- Mr. Hans Kaiser Former Minister, Head of Hungarian Office, Konrad Adenauer Stiftung e.V.
- Dr. Mohan Kaul Director General, Commonwealth Business Council
- Dr. Tamás Kemény International Adviser, IMFA
- Mr. FanJun Kong General Manager, ZTE Corporation Hungary
- Prof. Norbert Kroo Vice-President, Hungarian Academy of Sciences
- Mr. Chang Lin Gui Head of Optical Network, Huawei Technologies
- Prof. Mircea Maniu Head, Department of Management of European Studies, Babes-Bolyai University
- Mr. Ravi K Mehrotra CBE, Executive Chairman, Foresight Limited
- Mr. Stephen Phillips Chairman, EU-China Business Association
- Ms. Polgár, Ildikó Májér President - CEO, ValDeal Innovation Zrt.
- Dr. Soeren Rasmussen Senior Director, Department of the Chief Medical Officer, Pfizer
- Dr. Peter Riedler Executive Office of the CEO, AVL List GmbH
- Dr. Prem Sharma Patron, EICC and Chairman, India Development Trust
- Prof. Felix Unger President, European Academy of Sciences and Arts
- Ms. Deborah E. Walker Legal Adviser, Budaörs Property Developer and Integrator Service Centre Ltd.
- Mr. Kai Zhao General Manager, Hainan Airlines Company Ltd.
- Mr. Robert Zhao Managing Director, BYD Electronic Hungary Kft.

OBSERVERS

- Mr Junsheng Huang Second Secretary, Embassy of the People's Republic of China to Hungary
- Mr. Manoj Mohapatra Head of Chancery, Embassy of India to Hungary
- Mr. Hongbin Ren Economic Counsellor, Embassy of the People's Republic of China to Hungary
- Mr. István Szemenyei Senior Adviser, Strategy & Planning, Prime Minister's Office, Hungary

INTERNATIONAL ADVISERS

- Prof. Alan Barrell Entrepreneur in Residence, University of Cambridge
- Prof. Francesco Fedi President, European Co-operation in the field of Science and Technical Research
- Prof. Herbert I. Fusfeld Former President, US Industrial Research Institute
- Dr. Niels Hansen Advisory Professor, Harbin Institute of Technology
- Dr. Tomasz Kosmider President, Technology Partners Foundation
- Prof. József Pálincás President, Hungarian Academy of Sciences
- Mr. Stephen Phillips Chairman, Euro China Business Association
- Mr. Sunil Prasad Secretary General, Europe India Chamber of Commerce
- Dr. Jack T. Watters Vice-President, Int. Dept. of the Chief Medical Officer, Pfizer
- Mr. Niels Wilhjelm Former Danish Minister of Industry
- Prof. Georg Winckler President, European University Association

ORGANISERS

- Dr. Gilbert Fayl Secretary of External Affairs, European Academy of Sciences and Arts
- Mr. Ulric Fayl von Hentaller Adviser to the President, EASA
- In co-operation with Konrad Adenauer Stiftung e.V.

Comments and recommendations presented in this document are solely of those who participated in the round-table discussion. They do not represent the opinions of the participants' organisations.

The European Academy of Sciences and Arts kindly thanks the following organisations for their generous financial support: Konrad Adenauer Stiftung e.V.; Pfizer, USA; Hungarian Academy of Sciences; Hungarian Public Foundation for the Progress of Industry; AVL List GmbH; Technology Partners Foundation; ValDeal Innovation Zrt.; and Hungarian National Commission for UNESCO.