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**Seminar on 'CSR through Stakeholder Engagement in Creating Social Value Chain'
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KEY NOTE SPEECH

by

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Ladies and Gentlemen, distinguished guests,

I would like to thank the NETWORK NGO-Business Partnership of Thailand, the Stock Exchange of Thailand, and the Corporate Social Responsibility Institute for the opportunity to address this seminar.

As you know, Thailand's economy has seen dramatic growth since the 1980s. But this rapidly developing economy has caused striking regional imbalances in the country, where approximately 60 percent of the labour force is now employed in export-oriented manufacturing and service industries and the remaining 40 percent are rural farmers who rank amongst the poorest in the country.

So while rapid industrialization has brought prosperity to some, many have also been left behind. This fuels the potential for conflict and tension, which impact mostly on the poorest and most vulnerable. Recent social strife witnessed on the streets of Bangkok and other parts of the country are testimony to this.

The country's rapid economic growth has also taken its toll on the environment and natural resources. With its heavy manufacturing and export industry, today Thailand ranks 26th among carbon dioxide polluters in the world and 7th highest overall in Asia. As you know this is having a direct effect on global climate change.

The consequences of climate change on Thailand's agriculture, coastal tourism, and to the capital city Bangkok, could have enormous economic, cultural and environmental impacts: one degree of temperature increase could destroy the rice crops that are central to the economy, and a few centimeters of sea level rise could submerge the capital city and devastate coastal tourism.

So what can the private sector do to improve or reverse the situation?

The private sector has to take its corporate-social responsibilities seriously. This means that businesses must adopt self-regulating mechanisms whereby they can monitor and ensure their adherence to the rule of law, ethical standards, and international norms. The private sector must embrace its responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. This, in short, is what CSR is all about.

This is no easy task. For many businesses today, it means a change in behaviour and corporate culture. Companies have to adapt their production processes to be more energy efficient and less wasteful, and address the needs of consumers, suppliers, employees and

the general public in equal measure. Labour rights, including negotiated workers' pay, benefits, and safe working conditions, must also be respected.

The United Nations through its 'Global Compact' initiative promotes 10 core principles under the banner of corporate-social responsibility. 'Global Compact' brings the business community together with UN agencies, labour groups and civil society. It encourages businesses worldwide to adopt environmentally sustainable and socially responsible policies, and to report on their implementation. The 10 principles within this well-established framework relate to crucial issues like human rights, labour, the environment and anti-corruption. The private sector could go a long way towards achieving the 'Global Compact' goals if it mainstreams its 10 principles into business strategies and day-to-day operations.

But what do businesses gain in doing this? Why adopt the 10 principles? Does it make good financial sense? The answer is yes, absolutely. Respecting human rights, decent labour standards and protecting the environment makes sound business sense, beyond just improving your company's image or brand name. It brings added value through savings made by reducing energy consumption and use of raw materials. Furthermore, it creates a contented, healthy and dependable workforce.

So what is UNDP's role in Thailand and how can we partner with the business community to enhance corporate-social responsibility?

UNDP in Thailand provides policy advice and technical assistance at different levels, including government, civil society, and the private sector. We help to develop and enhance policies aimed at addressing environmental problems in order to strengthen human security, including food production security, social and economic stability, and personal safety from natural disasters.

For example, we work with government agencies at the central and local levels to enhance capacities to respond to the population's critical needs in an environment which guarantees strong public participation, transparency and anti-corruption. This strategy, which is also aimed at the achievement of the Millennium Development Goals, fully integrates core issues such as gender equality and combating HIV/AIDS, and entails the building of strong partnerships with civil society.

UNDP strongly supports the idea of also developing important partnerships with the private sector to reach these goals. We would like to share our experience and expertise with you on issues such as good governance and environmental best practice. Other specialized UN agencies can also share knowledge with you in different areas such as human rights and labour conditions.

Ladies and gentlemen, as I mentioned earlier, the current state of the environment coupled with the global economic downturn, are testimony to the urgent need for all sectors of society, both public and private, to take collective responsibility for securing a safe and prosperous future for all people in Thailand and beyond. We need to preserve our planet, and set an example for our children and generations to come.

If we work together we can achieve these goals in a sustainable manner. Businesses can realize their financial ambitions and development will reach a healthy and sound social and environmental setting. All stakeholders, both inside and outside the business community, will benefit from this cooperation.

Today's seminar is a timely occasion to share concerns and ideas on our potential joint contributions towards sustainable development in Thailand. I believe corporate-social responsibility plays an important role to achieve this. I hope you will share with us your good ideas for future initiatives UNDP could embark on together with the private sector in this area. I would like to thank you for your kind attention and wish you all a constructive seminar.

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