

National Policy on Sustainable Development

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Good Morning Director General of Thailand International Development Cooperation Agency, UNDP Resident Representative, distinguished guests, ladies and gentlemen. It is an honor to be with distinguished representatives this morning. I would like to thank the Ministry of Foreign Affairs and UNDP for inviting me as a keynote speaker for this occasion. What I would like to share with you today is what the National Economic and Social Development Board, or as we know as NESDB, considers a major change of direction as far as the national policy for sustainable development is concerned.

If I may recall, 178 delegates, meeting in the world summit during June 1992 at Rio de Janeiro, began a process of charting a sustainable development course for the future global economy. Further to the 8th and 9th National Economic and Social Development Plan where the sustainable development were first addressed with great attention, Thailand has progressed to putting the National Sustainable Development Council in place in 2003. The council which is chaired by the Prime Minister works as a strong responsible body to formulate working plans, conduct implementation process, and evaluate results. The Council has laid out the national concept for sustainable development and aims to arrive at

“the balanced state of economic, social, natural resource and environment for the well being of people for generations to come”

To be able to reach the balanced state of the three pillars, the country needs sufficient economy, self contained society, and life supportive environment. The Council has also identified guidelines to achieve sustainability which are

- 1) Promoting knowledge base with local participation in the management of natural resources environment and empowering community to take responsibility in its natural resource management.
- 2) Increasing efficiency of natural resource utilization and recycling for ecosystem recovery.
- 3) Reducing emissions from production and consumption to the level that ecosystem can completely absorb or destroy.

4) Reviving and protecting natural resources and environments so that they are plentiful and provide a sustainable economic production platform

Following the first and fourth guideline, NESDB proposes the national strategy for holistic water management in river basins. The cabinet approved the strategy and ordered a trial in four basins. NESDB with the cooperation of Thailand Research Fund is now working in detail on the government procurement regulation to promote green productivity and green products. This effort would serve the second and third guideline. NESDB also develops the first set of sustainable development index and uses them for national planning and evaluation purposes.

Under the circumstances that the world has changed very rapidly, that the sustainable development concept and its plan has been put in place for quite sometimes, I should think it is a good time to review the overall direction and results of the past sustainable development plan. I, therefore, would like to share with you the preliminary thoughts of NESDB on these changes.

First, I would like to share with you the philosophy and definition of sustainable development. We all live in a finite world thus continuing material growth in a finite world is impossible but qualitative growth is possible. Production and consumption activities cause environmental impact which is harmful to general population. The degree of impact is depending on the number of population and the way products and services are generated and used. Thus "by definition, the following conditions are needed in order to bring sustainability to any countries whose resources are limited.

- Population control becomes essential so that the country may need to manage zero population growth.

- Further material accumulation may cause unbearable environmental impacts, therefore, investment rate needs not exceed depreciation rate.

- Non-renewable energy has become scarce, thus, the country needs to find indigenous renewable energy for replacement. Non-renewable use rate needs not exceed renewable replacement rate.

- We need to allow renewable resources to regenerate so that they will never become scarce. Thus the renewable resource use rate should not exceed renewable resource regeneration rate.

- Our environment has absorptive capability for most of pollutions. We can pollute at a certain level without negative environmental impact. Thus, pollution emission rate should not exceed environmental absorption rate.

- Biodiversity is a good indicator for live supportive capability of our environment. The countries should enrich their biodiversity by setting and enforcing environmental laws and standards.

Because of the near impossible tasks countries with less and running out natural endowment, like Thailand, are facing at, I would like to express my appreciation to the two major aims of the UNDP-Thailand Environmental Partnerships, or UTEP, which are , one, to reduce the loss of biodiversity, and, two, to promote poverty reduction by means of increasing application of renewable energy and resource management.

Besides the aims of UTEP, I would like to bring your attention to the preliminary thoughts of measures needed for sustainable developments that are formulating within NESDB.

First, Service Economy: think outside the box. NESDB is now focusing on economic restructuring. Service sector of Thailand contributes to fifty-two percent of the GDP. We would like to increase the percentage further. You may be well aware that many developed countries are of a service economy and environmental conditions of those countries are far better than many of the developing countries where the industrial product earning is practiced.

Our economy produces goods either wearing out rapidly, or of a throwaways kind. And some of them emit pollutions while in use. Such goods burdens our environment and causes health impacts to our people. The green government procurement measure may ease the problems some, but to reduce the impacts, we need to shift our economy even further from production to service.

Talking about “service economy”. You may ask yourself as to whether you need “the quality” of services or “the devices” by which the services are generated. You need clean clothing not a washing machine. You need saved, tasty, and nutritious food rather than a glorious kitchen. You need a convenient, inexpensive, clean, and safe way to go from one place to another, rather than a car. You need a cool room to work in, rather than electricity and an air conditioner. If the above statements are sound, we need a “service company” not a “manufacturing company”. We need a small shop at the corner of our street to provide us with delivery of food and clean clothes at a reasonable price. We need convenient public transport providers rather than polluted car manufacturers. And we need energy service companies more than inefficient air conditioning manufacturers.

The service companies tend to demand durable products and machineries and derive the best performance out of them to arrive at the lowest costs for their customers. The government, on the other hands, can manage and control environmental impacts of the service sectors easier compared to the population at large.

The service economy where goods does not wear out rapidly and need to be replaced as frequently may bring less business to the country. The counter argument is that there will be a greater opportunity and incentive to maintain, repair, upgrade, reuse, remanufacture, recycle, and thus greater business and job potential throughout the life of a product. The most benefit of this policy will go to SMEs which are equally spreading throughout the country.

Second, Green Procurement: be a leader. The government should encourage green productivity by buying green products. The programs on product standards and labeling will need to be expanded dramatically to put consumption on a sustainable path. In theory, the well-designed procurement rules exert powerful influence on how efficiently products function, how long they last, and how much they can be recycled at the end of their useful life. This policy does not only serve our country's environmental protection purpose but also serve a new but influential kind of customer who concerns about global environmental issues such as EU.

ADB-UNDP's initiative on the Greater Mekong Sub-region's Biodiversity Corridors which involves cooperation and consensus of the six countries will be successfully implemented by linking Thailand's Green Government Procurement efforts to promote such the initiative. Since Thailand and the member countries will not buy any products that have negative effects on environment, especially in the biodiversity rich areas, both within and outside the Kingdom's boundary, there will be less companies who exploit business advantage out of our precious biodiversity.

Third, Subsidies Phase-out: do not repeat the same mistakes. Subsidies on non-renewable resources need to be phased-out, and shifting the same amount of funds to promote renewable energy, green productivity, and public transports.

Forth, Tax Reform: be logical. We should tax more on the activities the country does not need and tax less on the activities of preference. The current tax system makes natural resource use far too cheap and taxes the income which is what everyone holds personal treasure. As consequence, the system encourages the use of natural resource but discourages income generation.

I may conclude here that achieving sustainable development needs a different way of thinking. It requires abandoning of the assumption that quantitative growth is dispensable and embracing instead the notion of qualitative growth.

NESDB has made an important ground for sustainable development by addressing the 8th and 9th Plan as the nation's sustainable development plan. The Green Government Procurement to promote green productivity and green products has become the main measure to combat environmental degradation and increase the nation's competitiveness. The Sustainable Development Indexes have been developed and used as the critical tool for policy planning and evaluation process. We are also in the process of developing the indexes further by urging public participation in local communities. The next leap is to guide the country through the subsidies phase-out, tax reform, and service based economy toward a bright and sustainable future.

I am looking forward to having consultations with this distinguished audience to come up with the road map to sustainable development which incorporates the four issues discussed today. Thank you for your time and patience.

