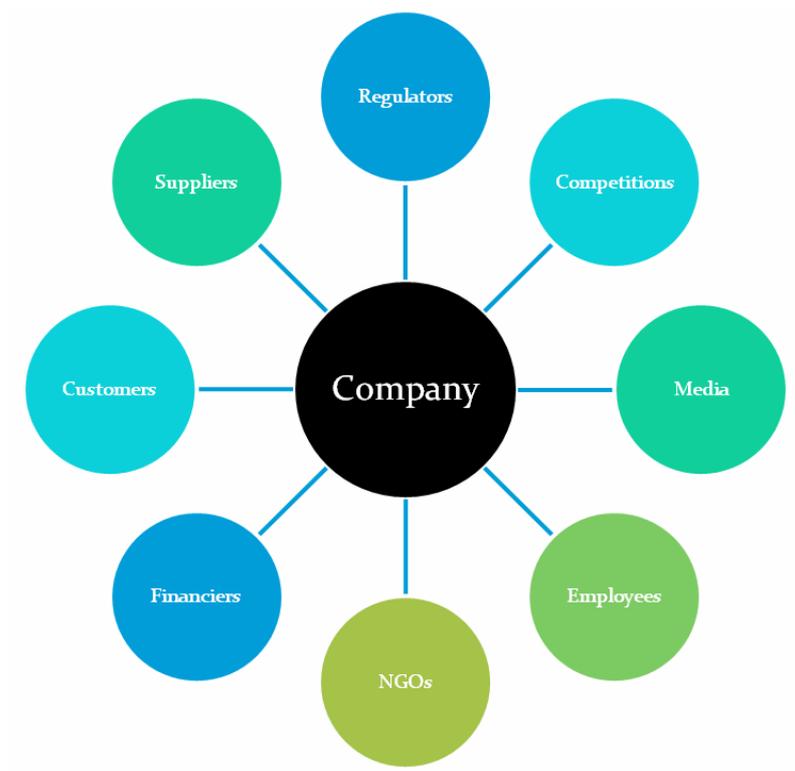


Research Paper on Promoting Corporate Social Responsibility in Thailand and the Role of Volunteerism



List of Acronyms

ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
BSR	Business for Social Responsibility
CD	Committee Draft
CDM	Clean Development Mechanism
CSR	Corporate Social Responsibility
CSRI	Corporate Social Responsibility Institute
ECOT	Employers' Confederation of Thailand
EU	European Union
GNH	Gross National Happiness
GRI	Global Reporting Initiative
IFC	International Finance Corporation
IOD	Institute of Directors
ISO	International Organization for Standardization
KPI	Key Performance Indicator
MDG	Millennium Development Goal
MNC	Multinational Corporation
MSDHS	Ministry of Social Development and Human Security
NGO	Non-Governmental Organization
NGV	National Center for Giving and Volunteering
NESDB	National Economic and Social Development Board
NSO	National Statistics Office
OECD	Organization for Economic Cooperation and Development
PR	Public Relations
PRI	Principles for Responsible Investment
SR	Social Responsibility
SEC	Securities and Exchange Commission
SET	Stock Exchange of Thailand
SME	Small and Medium-sized Enterprises
TBA	Thai Bank Association
TC	Technical Committee
The NETWORK	The NETWORK of NGO and Business Partnerships for Sustainable Development
TISI	Thai Industrial Standards Institute
TVS	Thailand Volunteer Service
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNGC	United Nations Global Compact
UNV	United Nations Volunteers
WBCSD	World Business Council for Sustainable Development

Table of Contents

List of Acronyms	2
Table of Contents.....	3
Executive Summary	4
1. Introduction	6
2. CSR in the Global Context	7
2.1. Definitions of CSR	7
2.2. CSR Vocabulary	8
2.3. Components of CSR.....	9
2.4. Benefits of CSR for Companies	12
2.5. Current CSR Implications	13
2.5.1. CSR Priorities.....	13
2.5.2. Progress of CSR Practices.....	14
3. Environment of CSR Development in Thailand	15
3.1. Thai Social, Economic and Political Factors.....	15
3.1.1. Social Context.....	15
3.1.2. Economic Context	16
3.1.3. Political Context	16
3.2. Development of CSR in Thailand.....	17
3.2.1. CSR Stakeholders.....	18
3.2.2. Development of a CSR Agenda	18
3.2.3. International Influence	20
3.2.4. CSR Limitations	20
4. Data Analysis of the Interviews	22
4.1. Research Findings.....	22
4.2. Findings of the Interviews – Group I: Supporting Organizations.....	22
4.3. Findings of the Interviews – Group II: Companies.....	26
5. Conclusions and Recommendations	29
5.1. General Conclusions	29
5.1.1. Thai CSR trends in the Global Financial Crisis in 2009	29
5.1.2. Overall policies, strategies and institutional support of CSR in Thailand.....	30
5.1.3. Current status of CSR in private sector	30
5.1.4. UN Global Compact Principles	31
5.2. Recommendations to UNDP and UNV Thailand.....	31
5.2.1. Alignment with UNDP and UNV focus areas	32
5.2.2. Other support to CSR Development in Thailand.....	33
Bibliography	34
Appendices	36
Appendix A: Ten Principles of United Nations Global Compact	36
Appendix B: List of Interviews.....	37
Appendix C: Terms of Reference.....	39

Executive Summary

Governments and other development actors (including civil society) increasingly realize that the private sector could and should be an inclusive partner in development. Businesses progressively take responsibility for the impact of their activities on the environment, consumers, employees, communities, and other relevant stakeholders. General components of Corporate Social Responsibility (CSR) like human rights, labour standards, environment and good governance (including anti-corruption) are areas of common interest to development, government and private sector partners. Many Thai companies also see advantages in engaging in CSR activities, because they foster trust and nurture goodwill. This will positively influence the reputation of these companies. The social/religious context in Thailand is the basis for performing good deeds, because of the Buddhist merit-making culture. Therefore a lot of Thai companies are involved in philanthropic actions and employee volunteering.

The United Nations Development Programme (UNDP) and United Nations Volunteers (UNV) in Thailand have recognized the opportunity and potential to work with private sector in the area of CSR that could lead to a win-win-win situation for all parties involved. This preliminary analysis is intended to assist in better understanding the current status of CSR and corporate volunteering in Thailand.

There are different kinds of frameworks regarding CSR such as guidelines/principles from the United Nations Global Compact (UNGC), Organization for Economic Cooperation and Development (OECD), International Organization for Standardization (ISO), Global Reporting Initiative (GRI), Principles for Responsible Investment (PRI), and the Securities and Exchange Commission, Thailand (SEC); all of which basically aim towards the same ultimate goal: sustainable development. Although there may be limitations to CSR in Thailand, because of for instance limited understanding of the concept, a question of sincerity of the private sector (green-washing) attempts in the CSR area and avoidance of controversial topics, there is already a foundation which can be built upon.

This research study utilized both primary (in-depth interviewing of governmental officials and officers from supporting organizations) as well as secondary resources. Based on the findings, four main conclusions can be drawn:

- In the current global financial crisis, Thai businesses are facing difficult times in engaging CSR in a sustainable manner especially if they view it as community development or in terms of merely public relations (PR) or social marketing activities. The global CSR trends stipulate that CSR evolves as a tactical development tool to strengthen corporate, community and social values when the company can understand the essence of CSR and learn how to integrate each component of it within the company business model.
- There are challenges for CSR supporting organizations in Thailand in terms of continued promotion of CSR as a sustainable development tool. Also, there is no coordinating governmental body taking that role.
- There continues to be positive alignment between the UNDP's practice/focus areas and UNV's mandate regarding volunteerism and CSR trends.
- The level of awareness of the UN Global Compact in Thailand is still not very high.

A number of suggestions are proposed in the area of awareness raising, capacity building knowledge-sharing, advocacy and creating a conducive environment. More specifically UNDP could support to:

- Play a focal or coordinating role to align different agendas of different supporting organizations to ensure continuous support to CSR development in Thailand. Within this, UNDP should work with the National Statistics Office (NSO) and the National Economic Social Development Board (NESDB) to identify sustainable development attributes as well as collect CSR information in order to disclose both positive and negative impacts of business operations.
- Provide knowledge-based arguments to create more and deeper understanding of CSR and UN Global Compact as a means to address development issues among Thai companies. The Employers' Confederation of Thailand, currently secretariat of the national network on UN Global Compact, could be instrumental.
- Build on existing CSR efforts (community engagement through philanthropy and corporate volunteering) and turn them into more sustainable and strategic activities, and encourage innovative practices and showcase best practices to help accelerate growth and proper application of CSR.
- Promote CSR as means for human resource development.
- Advocate for regulatory mechanisms enforcing companies to practice CSR, as well as advocate for incentives to increase their interest to practice CSR (voluntarily).

In line with their focus areas UNDP and UNV could further:

- Share their technical knowledge on environmental sustainable development, Millennium Development Goals) MDGs, responsive governance, HIV/AIDS, and volunteering infrastructure and management.
- Use CSR as indicator for the private sector's contribution to human development and publish it in its National Human Development Report for additional awareness raising and advocacy activities.
- Explore partnerships with companies to share resources and design programmes for sustainable development.

When progress will be made in these areas Thailand will accelerate its development in a concerted effort sustainably. The analysis and recommendations of this Report do not necessarily reflect the views of the United Nations Development Programme, its Executive Board or its Member States. The Report is an independent research commissioned by UNDP.

1. Introduction

In Thailand, CSR approaches can be seen in efforts by multinational companies to align their business strategies with local CSR activities that are similar to the global operations of those companies. Thai companies see the benefits of CSR approaches in terms of building good will and community trust that impact positively on the company's image. While there has been significant effort to build CSR awareness in Thailand through discussion forums, meetings and trainings, a limited knowledge of the value and practice of CSR remains. Further discussion is needed on issues such as government efforts in supporting CSR approaches in Thailand, financial incentives for Thai businesses to practice CSR, standards of good governance and social development, environmental issues, and Thailand's role in developing for instance ISO 26000, regulation and legislation.

UNDP and UNV Thailand have taken the opportunity to conduct a short research to learn about the current status of CSR in Thailand related to the potential for them to cooperate with the private sector in that area. CSR is one of the 5 key priorities in UNDP's global Private Sector Strategy and corporate volunteering, a modality for companies to carry out their CSR activities, falls under the broad mandate of UNV to promote volunteerism. Opportunities for UNDP Thailand to be involved in CSR must also be in line with the existing partnership between UNDP Thailand and the Royal Thai Government and its five broad thematic areas (Environmentally Sustainable Development, Responsive Governance, International Partnership for Development, Millennium Development Goals and HIV/AIDS). Because of the short timeframe for the research it is understood that the outcomes of the research may not fully represent (statistically) the CSR situation in Thailand, but because representative organizations were included in the interviews it probably still reflects a good general insight plus some specific matters in CSR. It is hoped that this research will provide a solid basis for further in-dept studies on specific subjects related to CSR in Thailand, as required.

This research paper has been prepared by The NETWORK of NGO and Business Partnerships for Sustainable Development (Thailand) with the assistance of Mr. Matt Olsen, The NETWORK Volunteer, based in New York with the intention to assist UNDP to develop knowledge on CSR and the potential in Thailand with the expectation to explore in depth supporting organizations in Thailand and also to be able to share experiences, which The NETWORK has, as well. This research was conducted in December 2008. Two methods – secondary data research and in-depth interviews – were used to develop this research paper. The analysis was drawn from the combination of the data collection from secondary data and the findings from the interviews. Due to time limitations for the secondary data research and in-dept interviews, there might be incomplete and inadequate information that could prevent developing useful and concrete recommendations. It is hoped that the fact findings, data from the secondary and primary sources which pertained in chapter 2 and 3 will be useful for further research analysis and future planning, specifically for UNDP, UNV and other UN agencies.

Chapter 2 illustrates CSR as defined by different international organizations. It also offers various terms of CSR as well as the components of CSR. It furthermore elaborates upon the benefits which can accrue upon the implementation of a CSR agenda. Lastly it examines the contemporary global trends of CSR in practice. Chapter 3 focuses upon CSR specifically in the case of Thailand. As such, it describes Thai socioeconomic and political aspects which factor into the area of CSR in Thailand. Finally it looks at CSR as an approach, as practiced in Thailand. In chapter 4 the data is analyzed on CSR potential and corporate philanthropy and strategy in Thailand. Chapter 5 focuses upon conclusions and recommendations on the potential areas of intervention for UNDP and UNV regarding CSR development in Thailand.

2. CSR in the Global Context

This chapter will describe the CSR in the global context. The discussion will be on CSR definitions, its components and its current CSR implications. The purpose of this chapter is to provide background on the influence of the global CSR.

2.1. Definitions of CSR

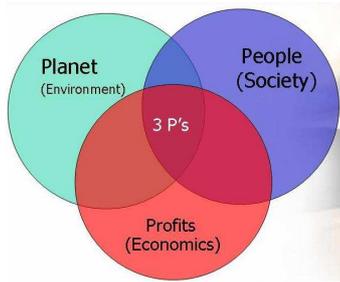
The meaning of “Corporate Social Responsibility” has evolved in Thailand over the last ten years. CSR efforts began to spread after the World Trade Organization Ministerial Meeting on 30 November 1999 discussed crucial steps in showing its commitment on not only economics, but also social and environmental aspects. Many multi-national corporations (MNC) have started their initiatives in CSR implementation and also developed policy advocacies to promote CSR among their groups of companies, subsidiaries and branches globally.

The development of globalization and its negative effects on environmental and social problems has become increasingly influential, producing urgency to redefine and develop a new agenda of their business strategic implementations to demonstrate greater concerns and responsibility. Nonetheless, how each corporation or business of any size translates “CSR” into each of their own framework and operation has become crucial whereas the interpretations and emphasis in European and the North American continents are different in accordance with context, understanding and limitations of the companies.

“Corporate Social Responsibility” has become a popular term, yet there is no universally accepted definition of what it means. It is multidisciplinary in nature covering a wide range of issues. Therefore, there are different definitions and adaptations in different companies. Below, various definitions are introduced:

- European Union (EU)
“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (www.eu-trade.org)
- World Business Council for Sustainable Development (WBCSD)
“The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” (www.wbcsd.org)
- Business for Social Responsibility (BSR)
“CSR is about companies achieving commercial success in ways that honor ethical values and respect people, communities and natural environment” (www.bsr.org/AdvisoryServices/CSR.cfm)
- Canadian Chamber of Commerce and CSR Asia (both Hong Kong)
“CSR is a set of values and activities that companies engage in to integrate environmental, social, and economic and governance considerations into their business model and to support the sustainable development of their communities. CSR program addresses the needs, concerns and aspirations of a company’s stakeholders” (*Corporate Social Responsibility at a Glance: A Guide for Busy Manager*)
- ISO 26000 – Committee Draft Version
“The essential characteristic of social responsibility is the willingness of an organization to take responsibility and be accountable for the impacts of its activities and decisions on society and the environment. This implies both transparent and ethical behavior that contributes to sustainable development, including health, and the welfare of society, takes into account the expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behavior,

and is integrated throughout the organizations and practiced in its relationships.”
(*Guidance on Social Responsibility – TC/CD ISO/CD 26000*)



Source: Author

The five definitions articulate two common essences of CSR. Businesses are urged to show concern and take actions and responsibilities to society and environment, and businesses should integrate environmental and social implications into their day-to-day business operations. In sum, CSR is integrated into three areas (often referred to as triple bottom line): namely people (society), planet (environment) and profit (economics).

2.2. CSR Vocabulary

As CSR has been implemented over years by many companies, each company formulates its strategy and implements it in accordance with its limits of understanding and business environment. There are several vocabularies used to expedite CSR practices in different functions and purposes. These are as follows:

- a. CSR Exposure to Community Investment, Community Involvement and Volunteering
 - Corporate or Business Responsibility
 - Corporate or Business Citizenship
 - Community Relations
 - Social Responsibility
 - Corporate Citizenships
- b. CSR Exposure to Environmental Protection and Perseverance and Green Accounting
 - Social and Environmental Auditing
 - Environmental Sustainability
 - Environmental Management Accounting
 - Principle Equator
- c. CSR Exposure to Stakeholder Engagement Corporate Governance and Business Ethics
 - Stakeholder Theory
 - Business Ethics
 - Corporate Governance
 - Fair Trade Operation
 - Anti-corruption
 - Labor Standards
 - Legal Compliance
 - Community and Governmental Relation Management
- d. CSR Exposure to Marketing, Public Relations and Finance
 - Strategic Philanthropy (cause-related marketing)
 - Cause Promotion
 - Public Relations
 - Social Marketing
 - Sponsorships
 - Customer Relation Management

2.3. Components of CSR

What CSR components do various international frameworks mention? Table A below illustrates five such frameworks place and its CSR components. They are from United Nations Global Compact (UNGC), Organization for Economic Cooperation and Development (OECD), International Organization for Standardization (ISO), Global Reporting Initiative (GRI), and the Securities and Exchange Commission, Thailand (SEC).

Table A: CSR Component Comparison

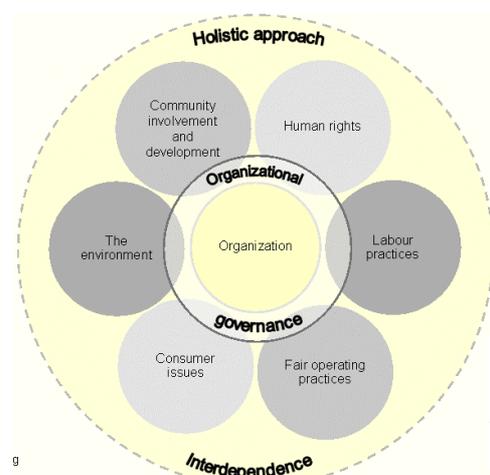
CSR Component	UNGC	OECD	ISO	GRI	SEC
1. Good Governance		✓	✓	✓	✓
2. Environment	✓	✓	✓	✓	✓
3. Science and Technology		✓			
4. Consumer Protections		✓	✓	✓	✓
5. Fair Business Practices	✓	✓	✓		✓
6. Human Rights	✓	✓	✓	✓	✓
7. Labor Standards	✓	✓	✓	✓	✓
8. Community and Society			✓	✓	✓
9. Innovation					✓
10. Anti-Corruption	✓	✓	✓		

The checkmarks demonstrate priority areas accentuated by each framework. Although there are different measures, initiatives and standards of CSR components, all are attempting to encourage businesses to take responsibility beyond legal compliance by using these guidelines. Moreover, despite some overlaps, different CSR components may correspond to the needs of different organizations. Indeed, as the importance of CSR increases, the aforementioned initiatives, mechanisms, and standards dictate that developing a credible and ongoing disclosure program with stakeholders is a necessary part of proper business practices.

To some extent, most people would agree that CSR is taking responsibility regarding social and environmental matters beyond legal compliance and covers a wide range of components. However, exactly what it encompasses will vary depending on how much the companies understand it, what level of awareness they have, what kind of businesses they are, what the companies' stakeholders think and what their business objectives are.

With respect to various definitions of CSR, it reveals that CSR is referred to as the "triple bottom line" approach to doing business. It means looking at a company's economic, environmental and social impact. There is no generic list of CSR components and there cannot be one because they might not be relevant to some companies, but they might be relevant to others. In many CSR text books, the level of details of CSR components varies and covers a wide range of economic, social and environmental priorities. It depends on how companies identify its applications and priorities.

When various components of aforementioned international CSR Framework are examined, it is revealed that CSR components of ISO/CD 26000 (Committed Draft) are highly descriptive and contain ample, detailed and wide ranges, scope and areas of CSR for different companies in different sectors to apply and re-develop it into their own business



Source: ISO/CD 26000

models. In particular, it provides also detailed steps for adoption from due diligence, assessment, analysis, planning, implementation and development. Lastly, it encourages companies to observe and respect each individual local context when considering or taking ISO 26000 into account. However, ISO26000 is not yet an official member of the ISO Guidelines (still Committee Draft), but even so, it is not yet well accepted by many companies in the developing countries, because ISO 26000 is anticipated as one of non tariff barrier threats. In this report, the reason to elaborate ISO 26000's seven CSR components is that it seems to be the one covering most CSR areas. The seven CSR components, given as Socially Responsibility Guidelines by ISO/CD 26000, are as follows:

a. Organizational Governance

Organizational governance is the system by which an organization makes and implements decisions in pursuit of its objectives. Governance systems vary, depending on the size and type of organization and the environmental, economic, political, cultural and social context in which it operates. They are directed by a person or group of persons (owners, board members of companies, members constituents or others) having the authority and responsibility for pursuing the organizations objectives.

b. Human rights

Human rights are the basic rights to which all human beings are entitled because they are human beings, with an intrinsic desire for freedom, peace, health and happiness. There are two broad categories of human rights. The first category concerns civil and political rights and includes rights as the right to life and liberty, equality before the law and freedom of expression. The second category concerns economic, social and cultural rights and includes rights as the right to work, the right to food, the right to health, the right to education and the right to social security. Human rights are inherent, inalienable, universal, indivisible and interdependent:

c. Labor Practices

The creation of jobs, as well as wages and other compensation paid for work performed are among an organization's most important economic and social impacts. Meaningful and productive work is an essential element in human development; standards of living are improved through full and secure employment. Its absence is a primary cause of social problems. Labor practices have a major impact on respect for the rule of law and on the sense of fairness present in society: socially responsible labor practices are essential to social justice, stability and peace.

d. Environment

Society is facing many environmental challenges including the depletion of natural resources, pollution, and climate change, destruction of habitats, loss of species and the collapse of whole ecosystems. As the world population grows and consumption increases, these issues are becoming increasing threats to human security, and the health and well-being of society. Environmental issues at the local, regional and global level are interconnected. Addressing them requires a comprehensive, systematic and collective approach.

Environmental responsibility is a precondition for the survival and prosperity of human beings. It is therefore an important aspect of social responsibility. Environmental issues are closely linked to human rights, community involvement and development, and other social responsibility core subjects. They also require due consideration of education, as environmental education is fundamental in promoting the development of sustainable societies and lifestyles.

e. Fair Operating Practices

Fair operating practices concern ethical conduct in an organization's dealings with other organizations. These include relationships between organizations and government agencies, as well as between organizations and their partners, suppliers, contractors, competitors and the associations of which they are members.

Fair operating practice issues arise in the areas of anti-corruption, responsible involvement in the public sphere, fair competition, promoting social responsibility in relations with other organizations and respect for property rights.

f. Consumer Issues

Organizations that provide products or services to consumers and customers have responsibilities to those consumers and customers. These responsibilities include providing education and accurate information, using fair, transparent and helpful marketing and contractual processes and promoting sustainable consumption. They also involve minimizing risks from the use of products or services, through design, manufacturing, distribution, information provision, support services and recall procedures. Many organizations collect or handle personal information and have a responsibility to protect the security and privacy of that information. Organizations have significant opportunities to contribute to sustainable consumption and sustainable development through the products and services they offer and the information they provide, including information on use, repair and disposal.

g. Community Involvement and Development

It is widely accepted today that organizations should have a relationship with the communities in which they operate. This relationship may be based on community involvement to contribute to community development. Community involvement and development are both integral parts of broader sustainable development. Community involvement – either individually or through associations seeking to enhance the public good – helps to strengthen civil society. Organizations that engage in a respectful manner with the community and its institutions reflect and reinforce democratic and civic values.

For the purposes of this clause, “community” generally refers to the residential or other social settlement located in physical proximity to the organization's base or bases. However, in some circumstances the term might be defined and understood on a wider basis, for instance a virtual community concerned with a particular ethnic group or development issue. Relationships with the community will vary according to the nature, size and mission of an organization.

Various activities in this community involvement and development cover a wide range of issues for example:

- Education and culture
- Employment creation and skills development
- Technology development
- Wealth and income creation
- Health
- Social investment, e.g. corporate volunteering, giving or philanthropy
- Community spirit and well being
- Rural and urban planning and development

With these specific components from ISO/CD 26000, this new version (Committee Draft) of ISO 26000 will enable various companies in different kinds of industries to develop and implement their CSR activities better. More importantly, this new version has developed quality recommendations of the CSR operational formulation process. The guidelines underpin that companies must conduct their due diligence of the existing

operation prior to designing CSR programs. Furthermore, the one key success factor in initiating CSR programs is to integrate every component of CSR into the business model and operations. Also this new version of ISO 26000 emphasizes on “Sustainable Development”, and a good application to fit all sizes of business organizations including small and medium enterprises. Moreover the guidelines help business organizations manage their stakeholders’ expectation towards the companies better. Lastly, ISO/CD 26000 articulates that Organizational Governance is the core fundamental corporate responsibility element that encompasses the rest of the CSR components. In most frameworks, governance is a separate component.

2.4. Benefits of CSR for Companies

CSR idealistically reflects good business management. It helps the company to think and formulate a strategically sustainable development business model. However, not many companies understand the whole notion of CSR integration into the existing business mechanism. Various companies are passing the state of learning curve at the level of adaptation. From “Corporate Social Responsibility at a Glance”, many companies have found many benefits in implementing CSR as described below:

a. Staff Morale and Staff Retention

Employees want to work in a company that they trust. They often expect their company to be caring and ethical, to look after the needs of its workforce, and to protect the environment. If companies can utilize their CSR to address this expectation, the staff morale and retention will be built.

b. Risk Management

This benefit covers various CSR components. It helps reduce non-financial risks, help with compliance issues and delivers on customer requirements. As the public have more awareness of CSR issues, companies are facing higher risk of reputation damage. Companies which perform CSR well reduce risk across a range of business activities as well as build trust, both internally and externally.

c. Brand and reputation

As marketing tools, companies will gain brand and corporate reputation from being a good company. However, supply chain performance is one of the significant risks for brand and reputation. Companies must necessarily work closely with the suppliers by improving supplier relations, supplier compliance to laws and regulations and supply chain productivities throughout the chain to avoid any disruption. Also, when companies have a good brand and corporate reputation it increases their chances of becoming a preferred supplier to customers and other companies.

d. Productivity and Efficiency

If the companies are able to facilitate a good work-life balance and offer a safe and healthy working environment for the employees, this will enhance their efficiency and increase their productivity. When companies are innovative they will find ways to become more efficient in using energy and inputs, which helps to save cost of valuable resources and is better for the environment at the same time.

e. New Opportunities

CSR will enable companies to discover new opportunities because it make the company understand the demand side of the market when they work with the community stakeholders or when they develop partnerships with Non-Governmental Organizations (NGOs) and other businesses.

f. Professional Development

Companies adopting good CSR practice will ensure education and professional development practices are in place for its staff. Implementing community development programs will provide employees with additional opportunities to develop professional skills, such as leadership and project management. This activity will develop trust and morale of employees and increase employee retention as well.

g. Competitive Advantage

With respect to the above six benefits, companies will be able to be in a stronger and niche position in the global competitive market.

In conclusion, CSR components and the benefits enable the companies to achieve the three bottom lines – economics, society and environment. Capability to achieve these triple bottom lines depends on how much effort companies put to understand it, develop it and integrate it into their business model. There are many attempts to understand how to integrate CSR into the day-to-day operations for sustainable growth. More importantly, leaders of the companies must understand, realize and take further steps to adopt these CSR practices because “business cannot succeed in a society that fails” (*Bjorn Stigson, Chairman of World Business Council for Sustainable Development*)

2.5. Current CSR Implications

2.5.1. CSR Priorities

Figure 1 shows how CSR components are prioritized in the developed and developing countries.

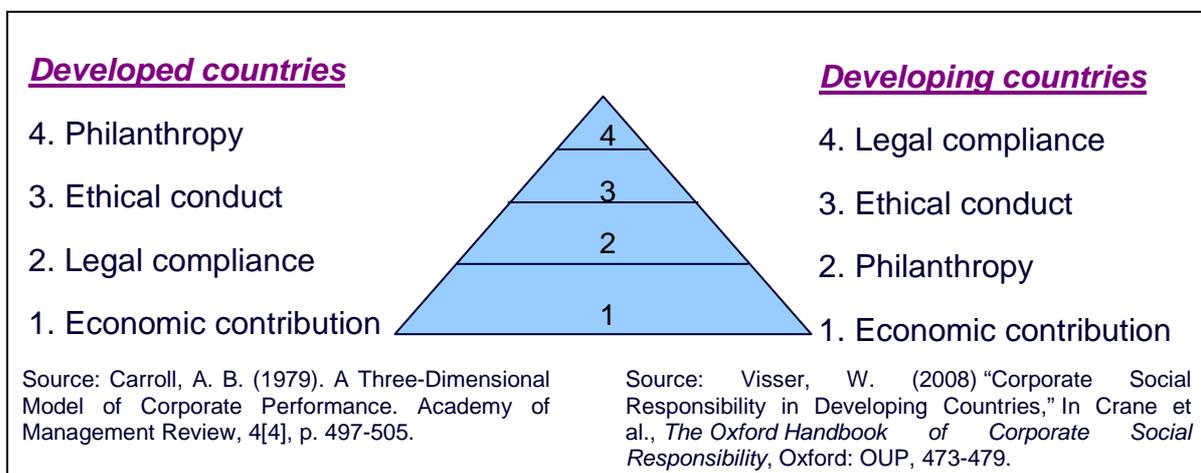


Figure 1: CSR Components in Developed Countries and Developing Countries

In the developed and developing countries, Carroll and Visser agree that businesses prioritize the bottom line of economic contributions to their own economy. While businesses in developed countries also focus upon legal compliance, business people in developing countries concentrate on philanthropy. For both sides, the next area of emphasis is ethical conduct. For businesses in developed countries, philanthropy is ranked last. On the other hand, for businesses in developing countries, the last priority seems to be legal compliance. Ultimately then, CSR-oriented businesses in both developed and developing countries achieve their ends in different ways.

2.5.2. Progress of CSR Practices

a. CSR in the View of Corporate Philanthropy and Social Marketing

As the importance of CSR increases, different standards, guidelines and mechanisms of different organizations have helped companies to run their CSR practices and to apprehend its benefits by integrating its practices into their core operations. An apparent CSR benefit of allowing a license for business operations is that the business becomes part of the wave of corporate social responsibility only, but not part of the value creation of the businesses to the Society. With this wave (fashion) of the CSR, in the developing countries, philanthropy has been a prominent activity to showcase and address the companies' awareness of CSR. These strong philanthropic activities are crucial for society where the poor do not have access to governmental support. In filling this gap, companies have shown their responsibilities by developing community involvement programs and one time donations which link public relations activities to promote their (CSR) images. Many critics considered these attempts as strategic marketing tools to help boost up the companies' images through the CSR activities. Nonetheless, companies have expressed few concerns about human resources, the environment and ethics which make CSR in the philanthropic program become more active than other components.

b. Requirements for CSR Communication and Reporting

Lastly, as of the growing importance of CSR, the international initiatives such as the United Nations Global Compact (UNGC) and UNEP's Principles for Responsible Investment (PRI), the International Finance Corporation's (IFC) Performance Standards, the Global Reporting Initiative (GRI) and the new revision of ISO 26000, dictate that developing a credible and ongoing disclosure program with stakeholders is a necessary business deliverable. This can partly be achieved through effective and regular reporting and communications to demonstrate the scope and scale of CSR activity of an organization. Different reports for companies to demonstrate their CSR practices are for example:

- Global Reporting Initiative – widely used sustainability reporting framework to measure and report their economic, environmental, and social performance.
- UN Global Compact – Communication of Progress Report – A report on the implementation of the ten principles
- A company annual report – CSR section
- Sustainable Development Report – A report on the triple bottom line – economics, environmental and social report
- ISO 26000 Reporting – a voluntary report of ISO 26000. This report is an alternative report if the company has not developed the Sustainable Development Report.

In conclusion, CSR is a means of matching corporate operations with stakeholder values and demands, at a time when these values and demands are constantly evolving. This will head the company toward sustainable development. Constant implementation of CSR components into all aspects of operations are a key step to make the companies obtain sustainable development goals. As such, companies have learned from their implementations what should be the best range of CSR practices to be adopted and integrated; what are the missing strategic practices they have not yet employed; and whether their attempts have satisfied their stakeholders' expectations. Lastly, it remains a challenge for companies to absorb CSR practices in creating value chains where the business operates in the community attempting to produce sustainable growth under the current global economic crisis. The challenge of attaining the next stage of CSR is how international organizations can effectively urge businesses to adequately comprehend the values of CSR not in terms of CSR business viability, but in terms of connecting businesses to society in an environmentally sustainable way.

3. Environment of CSR Development in Thailand

3.1. Thai Social, Economic and Political Factors

Prior to discussing how CSR is developed in Thailand, this section illustrates the Thai context surrounding how the private sector develops its acceptance and justification of CSR implementation into the overall context. Social, economic, and political factors have a strong impact on the context in which CSR collaboration is able to develop.

3.1.1. Social Context

One of the most commonly mentioned factors affecting CSR practices in Thailand is the prevailing Buddhist beliefs and practices in the country. A central tenet of Buddhism is the belief in life-cycles, “where all statuses, conditions or situations whether material or non-material are but a temporary stage in an endless cycle of birth and rebirth before ultimate enlightenment can be attained” (Vichit-Vadakan, 2002). A fundamental part of elevating an individual’s station in these cycles is the practice of giving, or the Thai Buddhist tradition of merit-making, which is usually done through philanthropy, charity, sponsoring, volunteering, or sharing. However, while “generations are taught and socialized to be generous, charitable, caring and concerned about those who are in need” (Vichit-Vadakan, 2002), at the same time, many believe that doing good should be wholly pure and should not involve commercial interests. “Charity is only good Karma if it is provided for the best of reasons, corporate philanthropy is often reciprocal and so not good Karma.” (Brammer, 2007) For Buddhists therefore, ethical behavior in business, economics and society more generally is the responsibility of individuals rather than of organizations taken in the abstract.” So, in the same way that individual merit-making can turn into bargaining, so too can CSR practices. Nonetheless, it was found that increasing numbers of businesses are embracing Buddhist principles and that acts of giving are lauded socially, especially when specific cases are made known through the media (Vichit-Vadakan, 2002). While it is not possible to make an ethical judgment on motivations for CSR, Buddhist tradition no doubt is a strong factor encouraging socially responsible practices in the private sector in Thailand.

A second common cultural aspect that was brought up was the custom of non-confrontation, or conflict-avoidance. A common saying in Thailand regarding personal relationships is to “keep the muddy water inside and clear water outside.” There was general agreement that any sort of outward confrontation that results in bad feelings or a party losing face will damage or ruin a relationship (Vichit-Vadakan, 2002). The negative implications of this on CSR practices are that organizations will tend to screen out any potentially tense relationships with any community stakeholders and, even if a partnership is formed, problems can go unaddressed or unresolved and create dormant tensions that will worsen.

Another aspect that has had an effect on attitudes toward CSR practices is the enormous amount of respect and devotion Thai people have for the monarch, His Majesty King Bhumibol Adulyadej. The king and the royal projects and foundations that he has set up to advocate development causes and assist the poor have had a strong influence on the national development agenda (Vichit-Vadakan, 2002). A large number of respondents referred especially to the National Agenda of Giving and Volunteering initiated in 2006/2007 for his 80th birthday. This has led recently to the establishment of a new CSR department in the Royal Foundations, which are among the largest and strongest development organizations in the nation. This no doubt has led many in the business community and civil society to take up the cause and seek new ways to support the initiatives.

A final major factor that was often discussed was the patronage system that still thrives in Thai society. As Vichit-Vadakan (2002) notes,

“The patron-client relationship [in Thai society] is a vertical affiliation where persons of unequal status enter into a formal or informal social relationship. This mutually beneficial form of relationship is the mechanism that links higher status persons to the many tiers of lower status persons in society. The patron-client relationship is a principle of social organization in traditional Thai society, but it has also served to weaken and erode the horizontal linkages in society.”

Therefore, it was found that hierarchical networking was absolutely necessary for success, especially within the development sector. It was pointed out and observed that powerful and respected individuals, usually former or current policy-makers, were often sitting on the board of one or more of the more successful development agencies because they were more capable of mobilizing resources and connections with more tiers of clients. It was also stated that one of the main incentives and reasons why businesses schools were so competitive was because of the connections people make there, with one respondent stating that much of it is “about whom you meet, not what you learn” (representative from development sector). Therefore, it can be deduced that in a hierarchical society, the outlook for organizations interested in CSR practices will rely heavily on vertical networking and on the ability of their leaders to network horizontally at the upper classes of society.

3.1.2. Economic Context

During the 1980s and 1990s, Thailand experienced astounding economic growth and the private sector prospered. However, field interviews indicate that income distribution worsened and the government was unable to keep living standards and social services for large parts of the population at pace with the economic growth. This resulted in a relatively successful response to fill these gaps by increasing numbers of externally funded development NGOs and internally funded elite-based non-profits and royal charities (Vichit-Vadakan, 2002). However, in the latter part of the 1990s, problems began to mount. First, external foreign funds for NGOs started drying up due to the perceived success and stability of the Thai economy; then, as a reaction to the 1997 Asian Financial Crisis, the Thai government underwent austerity measures and crisis politics, cutting social programs, and businesses resources for philanthropy and CSR dropped dramatically. Although the Thai economy has since recovered to a great extent, there are still pressures felt from the aftermath of these events, which we will return to in the following section.

3.1.3. Political Context

The Thai government took upon itself the tasks of social development. When NGOs engaged in development and environmental activities, they were mostly funded by external sources, such as foreign governments and international NGOs. Until the 1997 financial crisis, then, “the activities of non-profit organizations have been perceived as supplementary to the states activities” (Vichit-Vadakan, 2002). Nonetheless, as Simpson (2005) points out, there was “a flowering of social and environmental activism throughout the 1990s in which there was a dramatic increase in NGO numbers and vitality and increased public debate by academics and intellectuals,” resulting in a new “Peoples Constitution” in 1997 that sought to increase public participation in policy and oversight of government activities (Simpson, 2005; Cheechooen e al., 1999).

However, setbacks came in the aftermath of the financial crisis that same year, as explained above, and the rise to power of Prime Minister Thaksin Shinawatra in 2001. The available literature reveals that Thaksin was very distrustful and at times openly hostile to NGOs and popular movements (Simpson, 2005; Adams, 2003). This was especially noticeable following the 2004 Asian tsunami when Thaksin's form of economic and political nationalism led him to take measures to cut off foreign funds to NGOs, press legislation to make the foreign NGO registration process extremely bureaucratic and difficult, and undertook a media campaign to publicly discredit their efforts (Cheecharoen, 1999; Simpson, 2005; Adams, 2003). These measures had the effect of severely undermining NGO activities and causing a great deal of suspicion and distrust among those in the private sector, effectively ruling out any efforts for collaboration between the sectors. In fact, in 2006 Mechai Viravaidya, a respected ex-senator and head of the largest NGO in Thailand, pointed out that "around 200 NGOs have closed down in each of the three recent years" (ADB, 2006). It seems, however, this has changed a great deal since the coup in 2006 that removed Thaksin from power and brought in a new government that has been relatively supportive of both civil society organizations and CSR initiatives in the private sector (SET, 2007), even assisting in the creation of National Center for Giving and Volunteering and a new CSR Institute in the Stock Exchange of Thailand.

The recent history of turbulence in the political and economic environment along with notable social behaviors will make the challenges and opportunities for CSR practices in Thailand unique. As in the next part, these external contextual factors will combine to reveal distinct attitudes and environments in which businesses are able to interact with local and international development agencies for the advancement of CSR in social development and environmental sustainability.

3.2. Development of CSR in Thailand

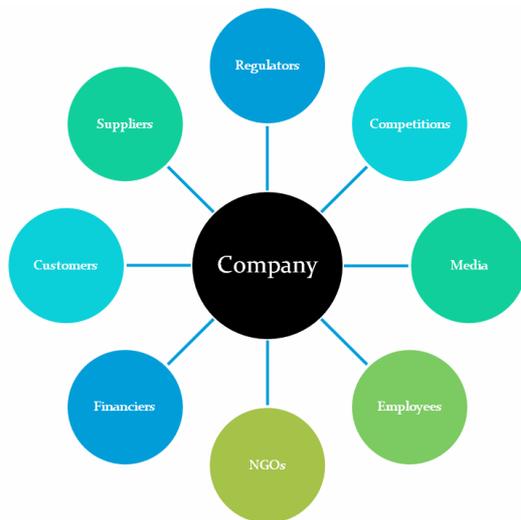
In Thailand, there is no solid record of how CSR was introduced in the last 10 years. However, it seems that Social Venture Network Asia, Thailand, led by Mr. Prida Tiasuwan and his business network members introduced to Thailand the concept of global CSR as illustrated in chapter 2 making this the vision and mission of the network. The businesses must take full responsibility not only for their own enterprises, but also for social and environmental aspects with respect to fair trade and concerns for social and environmental protection. The UN Global Compact was also introduced and the Employers' Confederation of Thailand (ECOT) was selected to facilitate the promotion of the ten principles of the UN Global Compact¹ to Thailand via its members in order to increase awareness among Thai companies to be responsible and accountable to all aspects of the economic, social and environmental development. Ever since, there have been about 30 Thai companies (SMEs, local business associations, companies and a foundation) listed in the UN Global Compact.

There is no evidence about the motivation of the listed companies; however, almost of all the companies listed are exporting companies. It reveals that in becoming members of global standard, this enables them to be ranked at an equal rate of other world class companies globally. Still, the companies are at the learning curve stage discovering the true value of those ten disciplines so that they can employ them well enough to help develop economic, social, environmental and sustainable development. Since 1999, the introduction of CSR (commenced by several international organizations, and, but not so obvious, and in the form of Western influence) has created a better working environment with stronger enforcement of legal compliance and fair labor standards, more resilient stakeholder relationships, smoother management and lastly, stronger corporate social engagements or corporate philanthropy.

¹ See the ten principles of UN Global Compact in Appendix A

Nonetheless, when this global CSR entered into Thailand, they came with a set of knowledge for adaptation into the Thai Context. Therefore, nowadays there has been the need for a wider space to localize an implementation strategy within the debates of Thailand when the social, economic and political context has been taken into consideration.

3.2.1. CSR Stakeholders



Source: Author

Stakeholders and CSR are associated with each other. Stakeholders for companies include employees, customers, suppliers, regulators, financiers or stockholders or shareholders, competitors, NGOs, and media. In achieving CSR, companies should be able to identify needs, expectations and constraints or limitation of each individual stakeholder in prior to developing CSR activities. After assessing needs, expectation, concerns and limitations of companies' stakeholders, it is recommended that CSR plan can be formulated by integrating CSR components as discussed in Chapter 2. Nonetheless, many companies have not yet managed well the expectations of all stakeholders. The emphasis and efforts are put forth more onto community people by all players.

In Thailand, several governmental and public organizations have promoted the implementation of CSR in respect of community involvement programs as these kinds of activities have been quite simple for companies to address and showcase their social responsibility while the companies are beneficial from the increase of corporate image awareness and the gain from its reputation. Therefore, companies add additional activities of community involvement programs to their Public Relations Officers, and the others create a new CSR Officer to solely take full responsibility of community involvement program activities.

CSR Stakeholders, by definition of ISO/CD 26000, it includes almost everyone in the business community, and it reveals that CSR activities are required to engage these stakeholders in playing some roles in achieving the objectives of CSR implementation of companies whereas the companies need to examine all expectations and manage their CSR programs to meet those expectations.

3.2.2. Development of a CSR Agenda

There are several external circumstances that have led to a dramatic increase in CSR discussions and initiatives, as evidenced by the political and economic factors discussed above. However, there was general agreement that the concept is still very new and there is no real consensus among business leaders about the definition, focus, or scope of CSR in Thailand. This was noted to be especially true for local Thai Small and Medium-sized Enterprises (SMEs), whereas large Multinational Companies (MNCs) usually had CSR programs that originated at headquarters in the West.

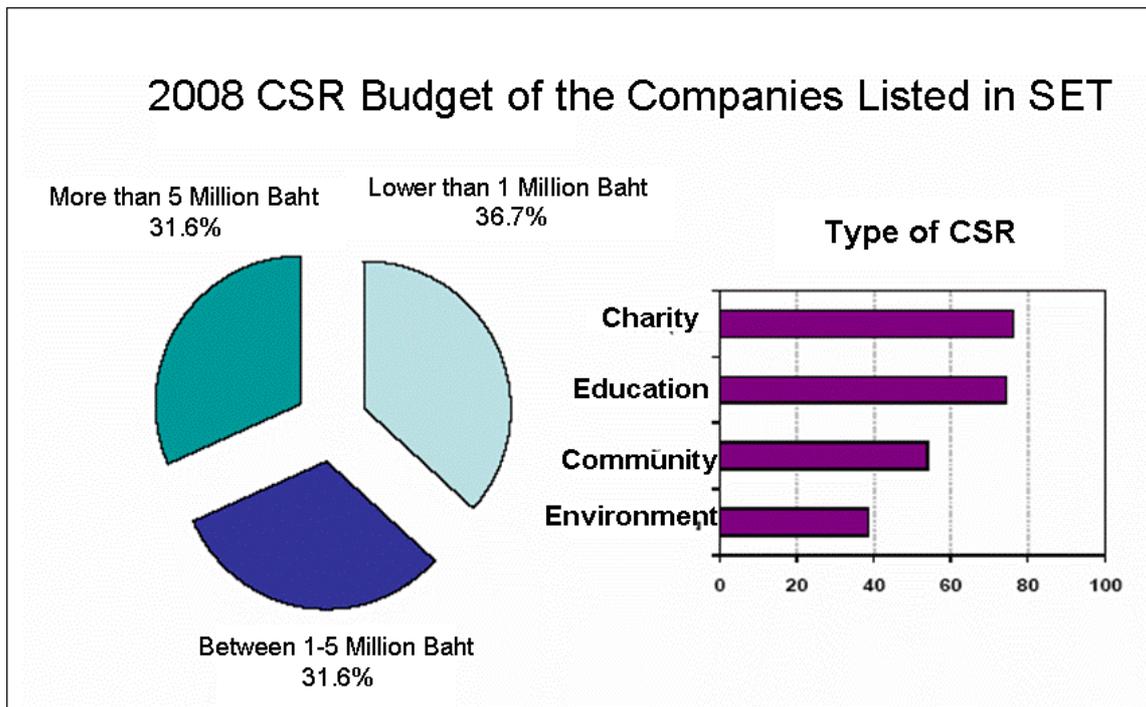
Nonetheless, CSR has been gaining momentum over the last three to five years in Thailand. Many noted multiple new institutes, awards, and workshops that have some degree of backing to push the CSR agenda in a Thai context, including the Corporate Social Responsibility Institute (CSRI) at the SET (Stock Exchange of Thailand), the new CSR department at the Royal Foundations, and The NETWORK of NGO and Business Partnerships for Sustainable Development in Thailand. There was confirmation from both

sectors that employee volunteer and community service programs were the most prevalent form of observable CSR programs, which points to the fact that many believe these initiatives, because they are so new, need to first gain acceptance and support from internal stakeholders before expanding externally and also that there is a potential that they can grow to be attuned to local community pressures in the future.

In terms of corporate volunteering, MNCs have more exposure on embedding that into their CSR programs because there are many policies from headquarter to designate staff time and activities to corporate volunteering. SMEs in Thailand have been introduced to the concept of corporate volunteering; however, there remain some constraints on temporary staff replacement and time allocation for their employee. In general, SMEs' employees have multi-tasked assignments; therefore, they cannot allot any free time to go volunteering (Prayukvong, Research on Corporate Employee in Thailand, 2007).

Importantly most companies tended to focus primarily on social issues, often neglecting environmental issues. According to a survey of 71 large organizations in Thailand that ranked CSR issues, of seven topics, the top three priorities were good governance, fair operating practices and employee treatment, and the bottom three were community engagement, environment, and human rights, with consumer issues in the middle. So, while volunteering is noticeable, it is not the primary focus of many organizations. This shows the stage that CSR has reached in Thailand so far.

In addition, in 2008, the Association of Thai Registered Companies conducted research about CSR among 460 listed companies in the Stock Exchange of Thailand (SET). The questionnaires asked how much and what kind of CSR activities they have implemented in the first quarter of 2008. The survey result shows that CSR among the listed companies is understood as corporate giving and charity for organizations that support causes from social disadvantages to education.



Source: Association of Thai Registered Companies, 2008 First Quarter Report

In sum, CSR in Thailand in the last five years has been implemented as social contributions, public relations, social engagement development and corporate strategies. However, this agenda of CSR in 2009 might shift in a different way because the companies are encountering budget cuts and market shrinkages which will affect the overall performances of the companies.

3.2.3. International Influence

A major theme that was repeatedly brought up in interviews was the fact that concepts of CSR had come from abroad and therefore very little Thai influence on current approaches was apparent. Many see Thai culture as very distinct from other cultures and therefore believed imported models of CSR were not completely relevant to their attitudes or did not translate well into the Thai context. One respondent from the business community characterized their unique idea of CSR, pointing out that Western ideas were very much focused on laws and discipline and Chinese and Japanese practices were very much employee focused, whereas Thai concepts of CSR stemmed very much from the individuals "own spirit", which can be seen in Buddhist customs outlined in the previous section. Thus, there was a recognized need for culturally sensitive, home-grown approaches to develop CSR programs, although not necessarily a need for codes of practice or guidelines for national consensus.

Another important aspect of this issue is that many believe that Thailand still lacks consumer demand for socially and environmentally responsible businesses. Whereas the drive for CSR in the West was stimulated by a strong consumer movement demanding ethical business practices, backed by a history of consumer rights campaigns and advocacy, Thailand does not have that history. Without that demand on businesses and lacking strong, legitimate consumer rights groups to raise awareness, combined with an absence of legislation to enforce or encourage corporate responsibility, several respondents believe that the voluntary and arbitrary nature of CSR in Thailand does not stand to significantly alter business behavior or make valuable contributions to society.

3.2.4. CSR Limitations

There are some limitations to CSR in Thailand that should be mentioned. The first, which is related to the unfocused nature of the CSR concept, is that many are unable to move past the internal aspects of CSR and toward external programs that can offer more benefits for society and the environment on a macro scale. As one business leader put it,

"Beyond community service, we're not sure really how to approach problems. Problem is so deep, so difficult, it is hard to solve with just one shot... It has to be very diplomatic. So far, we haven't come up with a solution yet to see how it should look; especially when the political environment is not stable."

This underpins the fact that many businesses voiced a solid need to avoid advocacy or issues that might be seen as controversial, especially political topics; opting instead for neutral, safe subjects which may lead to overlap or fail to have a significant impact on society.

But the primary concern among many development agencies is that there is a significant amount of green-washing occurring due to the CSR trend. As Kraisornsuthasinee and Swierczek (2006) point out that concepts of CSR rarely are fully integrated into core business practices of Thai companies. To the extent that companies do implement CSR programs, there is still considerable doubt on the part of development agencies or NGOs as to whether they are sincere, sustainable attempts to benefit society or if they are PR or branding tools to increase corporate images and leverage positive exposure in the media.

Several development agencies point out that large companies are getting good at learning "what to say and how to say it" and CSR programs are often based within their marketing, communications, or human resources departments, forcing employees to split or combine responsibilities between the two objectives. Similarly, while many businesses want to engage in CSR activities that "do well and feel good, they might not do it particularly well." While a few companies acknowledged PR as a fundamental reason for

such programs, others viewed it as an indirect or secondary benefit. No matter their reasoning, though, it makes sense to most that there needs to be some immediate benefits to business in order for CSR programs to be sustainable and to convince shareholders and employees of its worth.

From these findings, it is evident that for relevant and effective CSR programs to emerge in Thai corporations there is a need for development organizations to become more active in promoting public awareness and encouraging open debate about CSR and what priorities Thai people want the private sector to build into their key performance indicators (KPIs). This will be possible only by getting the media involved and to show the public what companies do, how it affects them, and what they can do to affect change.

Similarly, it would be helpful for corporations and development agencies or NGOs alike to be aware of trends in their own practices and to appreciate how progress can be made to achieve benefits for themselves and society at large. By understanding the implications of their responses to CSR, outlined by Maignan and Ralston (2002), they may be able to find benefits in structural adjustments that put them on a course to progress along the continuums set out by Collins (1992) and Stark (1993), moving from amoral, reactive, or accommodative behavior to ethical, proactive approaches. It is clear that recent developments in the Thai structural environment will offer the potential for internal and external CSR to grow in scope and effectiveness, although it will depend on the way the issues above are dealt with.

4. Data Analysis of the Interviews

4.1. Research Findings

In this research paper, apart from secondary data research, interviews with key stakeholders of CSR in Thailand were conducted during 10 – 28 December 2008. The purpose of the interviews was to understand how these organizations promote CSR in Thailand, what they have delivered and what are the achievements and limitations. The four focus areas were:

- i. Definitions within its context
- ii. Expectations/Outcomes/Outputs
- iii. Policy and Strategy Related
- iv. Situational Assessment

Six supporting organizations, both in the public and private sector, and four companies were interviewed.

Group I: Supporting organizations

- Corporate Social Responsibility Institute (CSRI), Stock Exchange of Thailand (SET)
- Thai Bank Association (TBA)
- Thai Industrial Standard Institute (TISI)
- CSR Promotion Center, and National Center for Giving and Volunteering (NCGV), under the Ministry of Social Development and Human Security (MSDHS)
- Institute of Directors (IOD)
- Thailand Volunteer Services (TVS)

Group II: Companies

- Cisco System Co., Ltd (Thailand)
- Coca Cola Co., Ltd (Thailand)
- PTT Public Co., Ltd
- PricewaterhouseCoopers (Thailand)

From the interviews, corporate philanthropy and volunteering in Thailand are mostly observed as CSR activities. About 80% of CSR coverage in both Thai and English newspaper and magazines reported activities on corporate philanthropy and volunteering.

4.2. Findings of the Interviews – Group I: Supporting Organizations

From the interviews, the respondents have revealed different opinions on CSR in accordance with their context and the focus of its businesses. Nonetheless, they have seen high potential of CSR development over the years with an increase of understandings on CSR among companies. In 2008, three more newspapers – *Krungthep Turakit*, *The Manager* and *Than Setthakit* – opened new CSR sections. This is good evidence that expresses more interest in promoting CSR.

With respect to stakeholder engagement, the respondents have also expressed that companies have increased their stakeholder engagement activities in particular with employees and shareholders. Since the CSR activities at large are illustrated through their

community involvement program, the variety of engagement has not been disclosed to the media or on the front pages of the newspaper. However, low exposure of other stakeholder engagement is not simply interpreted that there is no other engagement, but those activities have not yet been reported widely by the companies or media.

a. Definitions of CSR within its context

CSRI	“CSR is associated with corporate governance where the cornerstone of businesses is.” It will lead the company to implement CSR with good will and spirit.
TBA	“CSR is a business model which gives responsibility to all stakeholders. The development of CSR should be executed under the Good Governance umbrella.” Thai business in the last several years just learned to express it outside the organization in the form of donations and community involvement program.
TISI	CSR is an encompassed issue and its achievements lead to the sustainable development society where the ultimate goal is. It starts to urge industrial businesses to show their concerns and find some solutions to preserve the environment and to care and look into their neighboring community. Giving and volunteering is one part of the overall CSR process, but the activities solely are not CSR. Therefore, corporate governance is a fundamental issue for every operation and companies ought to express their corporate governance within their business model.
NGCV / CSR Promotion Center	CSR is a set of activities that business can express their caring and sharing spirit to the society. CSR can be one of the public and private participation mechanisms to enhance the existing government social welfare programs toward sustainable development.
TVS	CSR is an approach for businesses to demonstrate their responsibility as good citizens of society. The businesses should offer fair trade operations as well as a fair labor standard. Volunteering is only one of many activities to increase the understanding between good citizens and business stakeholders.
IOD	CSR is interpreted as an expression for company to show concern and take responsibility towards the society in the form of philanthropy or donation and community and social projects. The companies will increase brand and image reputation from this social investment. It is a challenge for companies to report their governance while showcasing only community involvement program.

b. Expectations/Outcomes/Impacts

CSRI	<p>Impact: to see CSR become an evolution toward the creation of “good citizenship” of the society</p> <p>Outcomes: Prior to this evolution, society would like to see how companies take on steps to develop a value chain of CSR along their business operation.</p> <p>Expectations: to see how companies derive CSR as one of the company mission statements and implement it with good intention.</p>
TBA	<p>Impacts: CSR is a value to be driven out of the companies’ good will and businesses look into society and environment as integral parts of business.</p> <p>Outcomes: CSR and Good Governance are aligned and associated through the business operation.</p> <p>Expectations: CSR attests to shareholders, investors and management team’s integrity and merits.</p>

TISI	<p>Impacts: the ultimate goal of CSR is at “Sustainable Development” of the society which includes business as one of the stakeholders. The happy society.</p> <p>Outcomes: CSR will helps as continuous value for companies to develop/improve/ grow their operation.</p> <p>Expectations: Business takes on ISO 26000 as adequate guidelines to improve their operational standard in parallel with the development of other existing standards together with their suppliers and stakeholders.</p>
NCGV / CSR Promotion Center	<p>Impacts: CSR becomes one of social movement to engage business to improve the overall social welfare and development.</p> <p>Outcomes: Business realizes the benefits of Public and Private Partnerships toward social welfare development.</p> <p>Expectations: Businesses employ CSR to understand social needs and social development criteria better.</p>
TVS	<p>Impacts: CSR is one mechanism to create the spirit of “Good Citizenship” for society.</p> <p>Outcomes: Businesses takes full responsibility for every stakeholder.</p> <p>Expectations: Business ought to</p> <ol style="list-style-type: none"> 1. Understand and implement fair practices to their employees, customers and suppliers. 2. Realize the complex of environmental and social issues; therefore, partnerships with environmental and social expert of organizations and leverage of their resources with the communities will be highly recommended. 3. Respect existing and local settings before introducing any CSR program in any community.
IOD	<p>Impacts: During the short interview IOD did not express a specific expectation of impacts that can be achieved by (their) CSR, because they only recently started to be active in the area of CSR.</p> <p>Outcomes: The leaders of the companies have been equipped with valuable information about CSR so that they are able to make good decision.</p> <p>Expectations: IOD continues measuring companies’ governance standards including CSR implementation outcomes in 2009.</p>

c. Policy and Strategy Related

CSRI	<p>CSRI continues to work with partners in promoting CSR in Thailand, but they would integrate CSR approaches into their money market and develop a plan for the future.</p> <p>(CSRI is in a restructuring process; therefore, following up with the director about the revised policy is advised)</p>
TBA	<p>TBA would work with borrowers and lenders to develop knowledge management of Corporate Governance for both banking officers and consumers as borrowers. TBA is interested in promoting financial literacy to all stakeholders with any experts by developing capacity building and training set for all banking members of the Association.</p>
TISI	<p>The new version of ISO 26000/Committee Draft will be promoted. This version has detailed information from concepts, adopting processes and detailed criteria for businesses to learn from. TISI will conduct four workshops on Theory to Practices of ISO 26000 in 2009 and hope to share more good case studies by the end of this year.</p>

NCGV / CSR Promotion Center	Not available until the new assigned officers understand better how to work on it. In addition, the Ministry of Social Development and Human Security issued a new Ministry Regulation as governing regulations of the new department – Civil Society Promotion Department, which will administrate the NCGV and CSR Promotion Center. This new regulation requires appointing and nominating a new group for the Advisory Committee. Therefore, the existing team members will have to await the new advisory committee to guide and direct the strategy of this new department and the both centers.
IOD	Training curriculum and Reporting on Sustainable Development including CSR will be the policy and strategy to promote within IOD.

d. Situational Assessment

All supporting organizations have mentioned that CSR has been in its infant development stage in Thailand. CSR information from the globe or the MNC practices is not totally relevant to the local context. It takes time for learning, adjusting, adopting, testing and developing the suitable framework to fit well and expectations of each stakeholder while keeping up with the global requirements, standards and expectations. They expressed that there is no right or wrong with regard to the exposure of CSR as a social marketing tool, charity or community involvement program. At least the companies learned to apply the concept of CSR. By nature, if activities do not in turn benefit overall business operations and stakeholders, or they do not meet the expectations of their stakeholders, they will be obsolete eventually. Nonetheless, the companies have good lesson learned of this good step.

Thai companies need to manage their knowledge after implementing CSR during this infant development stage before they take further steps to understand CSR and learn how to improve CSR practices and develop a sustainable CSR implementation plan. The challenge for Thai companies is to be able to share and exchange their good practices and learn to move CSR development together into the maturity stage of development.

While the CSR concept is being promoted in Thailand, other concepts, such as Sufficiency Economy and Gross National Happiness (GNH), have been introduced as alternatives to demonstrate CSR value in the Thai way. Thai businesses have asked for good case studies and good practices to learn from. In addition, CSR is derived from the capitalism system and globalization. To some extent some respondents viewed that Sufficiency Economy and GNH seem not to be aligned with the global expectations. Some others debated that the globalization development has consumed too many natural resources and left behind non-disposable waste to the globe. Sufficiency Economy and GNH will be good options for new business leaders to try to employ them in their business decisions.

Lastly, the value chain of CSR practices toward sustainable development has been introduced gradually to Thai companies. Several governmental and public organizations such as Department of Industrial Work, Ministry of Industry, Moral Center, Institute of Small and Medium Enterprises, Thai Health Promotion Foundation and CSRI have individually promoted the good practices of CSR within their own agenda and priorities to Thai companies at large; however, it is questionable if these effective and cohesive attempts to promote holistic and integration efforts have not been taken into considerations yet. Despite a lack of a leading role for governmental agencies to highlight CSR as the National Agenda toward Sustainable Development, there is still room for improvement so that CSR development in Thailand becomes geared in one positive direction, so that it can help leverage resources, funding and so forth more effectively. Lastly one major question for this effort remains is which governmental agency is the best coordinating body to move this agenda forward.

e. Additional Findings from the Interviews.

• CSR in the Global Financial Crisis

All interviewed supporting organizations in 2009 will have a crucial challenge in promoting CSR for Thai companies during the current global financial crisis. Some respondents have urged that the hit of this global financial crisis will affect more the real sector industry than any other industries. However, real sector occupy the major part of the overall business; therefore, inflation and unemployment problems will be severe issues for all companies. They all hope that the budget of CSR as view of marketing tools and philanthropic activities will not be cut too much. The respondents believe that CSR will make the companies develop an innovative strategy to look into maintaining their staff morale from the fear of unemployment, to find an opportunity to improve their workforce skills and to find some other options to help reduce cost with clean and green technology for instance.

• Corporate Volunteering and Corporate Philanthropy

Companies have engaged in volunteering and corporate giving as part of their community involvement program or their public relation activity. Some supporting organizations viewed that companies do not see the benefits or good rationale to engage in volunteering and philanthropy. Although they have seen that employees will increase their loyalty to the company, they do not find it measurable when comparing with time and other investment. Some reason or returned benefits might create enough motivation for the management team to add this activity as a key business operation.

4.3. Findings of the Interviews – Group II: Companies

The time that each interviewee could permit was not enough to cover all the questions, so further information from the companies' web sites and the annual report is reviewed as well. The purpose of the interviews was to identify the characteristics of CSR activities, learn how each company designs its CSR activities, and discover how the companies view community involvement programs and volunteering activities.

a. The overall findings

- The four respondents are in charge of CSR activities. One of them also is responsible for marketing communications and public relations of the company. This person also oversees the officers in its corporate foundation. Two of them are in the human resource development function. The last one has sole responsibility in CSR Development of the organization. These job roles indicate direction of CSR activities in the companies as follows:
 - i CSR activities with PR function are caught by media more often with respect to the fact that the officers are keen to make their news visible in the public media.
 - ii CSR activities with HR function will engage more stakeholders in implementing each activity. They are used as team building or staff morale building or innovation enhancing etc.
 - iii CSR activities with CSR function which is found more in the large companies or in the multi-national corporations. The majority of the assignments will contribute to community involvement activities and corporate communication and reporting.
- In respect to relationships between corporate foundations and CSR activities of the companies, from the research on the companies' websites, 80% of the companies from a total of 28 companies, the functions and deliverables of the corporate

foundation of each company demonstrate the company CSR activities. It is, hence, revealed that CSR is considered mainly as a corporate philanthropic and community involvement program.

- When asked about the integration of CSR Components, the respondents did not have direct responsibility with the integration process.

b. Characteristics of CSR Activities and Development

- The four companies have engaged with the community directly as activity partners and indirectly as social cause recipients. For example, in some projects, the company will be grantor to help develop activities in the community, and for other projects the company (with its staff members) will implement the project themselves with the design of a corporate volunteering program. Most of the time, each project is implemented only once. After the project, there might not be any other activity to continue sustaining the community. However, the companies have awareness about this with regard to their development programs.
- The design of the community involvement program is aligned with the business core value such as the Coca Cola initiative of the “Water Preservation Program” in any country it is operating. While PTT is the national center of excellence in terms of renewable energy and working closely with the community along the gas pipeline, it thus is able to maintain the relationships and manage expectations of the community stakeholders. In addition, Cisco Thailand developed “Digital Divide Development 2010” with which the company possesses expertise in partnership with the Ministry of Education. PricewaterhouseCoopers sends volunteers to give consultation about microfinance etc.

c. Corporate Philanthropy and Volunteering

- Corporate Philanthropy

Some interviewees have mentioned that Thai companies did not really see CSR as an integrated approach for sustainable development. Nonetheless, they have attempted to continue CSR practices so that the results enable them become economically competitive by boosting up corporate image. Therefore, companies have ridden along CSR trends and have often interpreted their CSR into corporations giving to the well-known charitable organizations. As discussed in chapter 3, giving is part of Thai culture and religion. When the CSR trend has taken its effect, the patronage system will play its own role within the giving character and requirements among Thai companies. They consider it even important when more-known or highly respected names are the chairpersons of charitable organizations.

- Corporate Volunteering

Corporate volunteering is the contribution of employees’ time and skills to the community with their companies’ encouragement and support (Community Business, 2005: 5). There have been a lot of researches that mention the benefits of corporate volunteering to the business such as developing better workforces, enhancing corporate reputation, and investing. There are also critical benefits to the community, such as reducing expenses and developing relationships. The benefits for employees include skills development (in areas that include teambuilding), and increased morale, pride, and loyalty. Nonetheless, in Thailand, it is in doubt whether the above benefits are really strengthened and realized by the CSR practitioners and companies.

However, corporate volunteering has been found to be a useful community involvement program or corporate social investment project. Though corporate volunteering is organized as part of overall CSR activities, not many Thai companies see employee volunteering as an easy task for the related personnel, such as the CSR Manager, to handle. Almost always, corporate employee volunteering is organized through

the company's annual outing, team building or customer and supplier relationship activities, such as tree-planting and giving luncheon meals to disadvantaged children or senior citizens. The following describes type of corporate volunteering practices in Thailand:

i. *Once-off Activities (One time activity)*

Corporate volunteering program in each interviewed company are under the once-off format of activities (as described in the previous paragraph). Continuing volunteering (on long-term, part-time basis) is done by many individual employees participating in community volunteering rather than sponsored or organized by the company. As such, the company cannot record or count that as part of their corporate volunteering activities.

ii. *Secondment or Pro bono Corporate Volunteering*

With respect to the secondment and the pro bono corporate volunteering program in the multi-national corporations, this has been introduced to corporate activities and culture. It is also introduced as a CSR policy. For example, Deloitte Tomatsu has announced in their CSR policy to give about US\$ 50 Million (globally) into their pro bono project by sending their employees to give advice to non-profit organizations for 2008-2009. In the case of PricewaterhouseCoopers, secondment corporate volunteering has been introduced as their global CSR program under the Ulysses Program. The employees who have potential to be promoted to the higher lever will be proposed to participate in a 1-2 month secondment corporate volunteering assignment to work for a non-profit organization in Africa or via any development agency. The program has been considered successful. The employees who participated in this program shifted their attitudes about life and became more loyal to the company as well. Their engagement with grassroots people was one of the important key factors for the employees to understand and contemplate a great deal on human inequality and finally they were able to more adequately appreciate the social complexity, thus shifting their attitudes better in terms of dealing with their colleagues, customers and other stakeholders.

UNDP had a partnership with the Ulysses Program for one year in 2004. A learning from the evaluation was that it was very difficult to match the corporate volunteers of PricewaterhouseCoopers with suitable assignments in their development projects or partners.

During the same year, a partnership between UNV and the Ulysses Program was considered as well, but unfortunately was never materialized. Because UNV is a specialized organization with experience in matching corporate volunteers' core expertise with assignments as part of their mandate it could be a fruitful cooperation.

To some extent, some large Thai firms have shown that corporate volunteering of this type possesses potential, but it is advised that the board members or the decision makers of the company must be convinced of the true benefits returned to the company after each employee is sent to volunteer. Furthermore, corporations need advice about how they can manage the morale of their staff left in the office when their colleagues will be away for a period of time for volunteering.

5. Conclusions and Recommendations

5.1. General Conclusions

5.1.1. Thai CSR trends in the Global Financial Crisis in 2009

In respect to knowledge of CSR practices in the global context, Thai companies are facing a crucial challenge in creating value chains for their companies and stakeholders. By doing so, the companies should look into the integration process of CSR and their current business operation. For example, on the environmental issue, the companies ought to examine innovations in protecting the environment as well as operating their businesses in a more enlightened and fair fashion.

- Along the value chain of environmental issues, companies ought to look into ways to reduce energy consumption not only to help reduce costs, but also to optimize the use of natural resources. Indeed, Clean Development Mechanism (CDM) or green technology, as well as carbon emissions and life cycle assessment are all necessarily taken into account when developing a sustainable environmental protection plan.
- In terms of community development, companies should understand the local context, needs and expectations of the community and its stakeholders when developing a community investment program. There are many ways and means to create value chains in a community development program. For example, in terms of charity, strategic philanthropy is often the fashionable term for companies to reexamine in the value chain creation. The setting of priorities and policy should be aligned with core products or competency of the companies. Technical assistance from employee engagement activities should be one of the most strategic of objectives of the community development program. Partnerships between NGOs and businesses in community development programs can be an alternative to leverage and thus exemplify the best use of limited resources and knowledge.
- Awareness of value chain creation is associated very much with an integrated CSR strategy. The capability in realizing this integration with sustainable development growth is crucial.
- Monitoring and Evaluation: companies, when they learn to adapt CSR into their value chain creation, would (and should) require their companies to be equipped with monitoring and evaluation knowledge.

In 2009, Thailand is facing severe global financial difficulties. As such, there may be unpredictable social and environmental issues. Therefore, it is vital that companies review their strategies and look into the day-to-day operation seriously along each value chain. They can thus integrate CSR practices to improve the quality, productivity and responsibility toward long term sustainable growth and stability of the companies. In the global financial crisis, companies will be facing budget cuts and market contraction. CSR provides critical opportunities for companies to understand and align the creation of value chains into corporate operations. These opportunities enable business leaders to identify ways and means to empower their staff members to collectively develop their innovations and these opportunities for any supporting and development agency to give support in terms of knowledge, technical expertise-sharing and information access to community development information.

5.1.2. Overall policies, strategies and institutional support of CSR in Thailand

a. Challenges for Support Organizations

As discussed in chapter 4, six supporting organizations have continued their support with more knowledge and better focus in 2009. As we can see from the policy and strategies as discussed in chapter 4, it is clear that each organization will move forward in promoting CSR within their business industries with different programming. However, from the findings, there are overlapping initiatives, but yet no detailed implementation plans pertaining to knowledge sharing and knowledge management between each support organization. This was particularly true in regard to organizations in different business sectors. For example, CSRI, IOD and TBA have had common goals and directions as they are in the same financial sector, but the alignment of their supports with other organizations have not been taken into account.

With these challenges, strong support in the form of advisory services from the supporting organizations are in high demand for the companies to be able to have access to different sets of knowledge such as clean technology, renewable energy, and production efficiency. In terms of social issues, knowledge about the needs of the local community or existing community development programs as well as the existing development agencies demonstrated that the private sector can build partnerships to improve program designs.

b. Uncertain attempts in continuous and sustainable governmental support

To some extent, CSR in Thailand has been exposed to international influence. MNCs are pioneering to stimulate the implementation in Thailand thanks to their corporate policies for their subsidiary companies while other Thai export companies must practice them because they are afraid that it becomes part of non-trade barriers. The Ministry of Commerce, and Ministry of Industries or the Government and any Ministries related to Environment and Energy should have a leading role in advocating the promotion of CSR. Notwithstanding, Ministry of Social Development and Human Security (MSDHS) took its leading role in promoting it. The emphasis of its policy advocacy, thus, was on volunteering and community investment or corporate philanthropy only from 2006-2007. After the change of the government in 2008, the new Minister of MSDHS and its new team members of the departments of National Giving and Volunteering Center and Center of CSR Promotion have not continuously promoted CSR as they did in 2007.

Furthermore, despite the fact that in late 2008, the Department of Industrial Work of the Ministry of Industry have being piloting different trainings to educate CSR knowledge to 50 factories in Thailand. Apparently, the trainings still emphasizes on social contribution parts. After the latest versions of ISO 26000 (Committee Draft) has been disseminated by TISI, it makes CSR value clearer to the businesses. CSR is not just corporate community investment or philanthropy, but it will drive business into the sustainable development context for the business, environment and society. To this extent, the continuation of the governmental support including other public organizations such as CSRI, SET, SEC, Foreign and Thai Chamber of Commerce, Federation of Thailand Industries, in advocating CSR as an integration approach toward sustainability is critical for the growth of CSR in the right direction.

5.1.3. Current status of CSR in private sector

CSR in Thailand is still in an early stage of development. Corporate philanthropy and volunteering through community involving programmes are expressions of most companies' involvement in CSR, but it often lacks a strategic use of those tools.

a. Thai CSR Development into Early Adoption Stage

CSR supporting organizations and the Thai private sector in 2009 are moving from the infant development stage to an early adoption stage in the product life cycle development. It is in doubt how Thai companies can move from the first stage and learn to improve their CSR quality without any support by relevant third parties or CSR supporting organizations. Apart from contribution to a favorable corporate image CSR can do a lot more for the (cost savings, market expansion, employee attraction and retention etcetera).

b. Challenges of Corporate Philanthropy and Volunteering in Thailand

Many companies are somehow involved in corporate philanthropy and volunteering in Thailand, but they may lack clear vision how to use them more strategically. Philanthropy and Volunteering can create a lot of added value for the company when used appropriately.

- Thai companies still do not have much motivation for South-South cooperation. They do not believe that their employees will be able to help the countries in Africa, because of different cultures and local knowledge. They do not believe that within a short-term assignment, an employee will be able to help the community. In addition, when the volume of international trade between Thailand and Africa is examined, the relationship with this area is not very strong. Therefore, motivation, in terms of return on investment, is not very high, besides some human resource development interest.
- Awareness of the potential value and strength of corporate philanthropy and volunteering program when used strategically and in line with the company's objectives and main activities (production of good and/or delivery of services) is not realized sufficiently.
- Companies lack of motivation, information and knowledge on the benefits in engaging in corporate volunteering. Companies need to be educated on what are the benefits of corporate volunteering in creating value via human resource development.
- Companies need to learn how to measure the effectiveness of the volunteering activities, and how to design good volunteer supported programs and tackle the absence of staff members when a colleges will be away from office to volunteer some place else.

5.1.4. UN Global Compact Principles

According to an ECOT publication in 2008, about 20 companies in Thailand know how to participate according to the UN Global Compact Principles despite the fact that the ten principles are very similar to other CSR guidelines (OECD, ISO, GRI, etcetera). In addition, small to large Thai companies have misunderstood that UN Global Compact Principles will give them more burden and the ten guidelines will make them loose their competitive advantage, because they fear damage to their reputation if they would not be able to meet the reporting and other requirements which ultimately would lead to de-listing and therefore negative exposure.

5.2. Recommendations to UNDP and UNV Thailand

There are many opportunities in promoting CSR in Thailand. The ultimate goal is sustainable development. The following recommendations are drawn from the conclusions and from the opportunities found in the previous chapters. A difference has been made between UNDP and UNV areas from their direct mandates and where they can provide other support.

5.2.1. Alignment with UNDP and UNV focus areas

With respect to the partnership between UNDP Thailand and the Royal Thai Government and its five broad thematic areas (Environmentally Sustainable Development, Responsive Governance, International Partnership for Development, Millennium Development Goals and HIV/AIDS), the clear mandate towards CSR from the global UNDP Private Sector Strategy and UNV's mandate in volunteering/volunteerism, there are opportunities for UNDP and UNV in Thailand to develop partnerships with CSR supporting organizations and the Thai private sector. The opportunities when examining the data analysis could be as follows:

- *Promotion of UNDP Priorities:* The interviews disclosed that the interviewees know UNDP only by name, but do not know its thematic areas. UNDP should share knowledge on environmental sustainable development, MDG, responsive governance and HIV/AIDS with the CSR supporting organizations and Thai companies because these issues are in line with CSR components and the concept of value chain creation. This information will assist companies to identify needs and expectations of their stakeholders so that they will be better able to develop the CSR program.
- *Knowledge and Information Sharing:* While companies learn to create value chains in community development programs, UNDP should use knowledge-based arguments to raise awareness on and advocate for CSR as a means to address different development issues in particular the issues related to MDGs and environmental sustainable development. This will help the companies to have access to the information before they make quality program designs or identify potential partnerships in program development. UNDP could facilitate sharing of best practices from the CSR arena in Thailand domestically or internationally under one of the five thematic areas of the partnership framework between UNDP Thailand and the Royal Thai Government (International Partnership for Development) as an initiative to enhance South – South cooperation.
- *CSR as tool for human development:* As the overarching theme of UNDP is Human Development, CSR could be a tool to contribute to that. Based on data gathering and knowledge gaining research UNDP could use CSR as an indicator for the private sector's contribution to human development. The findings could be the basis of further awareness raising and advocacy activities.
- *Joint UNDP and Business Collaborative Programming:* From the findings of corporate philanthropy in chapter 3, there is potential for UNDP to develop joint collaborative programming in different areas. With respect to many MNCs in Thailand such as Cisco, Oracle, Microsoft, HP, and so on, UNDP should explore potential joint collaborative program with both business and government to ensure long-term and sustainable program development in each potential collaborative area. Prior to potential collaboration, program mapping of these MNCs, UNDP initiatives and government requirements will be necessary. Ultimately, UNDP, business and government could leverage each of their limited resources and design long-term and sustainable public and private partnerships (PPPs).
- *Corporate Philanthropy and Volunteering:*
 - i. In respect of Thai culture in being generous, charitable, and caring and concerned about those who are in need, it indicates that this is an individual interest or responsibility. This charisma helps to create an opportunity for businesses in embracing these compassion and generosity qualities into their organizational culture. Furthermore, managing their community stakeholders' expectations becomes a key success factor in implementing CSR in 2009. This becomes another challenge for companies to develop its community engagement programs or corporate philanthropic activities, including corporate volunteering, in sustainable manners.

- ii. Companies are more interested in supporting international corporate volunteering in Southeast Asia for short-term assignments, because of the common socio-economic characteristics and the growth of international trade with ASEAN member countries.
- iii. A volunteering knowledge package (pre and post volunteering program information) for companies to study in creating their value chain within the community development program is necessary.

5.2.2. Other support to CSR Development in Thailand

Other recommendations where UNDP and UNV Thailand could contribute to are:

- *Definitions of CSR:* since the understanding of CSR in Thailand among Thai companies varies widely, UNDP should help streamline the definitions of CSR. In doing so, UNDP should partner with the six supporting organizations in encouraging more companies to practice CSR.
- *Innovation:* Since Thai businesses are learning to practice effective CSR gradually, UNDP should help accelerate the growth of CSR by encouraging innovative practices. There are a lot of common working areas and interests.
- *Integration of CSR into Human Resource Development:* UNDP and UNV should promote the approach of CSR as a human resource development tool, because not only will CSR help minimize business risks and enhance staff morale and loyalty to the companies, but it also makes business become an important constituency in empowering their employees to become good human capital for the society. Corporate volunteering is a good way to develop the capacity of the employees.
- *Enforcement:* Since the world is facing social and environmental complexity, and in many European countries, such as in UK, CSR becomes obligatory for businesses to follow. UNDP should work with supporting organizations to acquire CSR as a regulatory mechanism in enforcing companies to practice CSR more. Notwithstanding; it is advised that when advocating regulations, UNDP should be cautious that companies should not abuse its enforcement effectiveness.
- *CSR Awards:* Among current awarding criteria of different CSR awards, some of them cover some CSR components, and others cover only community involvement programs. UNDP should play a leading role to coordinate with different supporting organizations to cover all aspects of CSR in CSR awarding.
- *Joint Annual CSR Forum:* UNDP should collaborate with National Statistics Office (NSO) and National Economic and Social Development Board (NESDB) in collecting CSR data and disclosing CSR information to public. For example, with NSO, the partnership could be to disclose corporate philanthropic figures and industrial census. Or with NESDB, the collaboration could be to disclose both negative and positive impacts of business operations. UNDP would be able to prioritize the advocacy policies. With this, UNDP should take a coordinating role in organizing jointly an annual forum to showcase CSR Best Practices with other supporting organizations.
- *Regular CSR Practice Survey:* Companies must explore how effectively they develop their CSR activities by integrating them into their business model to meet their stakeholders' expectations. UNDP should work with other supporting organizations to conduct a CSR Practice Survey in order to develop a CSR baseline in Thailand.
- *Localized CSR Practices:* Since CSR is considered a home-grown approach within the Sufficiency Economy, UNDP Thailand should align this into its thematic areas.

Also, there is room for improvement in the promotion of the UN Global Compact Principles (which are overlapping with UNDP's thematic areas) to raise awareness and encourage more registrations.

Bibliography

Adams, B. (2003) "Thaksin's Potemkin Welcome for APEC." Human Rights Watch. <http://hrw.org/english/docs/2003/10/17/thaila12932.htm>

Asian Development Bank (2006) "Building Capacity for Cooperation and Expanding Knowledge." in ADB (2006) Sharing Expertise, ADB and Civil Society Impact Report. <http://www.adb.org/Documents/Books/Sharing-Expertise/chap5.pdf>

Austin, J. (2000) *The Collaboration Challenge: How Nonprofits and Businesses Succeed Through Strategic Alliances*. Jossey-Bass Publishers: San Francisco.

Barrett, R. (1998) *Liberating the Corporate Soul: Building a Visionary Organization*. Butterworth Heinemann: Oxford.

Blaire, M. et al. (2004) "The UN's Role in Corporate Social Responsibility." *McKinsey Quarterly*, 4.

Brammer, S., Williams, G. and Zinkin, J. (2007) "Religion and Attitudes to Corporate Social Responsibility in a Large Cross-Country Sample." *Journal of Business Ethics*, 71. 229-243.

Business, C. (2005). *Employee Volunteering: The Guide*. Hong Kong: Community Business.

Carrasco, I. (2007) "Corporate Social Responsibility, Values, and Cooperation." *International Advances in Economic Research*, 13:4. 454-460.

Carroll, A. (2001) "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders." *Business Horizons*, July-August 1991.

Cheecharoen, C. and Udornpim, T. "Thailand" in Silk, T. (1999) *Philanthropy and Law in Asia: A Comparative Study of the Non-Profit Legal Systems in Ten Asia Pacific Societies*. Jossey-Bass Publishers: San Francisco. 332-354.

Foran, T. (2001) "Corporate Social Responsibility At Nine Multinational Electronics Firms In Thailand: A Preliminary Analysis." Report to the California Global Corporate Accountability Project. University of California at Berkeley.

Franklin, D. (2008) "Just Good Business: A Special Report on Corporate Social Responsibility." *The Economist*, January 19, 2008.

Hartmann, J. (2003) "The 'License to Co-operate' – a Business Case for Engagement in Sustainability Reporting and Cross-Sector Partnerships." *Partnership Matters*, 1.

Henderson, J. (2000) "Dissonance or Dialogue: Changing Relations with the Corporate Sector." *Development In Practice*, 10:3. 371 – 376.

Kong, N. et al. (2002) "Moving Business/Industry Towards Sustainable Consumption: The Role of NGOs." *European Management Journal*, 20:2. 109–127.

Kotler, P., & Lee, N. (2005). *Corporate social responsibility : doing the most good for your company and your cause*. Hoboken, N.J.: Wiley.

Kraisornsuthasinee, S. and Swierczek, F. (2006) "Interpretations of CSR in Thai Companies." *Journal of Corporate Citizenship*, 22. 53-65.

Murphy, D. and Bendell, J. (1999) "Partners in Time? Business, NGOs and Sustainable Development." UNRISD, Discussion Paper No. 109, August 1999.

Norman, W. and MacDonald, C. (2004) "Getting to the Bottom of 'Triple Bottom Line'." *Business Ethics Quarterly*, 14:2. 243-262.

OECD. (2007). *Guidelines for Multinational Enterprises*. Retrieved 13 June 2007, 2007, from http://www.oecd.org/topic/0,2686,en_2649_34889_1_1_1_1_37439,00.html

Oliver, A (2001) "Can sustainable development and the market co-exist?" *Corporate Environmental Strategy*, 8:1. 24-29.

Peterson, D. K. (2004). Benefits of participation in corporate volunteer programs: employees' perceptions. *Personnel Review*, 33(6), 615-626.

Porter, M. E., & Kramer, M. R. (2006). *Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility*. *Harvard Business Review*, 84(12), 78-92.

Prayukvong, Pareena & Wanna, Report on Employee Volunteering in Thailand, Moral Center, 2007, 31-33.

Stock Exchange of Thailand (2007) "Thai business launches Corporate Social Responsibility Institute." SET News No.179/2007.
<http://www.thaipr.net/nc/readnews.aspx?newsid=112209163E07054015336F1433E85550&sec=all&query=bWFuYWdlbWVudA==>

Vichit-Vadakan, J. (2002) "Part One: The Country Report." in *Investing In Ourselves: Giving and Fund Raising in Thailand*. Asian Development Bank: Manila.

Wedel, P. (2007) "Recent Developments in Corporate Social Responsibility in Thailand." Kenan Institute Asia.
<http://www.adbi.org/conf-seminar-papers/2007/10/30/2390.csr.wedel/>

Weiss, J. (2003) *Business Ethics: A Stakeholder and Issues Management Approach*, 3rd Edition. Thomson South-Western: Mason, OH.

Wisser, Wayne, (2008) "Corporate Social Responsibility in Developing Countries", *The Oxford Handbook of Corporate Social Responsibility*, Oxford, OUP, 473-479

Appendices

Appendix A: Ten Principles of United Nations Global Compact

The UN Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption enjoy universal consensus and are derived from:

1. The Universal Declaration of Human Rights
2. The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
3. The Rio Declaration on Environment and Development
4. The United Nations Convention Against Corruption

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment, and anti-corruption:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source: <http://www.unglobalcompact.org/AbouttheGC/TheTENPrinciples/index.html>

Appendix B: List of Interviews

Group I: Supporting Organizations

Mr. Chaiyoot Chamnanlertkit
Executive Vice President,
Corporate Social Responsibility Institute
The Stock Exchange of Thailand
62 Ratchadaphisek Road, Klongtoey,
Tel: 02 229 2035, 02 229 2039 Fax: 02 359 1004-6

Dr. Twatchai Yongkittikul
Secretary-General
The Thai Banks' Association
4th Fl., Lake Rajada Office Complex (Bldg.2), CDF House
195/5 Rajadapisek Road, Klong Toey
Tel: 02 264 0883-87 Fax: 02 264 0888

Mr. Chanchai Charuvastr
President & CEO
Thai Institute of Directors Association
The Lake Rachada Office Complex Building 2
195/11 Ratchadapisek Road, Klong Toey
Tel: 02 264 0870 Fax: 02 264 0872

Mr. Supachai Tepatanapong
Director, International Relationship Division
Thai Industrial Standards Institute
Rama 6 Road, Bangkok
Tel: 02 202 3505; 02 354 3038 Fax: 02 202 3511

Ms. Kannikar Kuangkajorn
Director, Thai Volunteer Foundation

Mr. Marinus W. Sikkell
Chief, Investment and Enterprise Development Section
Trade and Investment Division
ESCAP, 4th Floor, UN Building, Rajdamnern Avenue

Group II: Companies

Mr. Stuart Hawkins
Director, Public Affairs and Communications
Coca-Cola Thailand Ltd.

Dr. Tatchapol Poshyanonda
Managing Director,
Cisco Systems (Thailand) Limited
28th Floor, The Offices at Central World Bldg.,
Rama I Road, Patumwan, Bangkok
Tel: 02 263 7000 Fax: 02 254 6000 Tel: 02 659 6435 (K. Sermsri)
Fax: 02 356 0537

Mr. Sudwin Panyawongkhant, Partner
PricewaterhouseCopers ABAS
15th Floor, Bangkok City Tower
South Sathorn Road, Bangkok
Tel: 02 344 1000, 02 286 9999, 02 344 1130 Fax: 02 286 5050

Mr. Prasert Salinla-umpai
Vice-President, Corporate Social Responsibility Department
PTT Public Company Limited
Viphavadi Rangsit Road, Chatuchak, Bangkok
Tel: 02 537 2166 (K. Wachira) Fax: 02 537 2184

Appendix C: Terms of Reference



UNDP Thailand TERMS OF REFERENCE

Title:	Desk Researcher on Corporate Social Responsibility and Volunteerism in Thailand
Type of Contract:	Special Service Agreement
Project:	POEM Thailand
Duration:	1-15 December 2008
Duty Station:	Bangkok, Thailand

Background

Globalization requires global response and multilateral strategies involving cooperation among key actors and stakeholders. Public Private Partnership (PPP) has been recognised in sustainable development as a leading success factor towards sustainability and efficiency. A multi-stakeholder approach to good governance and development encompasses Corporate Social Responsibility (CSR). Companies today look beyond simply making a profit and are cognisant of the non-economic impact of their operations. Increasingly the private sector has recognised that its success is linked to social and environmental sustainability, and depends on securing public trust. Large as well as small enterprises can make the support of volunteerism aimed at promoting development and social change including employee volunteering programmes a platform of their corporate social responsibility strategy. CSR is now part of business that must take into account the interest of stakeholders.

Thailand has evolved to become a middle income country and donor of the South. UNDP in Thailand focuses on technical assistance activities of the Royal Thai Government in promoting and implementing South-South Cooperation of Thailand. One of the Thai Government's foreign strategic policies is PPP. In this connection, business, trade and investment are essential pillars for prosperity and peace in society. The Global Compact has been recognized in Thailand as an acceptable business practice framework committing businesses to aligning their operations and strategies with ten universally accepted principles in the area of human rights, labour, the environment and anti-corruption and support for the achievement of the Millennium Development Goals (MDGs). Thai business operations and practices are beginning to take a CSR approach.

In Thailand, CSR approaches can be seen in efforts by multinational companies to align their business strategy with local CSR activities that are similar to the global operations of those companies. Thai companies see the benefits of CSR approaches in terms of building good will and community trust that impact positively on the company's image.

While there has been significant effort to build CSR awareness in Thailand through discussion forums, meetings and trainings, a limited knowledge of the value and practice of CSR remains. Further discussion is needed on issues such as government efforts in supporting CSR approaches in Thailand, financial incentives for Thai businesses to

practice CSR, standards of good governance and social development, environmental issues, and Thailand's role in developing ISO 26000, regulation and legislation.

Objectives of the Assignment

It is increasingly recognized that a CSR approach should be enhanced in the PPP framework. The objective of the proposed research is to find ways and means to strengthen networking and improve synergy among Thai business by enhancing their knowledge management and knowledge sharing strategies, and establishing a framework for collaborating in the area of CSR in Thailand

Scope of Work

Under the direct supervision of the Assistant Resident Representative, UNDP Thailand and in close consultation with the UNV Programme Officer in Thailand, the consultant should develop the paper as outlined above and include an in-depth assessment of the following:

1. Overall policies, strategies and institutional support of CSR in Thailand
2. The role of relevant line ministries / agencies and the Thai private sector in support of the CSR activities.
3. The relevance, value-adds and potential specific interventions of the UNDP/UNV in Thailand to support Thailand's efforts on CSR in partnership with the private sector, specifically related, but not limited, to the area of volunteerism and South-South cooperation.
4. Identification of specific CSR activities that could be initiated in 2009.

Duration of Assignment, Duty Station and Expected Place of Travel

The duration of the assignment is expected to be 13 (non-consecutive) working days starting the early December 2008. Since it is expected that the assignment will lead to input for potential activities in 2009, the final report should be prepared within one month from the start of the contract. The consultancy will mainly be home-based but will require 3-4 days of meetings/consultations with UNV/UNDP and other national stakeholders in Bangkok. The schedule of meetings in Bangkok will be coordinated in cooperation with UNV/UNDP Thailand.

Deliverables/Output

- *Research/Strategy Paper on Promoting Corporate Social Responsibility in Thailand and the Role of Volunteerism*

The findings of the research/strategy paper (limited to 30 pages, excluding annexes) should help guide the further development of CSR practice in Thailand. The paper should analyze problems, challenges and potential solutions to address key issues related to fostering the development of CSR approaches in Thailand. This includes identification of the future direction of CSR practice in Thailand, based on relevant government decisions, international influence and the public and private sector perceptions of CSR including the possible creation of CSR networking. Of special interest is the potential of volunteerism as a platform for CSR application (as a component of existing environmental and/or philanthropic activities). Additionally the potential relationship between CSR approaches and South-South cooperation needs to be examined particularly from the perspective of Thailand as a donor to its neighbours and

other developing countries in the areas of technical assistance and sharing good practices.

Provision of Monitoring and Progress Control

Under the direct supervision of the Assistant Resident Representative, UNDP Thailand and in close consultation with the UNV Programme Officer in Thailand,

Degree of Expertise and Qualifications

- Advanced post-graduate degree in Socio-economic Development, International Development or other relevant area
- Minimum of 5 years of relevant work experience with the public, private, NGO sector, academia or UN system
- Skills: research skills with experience on CSR research, preferably in Asia
- Demonstrable understanding or knowledge of volunteerism for development
- Other: interpersonal communication skills, intercultural understanding, and English language proficiency

Please visit <http://www.undp.or.th/aboutus/jobs.html> to see full job descriptions. Interested persons should submit a detailed resume, a recent photo and UN Personal History Form (P11) with a cover letter clearly stating the position by **28 November 2008**. Women candidates are encouraged to apply. Kindly send the application to:

Procurement Unit

G.P.O Box 618, Bangkok 10501 or email to: rcb.procurement.th@undp.org

Only shortlisted candidates will be notified