Remarks by General Prayut Chan-o-cha, Prime Minister G-77 Bangkok Roundtelde on Sufficiency Economy As 29 Pebruary 2016

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Minister of Foreign Affairs, Chairman of Thailand Sustainable Development Foundation, Representatives of Member Countries of the Group of 77, Ambassadors, Excellencies and Distinguished Participants,

- 1. On behalf of the Thai people, it is my pleasure to welcome all the representatives of the Group of 77 countries and distinguished participants to Thailand. It is a great honour for Thailand to be entrusted with the Chairmanship of the Group of 77 in 2016. We are committed to doing our best in this role, particularly in advancing the implementation of the 2030 Agenda for Sustainable Development. Last September, I myself joined other world leaders in adopting the 2030 Agenda. We all share the common aspiration to see the world develop in a sustained and balanced manner in the next 15 years. To accomplish these goals, there is a need for respective countries to share their best practices and experiences in the implementation of the Agenda. We must have clear objectives and expected outcomes in mind but at the same time we must realize that each country has its own contexts, its own problems, which need different solutions and mechanism. Furthermore, we need to consider historical differences. Therefore, it is difficult for all countries to move forward at the same pace.
- 2. Today our world is facing severak immediate challenges be it poverty, hunger, inequality, natural disaster, climate change, flood, drought, the volatility of agricultural commodity prices, the fragile global financial system, conflicts over resources, food security, energy security, access to clean water, armed conflict, social and political violence. Moreover, people are compelled to leave their homes and countries to seek better lives elsewhere. Our aspiration to exist in a peaceful and perfect society within the next 15 years is therefore not easy to achieve. Without help from one another, sustainable development will be just another unreachable goal for many countries. Therefore, we need to be strong together.
- 3. Thailand, like other countries, is facing the same challenges. Even though the number of Thai people living in poverty has dropped continuously from 57.97 percent in 1990 to 10.53 percent in 2014, and Thailand nearly achieved all of the Millennium Development Goals, inequalities still persist. The gap between the rich and poor continues to widen, causing disparities among communities. We are also facing environmental problems, such as deforestation and threats to our natural resources and the increase of population density and residential needs. These challenges do not apply only to Thailand but to other countries, so we all must attach great importance to bringing about inclusive growth and green growth.
- 4. A key turning point for Thailand is the 1997 financial crisis. We realized that being overly reliant on the global economy, exports, and the global financial market without building strength and resilience from within would leave the country fragile and susceptible to external shocks. Many businesses and entrepreneurs went bankrupt, and people became unemployed. It was fortunate that Thailand is a country with an extensive agricultural land. Therefore, many people returned to their homes in the countryside to grow vegetables,

to farm fish, and in the process, realized that they were able to survive happily and sufficiently without having to subject themselves to the uncertainties of the global market.

- 5. Having said that, it does not mean that we will close down our country or do not see the importance of the global market. This is usually a common misconception about the Sufficiency Economy Philosophy.
- 6. The Sufficiency Economy Philosophy does not teach us to under-produce or to consume thriftily. It stresses that whatever we do in our lives, it must be based on knowledge, understanding and reason. It must be proportionate to our needs and our circumstances which vary from one person to another. Whatever we do, we must do it with mindfulness and moral values. While we gain, we must not harm others nor the society nor the environment. Sustainable development will be achieved only by starting with this kind of thinking. However, we are of different mindsets, for example in the ASEAN region. Therefore, each ASEAN country will require suitable means in order to understand the true meaning of Sufficiency Economy Philosophy.
- 7. The key to sustainable development, be it at the individual, community or national level, is to instill the right mindset. A righteous thought will lead to a righteous action. Starting at the individual level, we must help one another in all areas, be they consumption, production, business practices, agricultural and industrial development. We must base our actions on sustainable development principles and we must remind ourselves that we are all inter connected, we are all parts of the same value chain. In this way, our actions can cause both positive and negative impacts on one another.
- 8. Thailand has adopted the Sufficiency Economy Philosophy which emphasizes peoplecentred approach as our guiding principle for development for more than 40 years. We need to evaluate the current status of Thailand and revisit the past, to see how and what Thailand has gone through. Thailand focused on poverty eradication as a first priority. In one of His Majesty the King's royal speeches, His Majesty mentioned that people are the main driving force for development. We must therefore empower people at both individual and family levels. Once the members of the society become strong, then our community and country will be strong. Thailand has faced many crises in the past, including the 1997 economic crisis, the 2004 tsunami and the 2007 global financial crisis, but we were able to recover and emerge from those crises speedily. We need to distinguish between the concept and the practice of Sufficiency Economy Philosophy and see also how we can apply Sufficiency Economy Philosophy once we have reached a certain stage of successful growth.
- 9. Several of you who had a chance to visit the Khao Hin Sorn Royal Development Study Centre yesterday. You must have witnessed that, after adopting the Sufficiency Economy Philosophy with people at the centre to development, the land was successfully turned from being degraded to being fertile, communities were strengthened and quality of life has improved.
- 10. Aside from the Khao Hin Sorn Royal Development Study Centre, there are six more royal development projects based on different geographies and sociological conditions.

These aforementioned model proved to set a good example for the future. The Royal Thai government has instructed the Ministry of Foreign Affairs to disperse relevant information for all of you so that each country could apply these models within their contexts and serve as an opportunity to exchange experiences between Thailand and other countries.

- 11. Countries facing desertification could benefit from knowledge and know-how on the reinvigoration of soil erosion in dry and sandy soils at the Huai Sai Royal Development Centre in the Lower Central Region of Thailand. We should not only aim for enough water for consumption and cultivation, but also for the restoration of degraded soil for genuine sustainable development. This is because global development situation is deteriorating and if neglected, the severity of problems will intensify. SIDS or countries with coastal areas could learn about fishery, aquaculture management and marine resources conservation at the Kung Krabaen Bay Royal Development Study Centre in the eastern part of Thailand. Mountainous countries could learn about forestry, soil and water resources development at the Huay Hong Khrai Royal Development Study Centre in the northern part of Thailand. Countries facing degraded soil conditions, such as acid, peat soil or infertile soil, could benefit from the development projects at the Puparn and Pikun Thong Royal Development Study Centre in the northeast and southern part of Thailand. From these examples, you can see that His Majesty the King has done very well in this regard. However, the problem at the moment comes from people and governments. Governments should consider applying approaches and knowledge as well as lessons learned from the likes of the aforementioned Study Centres, to the situation on the ground, and people must truly understand the concept and work with governments to address development challenges.
- 12. The development approach, which is based on the Sufficiency Economy Philosophy, is therefore not a "ready-made" development model or a "one-size-fits-all" model. It is an approach that can be applied to different circumstances of each country for the common benefits. The problems that ensue often come from misconceptions or misunderstanding. So, we must focus on making people fully understand the Sufficiency Economy Philosophy to be able to apply it in their own context for optimal benefits. Thailand has supported and exchanged knowledge and best practices on sustainable development with our friends in the region and beyond through scholarships, site visits and development projects such as in Lesotho, Timor-Leste, Cambodia, Myanmar, Laos PDR, Indonesia, Afghanistan, Jordan, Senegal and Mozambique, as you will hear about them this afternoon. Thailand has also taken part in peacekeeping missions by dispatching military personnel to those countries, not only in combat roles, but also to help in development. They showed the locals how to make a living by cultivating plants, breeding animals, and making food to raise the quality of living for those people. More than 20,000 military personnel have been sent for these missions in places like Sudan and Timor Leste. Most importantly, Thailand stands ready to comply with all UN regulations.
- 13. If the foundation is not stable, the structure that we put effort in building will collapse. Democracy is the same. If the foundation is not strong, the principles will be distorted. If the foundation is strong, people's happiness will be sustainable. Problem-solving should not generate other problems, but should offer sustainable solutions, which require mutual cooperation and understanding. Problem-solving using that approach must emphasize on the

development of human resources in parallel with technological advancement, like robotics, for example. If technological advancement keeps progressing but problems like inequality, poverty and low quality of life still persist, what good will that technological development bring? Therefore, we must find ways to raise people's income by focusing on economic reforms. The economic model that can tackle these problems must attach importance to sustainable production to meet the needs of future generations. It is also important how developed countries can better work with the group of developing country like G-77.

- 14. What I have just said reflects one of the core concepts of the Sufficiency Economy Philosophy called "explosion from within". The concept emphasizes that community development needs to come from within, basing on their own strength and resilience to changes. Thailand has used ICT to promote understanding among the public, such as by creating applications or channels to disseminate information, particularly on what the government has done to help solve people's problems, especially at the grassroot level. While implementing the SDGs we should encourage the target group to learn about the "explosion from within" concept, so they can understand and reach out to work with the government and other sectors. The Royal Thai Government has been working on this model for some time to build strength at the village level with concrete outcomes, and is finding ways to strengthen all sectors concurrently.
- 15. Apart from urgent measures for problems such as drought, the government has also employed different types of measures such as short-term, immediate, medium-term, and long-term ones, with an emphasis on making all sectors think, act, and be able to apply what is being said today for actual benefits. This includes communication to domestic audiences with different cultural backgrounds in their own local languages. The aim is to foster cooperation among the public sector, private sector, and local people, which will lead to collective effort for problem-solving between the local community and the central administration in the future. In addition, the Government has pushed for the "Smart Farmer" project, which adapts modern technology for use in agriculture to improve agricultural development in regional communities in Thailand. Nothing in this world is quite equal, only laws can create justice. So, ways must be found to develop a legal approach that provides justice and fairness to every party, which in turn will create a strong society. It must begin at the community level up until the global level. The government's policy is to help by supporting investment in value creation for the products of every village to improve quality of life. A stronger economic system will allow us to better compete with other countries and communities. And if we want to reach that point, we must start by uniting and cooperating with each other from downstream to upstream, focusing on developing the right balance between the production sector and market demands, which also requires people's participation and learning process.
- 16. The Royal Thai Government has pursued development policies, based on the Sufficiency Economy Philosophy, to empower people for more than 24,000 villages. We have supported local SMEs and cooperatives, added values to local products and allocated village funds. When our social and economic foundation at village-level is secure, then this security could be further extended to provincial, regional and national levels, as well as to neighboring countries and the regional and global economy.

- 17. While government could start, support and encourage its people, each community needs to build its own strength, develop human resources, and enhance capacity, competitiveness, and resilience from within and be able to solve development problems in a sustainable way. Therefore, my Government attaches great importance to the grassroots development policy, known as a "State of the People" policy, in order to address fundamental economic problems and to catalyze national development by multi-stakeholder cooperation including through people-public-private partnership, financing and innovation for development of SMEs, adding values to agricultural commodities, "One Tumbon (or village), One SME" project, connecting local products to marketing networks both domestically and internationally, creation of value chains and enhancing start-up companies, known as "Thailand Startup" policy.
- 18. The next step is how to engage big businesses in the cooperation, as governments do not have enough budget for this. The business sector, on the other hand, is ready to contribute to sustainable economic development by focusing on value creation, particularly in food processing business. People can engage in the first and second stage of the processing, which will help reduce costs and expenses as well as strike more balance between the revenues and expenses of the producers. On this matter, 12 business groupings have been formed drawing from all sectors to support production of different sectors and professions. This model of partnership is one of the initiatives bringing together external-internal actors to work for economic development based on the 'explosion from within' concept. The model concentrates on SME development, Single Economy, Green Economy and connectivity. However, we should not forget to mention one important issue on the differences of each country, which is important for strengthening G-77, and could potentially be an obstacle to leveraging our negotiation power despite being food producers with abundant natural resources. Such a weakness means that we can only talk, but nobody is listening. We have to address this problem for our own sake, so we have a good standing in every forum and community, as we must represent our peoples and nations at every international platform.
- 19. Besides, international organizations must take into account the differences of each country and provide aid measures accordingly, tailor-made to suit the different needs of countries in each region. We can link external sectors with start-up businesses as part of the SME development by classifying SMEs into three groups; namely, 1) those that are already doing well, for which we will focus on expanding their existing businesses, such as increase capacity for exports; 2) those with potential but which lack capital; and 3) those that need revival, for which knowledge, technical and skill training are necessary. This will lift up our SMEs to another level and is part of the government's support policy for start-up businesses.
- 20. Thailand believes that the development approach based on the Sufficiency Economy Philosophy is universal. It can be applied in many circumstances, at all levels and in all contexts. It can yield concrete results and tangible outcomes in not only the agricultural sector which occupies around 70% of the working population and contributes to the majority of Thailand's earnings in rural areas. It can be applied in industrial, business, economic, financial, and government sectors, in small communities or large metropolises.

Everyone, be they politicians, government officials, farmers, entrepreneurs, can adopt the Philosophy as their guiding concept.

- 21. One example is the application of the "New Theory of Agriculture" by prioritizing the production planning that is resilient to the uncertainties of climate and market fluctuations. This involves better matching of demand and supply and requires that we work backwards from the end-results to the origin along the reform process, which should ultimately lead to our objectives. Developed countries can support developing countries in this regard, as they play an important role in setting global norms and practices. Other examples are risk management in the business sector, corporate social responsibility based on knowledge, conducting business with mindfulness to possible negative impacts to the environment, and the efficient uses of resources. We can see concrete examples from sugar companies producing biological gas from waste, and recycling companies producing environment- friendly products.
- 22. Other examples are disaster preparedness and response which focuses on community empowerment, promoting ethics in political and bureaucratic institutions, enhancing comprehensive and balanced public policy planning and fiscal and monetary policies which incorporate risk management, creating a resilient national economic system. All these can be applied to any country, developed or developing country alike.
- 23. The Sufficiency Economy Philosophy is therefore a way of life. It is a way of life based on virtues and balance, just like a vaccine that immunizes one from the diseases of imprudence, uncertainties, and deteriorations caused by negative impacts of the economic, social, and environment factors. Thailand stands ready to share our best practices in the applications of the Sufficiency Economy Philosophy. Other countries are also welcome to share their experience as we all are members of the United Nations.
- 24. Thailand believes that the development approach based on the Sufficiency Economy Philosophy is in line with the principles of the 2030 Agenda and can be one of the approaches to support the implementation of the Sustainable Development Goals. This is given the fact that the Philosophy stresses the importance of development which brings about growth and income, and enhances the well-being of all people, while not destroying the environment. It also aims to sustainably benefit the common public good and allow for the inclusive participation of all social groups, leaving no one behind.
- 25. Our problem today is about driving forward development in the context of the differences of each region and beneficiary. To solve this problem, we must strengthen the education system to accommodate these differences yet maintain coherence to ensure practical implementation for sustainable development, especially by applying the Sufficiency Economy Philosophy at every level of education towards achieving SDG 4 on ensuring quality education and human resource development. This approach also dovetails with the Thai government's current educational reform plan that includes lifelong learning to adapt to the current circumstances.

- 26. To cite some concrete examples, the "New Theory of Agriculture" could support the realization of SDGs 1 and 2 to end poverty and hunger by contributing to food security. The application of the Philosophy in the educational sector by promoting lifelong learning opportunities, while encouraging interaction with local communities and the surrounding environment, will support the realization of SDG 4. In the business sector, importance is attached to human resources development, accountability to employees and stakeholders, sound risk management with prudent investment focusing on core competence. This will support the realization of SDG 8 to achieve inclusive and sustainable economic growth. In the industrial development sector, the Government has developed the industrial code of conduct based on the Sufficiency Economy Philosophy known as Industrial Standard "9999" to promote sustainable and eco-friendly industry development with accountability to all stakeholders. This will support the realization of SDG 9. Many industries in Thailand have successfully applied this industrial standard. In fact, individuals, small and large firms, could all apply the concept of moderation and reasonableness to our daily lives and conduct. This will support the achievement of SDG 12 on sustainable consumption and production.
- 27. Lastly, sustainable development can only be achieved when all countries, both developed and developing, North and South, come together and leave no one behind. I do not think anyone should lead anyone, but that all countries should walk ahead together. This also applies when it comes to our foreign policy to foster partnership between Thailand and foreign countries, such as the Thailand Plus One scheme whereby developing countries should assist one another, by being the food source and food bank for one another and for the world. Developed countries, for their part, can assist developing countries in achieving their SDGs. Thailand is ready to work with every country in building capacity in science, technology and innovation including on trade waivers and other issues between developed and developing countries.
- 28. Thailand realizes that many countries have their own development approaches. We stand ready to exchange experiences with all the Group of 77 members to explore our "similarities in diversities". This similarity refers to countries with similar conditions and diversity refers to the differences in development levels, which should serve as basis and opportunities for mutual cooperation towards the realization of SDGs and sustainable economic development. For this, we must put people at the center and strive for true contentment. We must find a way to co-exist with other countries. We must therefore have a strong good will to enhance cooperation and partnership with one another. So, G-77 nations must have one heart and share the same aspiration for sustainable development.
- 29. Finally, I wish you success in your deliberations. I hereby declare the meeting officially open.

30. Thank you.

