

**Human Rights and Business Ethics**  
**by H.E. Mr. Anand Panyarachun**  
**International Symposium**  
**on Human Rights and Business Ethics**  
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Excellencies  
Distinguished Guests and Participants  
Ladies and Gentlemen

It is a privilege for me to be here with you today as we commemorate the fiftieth Anniversary of the adoption of the Universal Declaration of Human Rights.

I would like to first commend the Thai Government for organizing this Symposium, and other related activities, to mark the Anniversary. Today's programme provides us with an opportunity to promote public awareness of the meaning of human rights and its relevance to our daily lives.

I have been asked to speak to you about the subject of "Human Rights and Business Ethics." But before I do that, allow me take this opportunity to share with you some of my thoughts on the general topic of human rights.

When the Universal Declaration of Human Rights was adopted fifty years ago by the Member States of the United Nations, it represented a milestone in the long struggle for human rights. The Declaration was predicated on principles of non-discrimination, civil and political rights, and social and economic rights.

It was believed that these rights were to be enjoyed by all human beings of the global village – men, women and children, as well as by any group of society, disadvantaged or not. These rights were not seen to be "gifts" to be withdrawn, withheld or granted at anyone's whim or will.

Events in Asia today underscore the sad fact that violations of human rights continue to be tolerated in many countries of our region. The right to due process, the right to freedom of opinion and expression, the right to freedom from torture and degrading treatment, and so forth, are still elusive concepts in some parts of Asia.

In the past months, I have noted with much concern the spate of incidents of ethnic hatred and perpetuation of xenophobic attitudes in our region, which undermine the cohesive fabric of our societies. I have also watched with dismay the systematic persecution of individuals who have political views differing from the ruling authority. Aside from these recent events, we also see the on-going practice of discrimination due to race, gender and religion.

*We cannot and should not* sit in silence and allow these violations of our basic rights to continue to take place. As citizens of a global and inter-dependent

community, we all have a responsibility to encourage our governments to promote and protect human rights.

It is my hope that we will seize on the opportunity of the fiftieth anniversary of the Universal Declaration to mobilize all strata of society in a reinvigorated and broad-based human rights movement.

On the part of the Thai Government, this movement has already begun. As Chairman of the National Commission for the Formulation of a Policy and Action Plan on Human Rights, I can tell you that we are determined to enhance further Thailand's commitment to the various international instruments in the field of human rights.

Let me return to the original subject of my address, namely "human rights and business ethics." I will share with you some of my views as a man who has served in the foreign service for 23 years, then worked in the business sector for nearly 20 years, and in the meantime, accidentally, became head of government twice in the early 1990s.

One general consensus in the international community nowadays is the greater influence of business over people's day-to-day lives and over global development, particularly by trans-national corporations.

Within the global economy, corporations own immense resources, capital and manpower. Many multi-national corporations are considered more financially powerful than some developing countries. The world's 500 largest industrial corporations control an astonishing 25 percent of the world's economic output. The top 300 trans-nationals, excluding financial institutions, own some 25 percent of the world's productive assets.

Such figures underscore the gigantic expansion of International business influence. Control over our economic activities leads inevitably to control over all aspects of our lives. Will we let today's "Darwinian Economics" devour our energies and erode our ethical sense? I personally do not think that our society can let only the fittest survive, *without* supporting the weak.

Restriction of the economic "survival of the fittest" within the limits of humanity and honour, is what we mean by "morality." Hence, the question of compatibility between morals and markets has unavoidably become a matter of public discourse.

What do we mean when we talk of "business ethics"? In the West, the movement of business ethics took off in the 1970s, a movement reinforced by many social and cultural trends. People began challenging the traditional view that money was everything – or that economic value took precedence over other values.

"Business Ethics" took the form of a marriage between economics and ethics. The goal was to promote corporate policies and practices that would contribute to the long-term, sustained and responsible success of enterprises,

while at the same time, fairly balance the competing claims of key stakeholders. These include investors, employees, customers, communities, and the environment. Through this approach, the position of the more marginal members of our society, who have no access to power and less voice than other citizens, would be respected.

Enlightened companies know their enterprises cannot be sustainable if they are at odds with values, which are shared across the world, and if they grow out of impoverishment of others.

For some time now, companies have been called on to abide by certain environmental standards. Now their human rights standards are also being called into question.

Exhaustive discussions have sought to agree how far corporations should go to protect human rights. The subjects of labour standards; health and safety; employment; non-discrimination; freedom of expression, association and assembly; women's and children's rights; and transparency and accountability have all been raised.

Responding to the mounting pressure both from governments and the public, corporations are now much more concerned with the effects their activities having on people, communities and governments. This includes the economic and social impact in the host country in which they do business.

In 1992, the world adopted the Rio Declaration on Environment and Development, proclaiming that human beings were the centre of sustainable development and that they were entitled to a healthy and productive life in harmony with nature.

The business sector was then put in the spotlight as a leading actor to match the rhetoric with action. The major test for business was to devise strategies to maximize added value while minimizing resource and energy use, and pollution. The Geneva-based Business Council for Sustainable Development, which I had the privilege of serving as both a member and, subsequently, as Chairman, produced a report "*Changing Course*", which mapped out a new course for an ecologically balanced environment with proposed commitments for action.

Developing effective methods for international business to protect human rights may be a more difficult task. Several codes of conduct have been adopted to cover the broad issues and contexts within which businesses work. However, there is no consensus among businesses as to how much regulation, and how much self-discipline, would be acceptable or beneficial, without jeopardizing their primary function of growth with efficiency.

It is my view that a unified and standardized code of ethics for business practice should be established. In this regard, various existing standards should be unified such as:

1. Social Accountability 8000 (SA 8000);
2. The OECD Guidelines for Multinational Enterprises;
3. The ILO Multinational Enterprises; Tripartite Declaration of Principle;
4. The Caux Round Table Principles for Business, and
5. The Amnesty International Human Rights Principles for Companies

While the unification of these standards will be an arduous and challenging task, it is a necessary one. Questions may be raised as to whether it is timely to be focussing on business ethics at this time of economic turmoil. But paradoxically, we cannot deny that our current economic crisis is partly a result of the weakness of ethical values in our society, which urgently need to be addressed.

In addressing the challenge of developing a standardized code of ethics for business practice, certain questions obviously need to be asked.

One: In terms of *substance*, should the code be general business responsibilities, or merely human rights concerns?

Two: In terms of *application*, will the code be only applied to producer, companies, or also to other relevant sectors such as suppliers, and contractors? Will investors be included? These must all be reflected in the code's substance.

Three: In terms of *enforcement*, should the code be legally binding, or be effected on a voluntary basis?

And Four: In terms of *monitoring and evaluation*, how will the implementation be credibly monitored and evaluated?

I would, humbly, propose the following four guidelines for the development of such a unified code of ethics.

The first is that the code should be *realistic and practical*, but *unwavering in principle*. Without such an approach, the code is unlikely to be endorsed by the concerned parties.

The second is to ensure *efficient administration of the Code*. Relevant processes such as implementation, monitoring or evaluation, must not unnecessarily increase bureaucracy and regulations.

The third is that the Code should be *verifiable and reviewed*. The whole process, particularly monitoring and evaluation, must be verified with transparency, by a credible and independent mechanism, and must be periodically reviewed when necessary.

Lastly, the development of the Code must be participatory to create *a sense of ownership and commitment of all stakeholders*.

While the business sector can play a supporting role, the responsibility for the realization and protection of human rights falls on the Government. Government must act responsibly, as it has the duty to distribute fair shares and responsibilities through the rule of law.

However, no government can respond to all demands. A strong civil society is very much required, where citizens serve as monitors to review the actions of governments.

In this regard, I am pleased to hear the Prime Minister's enthusiasm for bringing together business and civil society as partners in human rights protection. The NGO sector in Thailand is one of the most vibrant in Asia. It has achieved much in promoting human rights, particularly in the areas of political reform and protection of the rights of vulnerable groups, such as children and women.

An emerging area of work for NGOs in Thailand is influencing the decisions of corporations on *how they do business* in Thailand. In the West, human rights groups, consumers, investors and labour unions, have through various pressure points been successful in promoting human rights in corporate codes of conduct. And companies have been responding to such pressures. Those companies that get bad press about human rights violations have seen consumers boycott their products. In the long run, the bottom line suffers. I would encourage our NGOs to mount similar campaigns in the interest of protecting human rights in Thailand.

Moral codes are not new. They have evolved as economic life has evolved – as hunting gave way to agriculture, then to industry, and to the present market economy. Perpetual growth is the driving force of the market economy, but its practitioners need not be scrupulous. Ethics are not the panacea for ills, but they supply the moral foundation for a better individual and global order.

Ethics and business are not adversaries. In the long run, they need each other. The market cannot be sustained by economic value alone. It requires a set of ethical standards to make the market not a place of *exploitation*, but of *mutual gain*. In the midst of change and pressure for more corporate *responsibility*, and the search for an appropriate and balanced role of business, it has been said that “the task is rather like rebuilding a ship while it's still at sea.”

For those of you who may be ambivalent, you should recall the wisdom of our ancestors. When arriving at the gates of judgement the first question asked was “Did you deal honestly in business?”