

## Study of sufficiency economy philosophy and its impact on individuals, communities and organizations

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### Abstract

By the current world, a capitalist economy is the main economic system that countries around the world use as a compass for developing their countries to reach a desirable growth and wealth. This fashionable mainstream is pretty influential based on its principle and focus of a full freedom for running any desirable economic activities, therefore, the private sectors could play their potential roles for benefit-based aim that contributing to rapid economic growth at the time. Critically, establishing new forms of economic system such as Social Market Economy in Germany so called a Green Economy and participatory economics is extremely required to terminate this exploitation. Thailand as well, His Majesty King Bhumibol Adulyadej had graciously given the Thai people with frameworks of thought, planning and practicing for our nation socio-economic development and growth of all sectors particularly creating a full peace in our Thai society. Consequently, since the past 2 decades, Thailand has adopted the Sufficiency Economy Philosophy (SEP), a philosophy of living a balanced life that can bring the world of change to sustainable economic growth. This research, therefore, the analytical exploration of SEP deployed by the 5 key target groups with best practices; individual, community, school, religious institution, and business sectors. Information gathered by in-depth interview and documentary research. Findings are presented in terms of qualitative and descriptive insights. The results show that diversified self-development lessons are learned and thus concluded as significant supporting and hindering factors for the sufficiency economy movement under the realistic conditions. Concisely, SEP is a credible tool that enables people to acquire favourable gains and benefits from the insight into well-being and real happiness; they have more comprehensive lives as a result of hard working, honesty, diligence, sharing and altruism. With a balanced-way of living, morality lifts up all the studied population's spirits and shows that living is meaningful phenomenon. Then, all the research results have led to policy suggestions in promoting movement of the royal philosophy at the village level into the more extensive, applicable and with more sustainable direction both as in the way of life for local people and as the way of culture for the Thai society as a whole.

**Keywords:** sufficiency economy philosophy, sustainable development, quality of life, real happiness

### 1. Introduction

By the current world, a capitalist economy is the main economic system that countries around the world use as a compass for developing their countries to reach a desirable growth and wealthy. This fashionable mainstream is pretty influential based on its principle and focus of a full freedom for running any desirable economic activities, therefore, the private sectors could play their potential roles for benefit-based aim that contributing to rapid economic growth at the time [1]. Certainly, much more people still was wondering what the capitalist economy is? Will the economy grow and stabilize as expected? Because we are facing with many phenomenon such as the injustice that widens the gap between the rich and the poor. The manufacturers are rather seeking the maximum profits while consumers are exploited

and gradually exposed to the degradation of the environment [2]. One way of measuring the wealth for a country as a whole is through the Gross Domestic Product (GDP). This is the market value of all officially recognized final goods and services produced within a country in a year, or over a given period of time. Level as represented by per capita GDP is a measure of average standard of living of a country [3]. The annual growth rate of GDP (adjusted for inflation) is used to measure the (material) progress of a country. These indicators are extensively used in economic analysis. There are two ways to estimate GDP; the income approach and expenditure approach. GDP can be estimated as the sum of wages and profits generated within a year or the sum of expenditures (in the same year) on consumption, investment and exports of goods and services of domestic origin. In "quality of life"

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jargon GDP can be taken as “materialistic/quantitative” quality of life at a national scale. Fortunately, seeing the benefits and disadvantages of a capitalist economy making many capitalist countries improve their economies more socially and environmentally responsible. Significantly, many countries seek and establish new forms of economic system such as Social Market Economy in Germany so called a Green Economy and participatory economics that various dimensions of quality of life taken into the account [4]. Thailand as well, His Majesty King Bhumibol Adulyadej had graciously given the Thai people with the frameworks of thought, planning and practicing which definitely become the most provocative and meaningful answer to the threats that Thailand has been facing [5]. The answer of course is self-sufficiency. Self-sufficiency as a nation, as a province, as a community and as a household. This concept is enshrined in New Theory or "sufficiency economy philosophy" and mirrors similar efforts found throughout the world to break the back of the oppression and exploitation that results from dependence on the globalist system. It is a philosophy of living a balanced life and shows the way of life of individuals, households, communities, organizations and the nation. Because it is a developmental factor that starts with humans, as well as, makes benefit to humans. Certainly, when man has been developed will affect development in other areas to be more pronounced. It can be said that all level of success in the development must begin with the potential and self-reliance of the existing capital balance [6]. The major component is making money, having stable career development, creating a culture of harmony, and caring for one another. The use of group power in a creative way is beneficial to the collective. Local and regional resources for forest, forest and environment are planned to be sustainable production bases. For philosophical purposes to apply SEP can bring the world of change to sustainable economic growth. Eventually, contributing our nation socio-economic development and growth particularly in creating a full peace in our Thai society. Since many years especially in the past decade, Thailand has adopted the Sufficiency Economy Philosophy (SEP) as the framework of thought and practice for economic and social development in every sector of the country. So far as we know that economic growth of the country certainly requires a deep economic studies for understanding the behaviour of individuals, households and organizations [7] when they manage or use limited resources, which have alternative uses, to achieve desired destinations. Individuals and organizations are anticipated to act rationally, have variable and appropriate demands, limited resources to reach the target, constant preferences, and the

capability of making decision. On the other hand Religion is a set of variously organized beliefs about the relationship between natural and supernatural aspects of reality, and the holistic role of humans in this relationship. One of the most important roles of humans is to act as economic agents to meet various ‘materialistic’ needs. Is single minded pursuit of economic growth to fulfil materialistic needs is good for overall development of mankind? [8] As the future course of development, *the middle path* remains critically needed, particularly now with the process of pursuing economic and social development to keep pace with globalization. As the promise of future, *Sufficiency Economy* ensures balance and readiness to cope with fast/extensive changes with respect to materials, society, environment, and culture [9]. As a paradigm shift, *Sufficiency Economy* arises against the backdrop of globalization driven integration of the world and the pace of technological-cultural-social changes. To address these questions, the general purpose of the study will be to review, identify and analyze the principles and practices of Sufficiency Economy Philosophy as a practical way of realizing a new development process in all over areas of Thailand, to recognize what’s the impact on the quality of life and happiness of individuals, communities and organizations, to reveal a real enrichment of the Thai people’s quality of life, and to explore creation of peace in society. By analyzing the lessons from 5 levels of SEP application from 5 regions, selected from successful case studies to drive development in Sufficiency Economy. This research, therefore, the analysis is concentrated on analyzing the process and steps of such SEP application by different group of highly motivated persons to different socio-geographical conditions including natural resources, environment, economy, tradition and culture of the areas. Diversified development lessons are learned and thus concluded as significant supporting and hindering factors for the sufficiency economy movement under the realistic conditions. Then, all the research results will be leading to policy suggestions in promoting movement of the royal philosophy at all levels into the more extensive, applicable and with more sustainable direction both as in the way of life for local people and as the way of culture for the Thai society as a whole. Finally, it is expected that an economy-wide application of Sufficiency Economy Framework will lead to stable economic growth, sustainable environment and an ethical and “happier” society.

## 2. Objectives

This research has overall aims to study the structure and general context of Sufficiency Economy Philosophy and to analyze a crucial impact exposed after the

people adopted its principles that figured on the overall happiness, balanced and sustainable development and religious values of individuals, communities and organizations and certainly to promote SEP for enhancing the Thai population's quality of life and improving their long term welfare as well as finding such a practical approach, provide feedback and direction to drive the philosophy of sufficiency economy on a large scale.

### 3. Methods

This study focuses on qualitative analysis that links cause and effect for an extraction of the case study of 5 groups of population who applied the concept of Sufficiency Economy Philosophy. It consisted of individuals, schools, communities, religious institutions, and business organizations using demographic selection from the list of winners of the Sufficiency Economy Philosophy Contest. There are three major steps in implementing the project:

- 1) Understanding the SEP contents for making a deep insight into its principles and applications
- 2) Analyzing and criticizing how the philosophy is "implemented through activities" at the grassroots (provinces) for their livings and self-management as attentively directed to the learning process through real experiences
- 3) Probing on supporting factors and obstacles in driving the philosophy.

In addition, for establishing the Sufficiency Economy framework as a practical and alternate development model, it is required to identify and measure the accrual and multiple benefits at different levels; economic, social, cultural, environmental and religious/ethical. This can be achieved through collecting appropriate field data with the help of structured questionnaires and analyzing them subsequently.

This research therefore has collected the data by using in-depth interview method to probe the facts from a total of 33 selected cases who are considered the best practice of SEP oriented population and absolutely engaged in designing and implementing SEP activities in their daily lives. The field work as a qualitative research had been carried out in 4 regions; 8 representative provinces of Thailand, with 5 groups of population; 9 individuals/ families, 6 communities, 8 schools, 5 temples, and 5 business companies and industries. The information thus obtained have been analysed against the concepts of SEP especially for the purpose of assessing the impacts and benefits

The analysis is concentrated on examining the process and steps to apply the philosophy into daily

lives or routine works according to different socio-geographical conditions including natural resources, environment, economy, tradition and culture of each area. Diversified self-management and development lessons are learned and thus concluded as significant supporting and hindering factors for SEP movement under the realistic conditions. Findings are presented in terms of qualitative and descriptive insights. Moreover, research timeframe include data collection and analysis for 6 months (May to October 2016).

### 4. Results and discussion

The Sufficiency Economy is a 'happiness development approach', which emphasized the middle path as an overriding principle for appropriate conduct by people at all levels. The middle path is a way of thinking in which no one lived too extravagantly or too thriftily. It encouraged people to live in a way where they consumed only what they really needed, chose products carefully, and considered the impact of their production and consumption on others and the resources of the planet. The Sufficiency Economy concept had the potential to enhance the nation's ability to modernize without defying globalization but with moderation and due regards to sustainable development.

It is important to emphasize the point mentioned before that Sufficiency Economy can be applied to all levels, branches, and sectors of the economy. Although the principles have been primarily designed for rural economy, which is the backbone of Thai society, their application is not necessarily limited to the agricultural or rural sectors. The financial, real estate, international trade and investment sectors can also benefit by following principles emphasizing moderation in performance, reasonableness, creation of positive ethics and values and ensuring immunity for oneself and society so that the growth generated through the non-agricultural sectors are more stable and free from negative impacts caused by sudden downturns as observed during the financial crisis.

Critical analysis of SEP implementation can be defined as follows;

The most significant application of the SEP is to help improve human well-being. The SEP emphasizes the self-reliance of an individual and of a community, together with the essentials of education, religion and business. Poverty reduction can be achieved, by which SEP helps people reduce vulnerability, build their own capability to shape their lives, and have choices. With the SEP mindset, people will be moderate, reasonable and self-immune; therefore, they will not overexploit or abuse the environment or natural

resources. They will embrace the environment, conserve it for the future and live in harmony with nature. SEP enables people to reap benefits from the insight into peacefulness; they have more profound lives as a result of the moral principle. Hard work, integrity, honesty, sharing and altruism play vital roles in human well-being. With a balanced-way of living, morality lifts up people's spirits and shows that living is a deeply meaningful phenomenon. This represents another kind of freedom: freedom from the trap of materialism in which many people find themselves today. It is a freedom enjoyed by those who have the SEP mindset. Aiming to make a profit, farmers normally plant mono-crops or cash crops, which are totally dependent on market prices, thereby increasing the farmers' vulnerability to external price shocks. Also, the practice usually harms the environment, as farmers tend to overuse chemical substances to increase production. This type of practice is unsustainable over the long run. To address this problem, the King of Thailand suggested that farmers employ the New Theory of Agriculture, an application of SEP. Most of grass root people and communities began adhering to SEP since 1996.

Preservation of the forest became another potential approach contributing to reasonable and self-immune villages, stopped people cutting trees from the mountainous areas and reduced deforestation of the country. Since, the community people started planting timber trees in their own "community forest". Community committee was formed to monitor the utilization of the forest. The community forest is now viewed as a resource for the community's immunity and prevents further depletion of the environment.

At all level of SEP application there were significant fascination show that all populations have changed their lifestyle patterns and gaining insight in the practice of philosophy of sufficiency economy as the main way to live that empowering people to earn a living with reduced their expenditures and livelihoods. Obviously, the benefit gained by all kind of people could be in the form of public pleasure. However, the use of SEP principles must be taken into account in each aspect included do not over-invest, think and plan carefully, having protection and not too risky, mentally strong and having a good mind as well as caring for others rather than personal benefits. Particularly, SEP implementation could strengthen family and community to preserve identity, language, Thai wisdom and culture, natural resources and environment as well as to use and manage wisely and carefully to achieve sustainability.

Factors affecting to people's happiness and quality of life development after SEP application in daily living could be identified in 4 aspects; 1) Internal or subjective factor 2) Social capital factor, 3) Community empowerment factor, and 4) External factor. Those included such as the respect for His Majesty the King, the individual's socio-economic characteristics, education level and type of institutions attended, strength of religious beliefs and participation in religious activities organized by temples, profession, family environment and many more. Once the determinants are identified they can be used as instruments to promote acceptance and encourage the use of SEP at the level of individual decision. Once this is embraced by a large section of the population from every walks of life, establishment of an alternate development paradigm will follow.

## 5. Conclusions

From an industrialization-driven to a sustainable development mainstream, many countries still facing distinct challenges in moving forwards and growth. The most challenges derive from dysfunctional institutions, poor quality of people's lives, environmental degradation, and the optimal role of organizations both government and business. With the results derived from this study, SEP is dignified in helping address these development challenges.

In summary, Sufficiency Economy Philosophy (SEP) is a holistic approach focused on moderation and contentment. SEP initiated to conserve the people and the country from a sudden offensive of economic crisis, and promotes cooperation and interdependence among people at all levels as an intervention, and compromises the affect of globalization phenomena. The emphasis of SEP application is placed at intellectually utilizing of knowledge with critical consideration. Its values include honesty, perseverance and patience, harmlessness and cooperatives. Thus the final goal is to achieve balance and sustainability. These concepts applied in all sectors; individual, community, organization, agriculture, business, industry and services and in both rural and urban areas. However, His Majesty the King gave agriculture and rural areas priority as these have been the foundation of the Thai society. The concepts have been formalized, promoted and disseminated to grassroots beneficiaries, communities and districts/provinces with the core value of SEP-oriented people is maximizing the benefits for not only ourselves but also the others. Decision and policy making by family and community leaders or master of organizations should be demonstrated with

intelligence and anticipations, and should be subjected to experiences and knowledge digestibility.

It should be noted that “**Sufficiency Economy**” is a dominant principle for appropriate action and responses by the populace at all levels. To whom that their lives led by knowledge and morality, successful application of SEP is certainly relied on paying a special concern on the fundamental principle of Thai belief and culture, moderation, saving, and building up social immunity. Significantly, there must be **intelligence and perseverance** which will lead to real **happiness** in leading one’s life starting from the level of the families, communities, as well as the level of nation in development and administration so as to modernize in line with the forces of globalization.

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