

CHAPTER 8

Concluding Remarks

8.1. Conclusion and discussion

This study aimed to achieve the following objectives: 1) to classify Thai farmers in terms of their SE levels, 2) to evaluate the levels of their subjective and objective happiness, and 3) to analyze the effect of SE and other factors on their subjective happiness.

This study particularly focused on the agricultural people who live in the upper-north of Thailand, including Chiang Mai, Chiang Rai, and Lampang provinces, given that these provinces have the most agricultural households in such region (NSO Agricultural Census, 2013).

His Majesty King Bhumibol Adulyadej granted of SE, that is, “It is satisfactory if each individual has enough to live on, but it is even better if the entire country has enough to live on” was considered, and the term “Sufficiency Economy” that comes from the word “enough” was used. This study also looked into the effects of SE application on the happiness or life quality of farmers that have not been examined by previous studies. Most prior studies only focused on the correlation between self-sufficient economy living and life quality of people’s living. However, a few studies were able to establish the connection between SE and happiness. Linhavess (2008) and Nayong and Sirisunyalak (2012) determined that farmers feel happy when they adopted SE. Nonetheless, to evaluate such relationship between elements, these researchers used qualitative analysis which is debatable especially on the evaluation of SE intensity.

The sampling process involved two steps. The first step entailed the selection of provinces in the upper-northern region of Thailand. Three provinces (i.e., Chiang Mai, Chiang Rai,

and Lampang) were selected considering that they have the largest number of agricultural holding households in such region (NSO Agricultural Census, 2013). The second step involved the use of a geographical concept to choose a representative for each province. This thesis classified amphoe in each province into three layers, namely, core, middle, and outer layers. Only farmers in amphoe under the middle layer were subsequently selected because of the mix between urban and rural areas. Finally, 700 farmers from all provinces were interviewed from March to May 2013 to reduce any errors. However, only the data from 671 of 700 respondents were analyzed.

A structured questionnaire was designed and used to gather both the quantitative and qualitative data as well as other relevant information from the respondents (e.g., perceptions, attitudes, and numerical data). In the interview, each respondent was asked the same questions presented in five parts: subjective happiness level; SE practice and livelihood; income, debt, risk and gambling behavior, religious belief, and practice; optimistic, self-esteem, political engagement, and freedom; and asset and health status.

To address its first objective, this study constructed SEI. From the evaluated criterion of correlation between agricultural practice and SE, 15 criteria in agricultural practice were categorized into four elements (i.e., resources, capital and technology, labor, and entrepreneurship) according to the factors of production. The 22 criteria for concordance level evaluation between livelihood and SE were grouped into five aspects (i.e., consumption, risk management, inheritance culture, environmental protection, as well as social and family support) in view of the basic concerns of human. SEI was then calculated by adding the SEI in production and the SEI in livelihood. In sum, SEI was constructed based on the equal weight among each aspect regardless of the amount of survey questions. The respondents were then classified into four groups depending on the degree of their SE level (i.e., low, medium-low, medium-high, and high) using an equal interval.

The significant findings regarding the first research objective can be summed in five points. First, all groups of agriculturalist (i.e., farmers, orchardists, and peasants) implement SE in the same manner, thereby confirming that such philosophy is widely

applied by each occupation. Second, a high absolute income is correlated with a high SEI level. Third, farmers with high SEI level feel that their current income is “enough.” Fourth, farmers with high SEI level feel that they are “not poor” although they earn a low income. Fifth, the happiness of farmers with high SEI level depends less on “money.” Last, the SEI in production and SEI in livelihood go together, proving that SE is at the roots of human life and that it can infiltrate through all human activities. If one adopts SE in high degree, then he/she tends to highly apply such philosophy to all his/her activities.

To answer its second objective, this research defined subjective happiness as directly self-reported given that one is the best judge of the overall quality of his/her own life. The results regarding subjective happiness indicated that most Thai farmers are “quite happy” and “happy”. This kind of happiness can be adopted as a straightforward strategy to inquire about one’s happiness. By contrast, objective happiness can be evaluated by other people and can be appraised from the factors people should attain to lead a good life. Compared with subjective happiness, objective happiness is more substantial but does not cover all components of human happiness.

The objective happiness composite index comprised the following seven dimensions: economics, social status, family, health status, culture and religion, education, and freedom. Among all dimensions, freedom received the highest score, followed by culture and religion. The objective happiness index had a mean of 6.18 and was almost normally distributed with no difference value. These findings demonstrate that Thai farmers consider the same components to achieve a good life that leads to happiness, and those with high SEI level are relatively happy, both subjectively and objectively.

To deal with its third objective, this study estimated the Ordered Logit regression for self-reported happiness. In particular, the probability of being happy was set as a function of SEI, objective happiness, absolute household income, relative income, attitude toward relative income, income aspiration, and control variables (i.e., age, gender, and health).

SEI strongly and positively determined subjective happiness. The average marginal effect of SEI was approximately 0.0785. Compared with the average marginal effect of other

independent variables, the average marginal effect of SE claims that for farmers in upper north of Thailand SE is the most important determinant of subjective happiness. Also, the government support regarding SE adoption can concretely increase the extent of their happiness.

Subjective happiness was also determined positively correlated with objective happiness. The relationship between the margins of objective happiness and subjective happiness showed that the former influences the latter in a relatively stable manner. This finding suggests that the components of standard living (e.g., asset, social support, and freedom) further stimulate subjective happiness but are less important than SEI.

Absolute income was identified as a strongly significant source of one's subjective happiness. This finding conforms to several literatures (e.g., Inglehart and Klingemann, 2000; Blanchflower and Oswald, 2004; Frey and Statzer, 2002; Sacks et al., 2010; Vinson and Ericson, 2012) and confirms conventional utility theory, which claims that high utility can be achieved by an increase in absolute income due to the provision of basic needs and other materials or goods that satisfy human wants. People with money can enjoy more leisurely, effortless activities than those without (Gailliot, 2012), and they have an additional opportunity to achieve whatever they desire (Alexander, 2012). These results are also associated with the observations of Easterlin et al. (2010), who clarified that at a point in time, the happiness of population varies directly with income.

The effects of SEI, objective happiness, and absolute household income were compared. The findings demonstrated that the adoption of SE in the agricultural sector can obviously increase one's happiness. However, the power of objective happiness and absolute household income to overcome unhappiness is limited. This result suggests that SEI can improve the actual mental happiness of people.

The results regarding the relative income factor specified that the coefficients of rich variables (Richer1 and Richer2) are positively related to the level of subjective happiness, whereas the coefficients of poor variables (Poorer1 and Poorer2) are negative related.

This finding indicates that both poor and rich farmers seem disinterested in their actual situation or in their realized relative income.

This result also suggests that farmers give more importance to their attitude or perception than the “realistic situation” they are in. In addition, this finding entails that individuals do not assess their life in isolation from all others; instead, they always compare themselves with others, revealing the adverse influence of social comparison on happiness. Social comparison implies that a negative externality exists in income-generating activities (Layard, 2005).

Income aspiration was determined capable of significantly negatively affecting subjective happiness. In particular, the gap between aspiration and achievement yields a negative effect on subjective happiness.

After the effects of objective happiness, household income, relative income, and income aspiration were controlled through the research model, SEI still incurred an effect on subjective happiness. This result confirms that SE can effectively affect one’s mental happiness, which is the core of SE function.

8.2. Extensions

The estimated ordered Logit model was adopted as an analysis based on point-in-time; hence, the research findings do not provide details about the transmission mechanisms of SE into happiness. To describe these mechanisms, this study collected a set of literature review, which was then synthesized and summed in six transmission mechanisms.

Figure 8.1 shows a framework that the belief in SE will create cultivated minds and change attitudes, thereby guiding one’s perception and way of thinking toward the proper direction. The person will then change his/her behavior and adopt agricultural practice with consistency and moderation. In this case, reasonableness and self-immunity will

create happiness through six transmission mechanisms. Each mechanism is explained in the subsequent paragraphs.

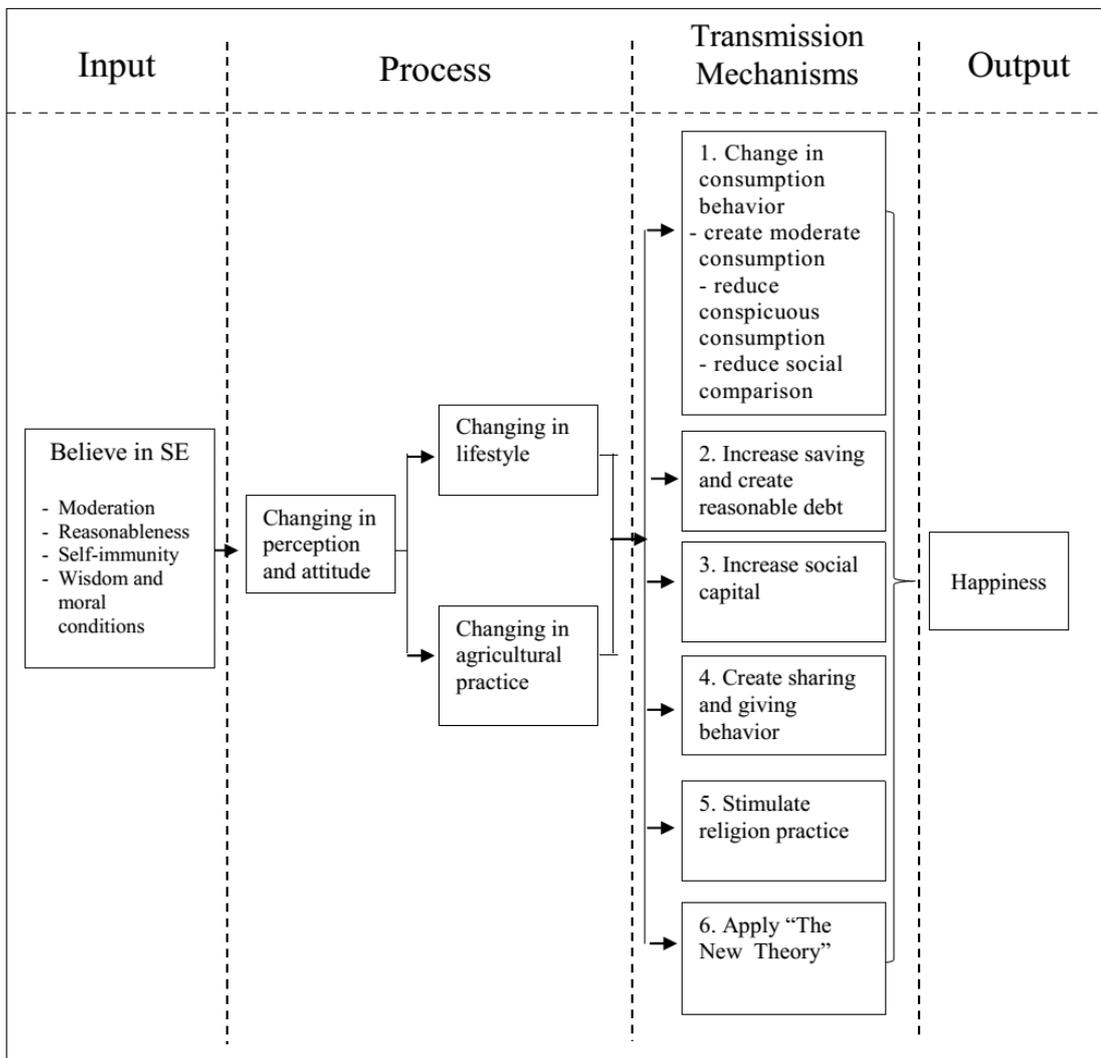


Figure 8.1 The mechanisms of Sufficiency Economy Philosophy to happiness

First mechanism: SE prompts the following consumption behaviors: create moderate consumption, reduce conspicuous consumption, and reduce social comparison.

1. Create moderate consumption. SE cultivates one’s thoughts and moderates his/her consumption behavior “neither too much nor too little.” Several researchers have cited SE as a key determinant of the happiness of farmers because the concept of

“enough” is linked to balance and the middle path of Buddhism. SE helps farmers control their minds, wants, and consciousness as well as eliminate greed, which is the principal source of anxiety. Schwartz et al. (2002) confirmed that people who sufficiently consume and are contented with what they have tend to be happier than those who are influenced by consumerism and pushed by social trends.

Given that each individual has a unique set of standards, the “sufficient” consumption level of people varies and may change with time and circumstances. An optimum level of consumption can hardly be set. NESDB (2003) proposed that the sufficient level of consumption can be estimated by comparing the consumption of goods or services of an individual to their potential (i.e., one’s earning ability). If such consumption does not exceed one’s earning potential, then the consumption level in question is at the sufficient level. By contrast, if the consumption level of people is higher than the income they receive, then their consumption level is excessive and not based on SE.

One’s purchase of an expensive, luxury good or dining at a famous restaurant is not considered overconsumption if such spending does not go beyond the purchasing power of that person and contributes to his/her happiness. However, any consumption should not exploit one’s self, family, society, and the environment (NESDB, 2003).

Bhongmakapat (2011) applied the Happiness Equilibrium Framework and concluded that a difference exists between the mind-cultivated people and the general people. Mind-cultivated people (people who apply SE) consume fewer resources to obtain the same level of happiness or consume the same resources but obtain more happiness than the normal people. This researcher added that the attained sufficiency yields several positive implications, namely, 1) reduction of excessive demands in materialism and practice in consumerism, 2) continuation of economic efficiency through sufficiency practice and happiness development, and 3) inhibition of the economic growth that arises from thirst.

2. Reduce conspicuous consumption behavior. Conspicuous consumption is a concept introduced by economist Thorstein Veblen with reference to the behavior of the nouveau riche during the Second Industrial Revolution in Britain. In his book “The

Theory of the Leisure Class” (1899), Veblen discussed that conspicuous consumption pertains to one’s spending of money as a public display of his/her high social status. This spending habit corresponds to the expression “Keeping up with the Joneses,” which implies that one should spend a lot of money to make his/her own social status on par with the neighbors. The consumption to reflect a social position or to become a point of interest is extremely significant, especially for the “middle-class” people who intend to climb up the social ladder.

Individuals with conspicuous consumption spend money by buying luxury goods beyond their reach. Such behavior goes beyond the moderate level and generates expenses beyond one’s spending ability, eventually ensuing problems, especially debt-related concerns.

SE instruct how one can properly cope with jealousy. Individuals who practice SE do not enviously compare themselves with others and do not experience or perceive any negative externality as part of their lifestyle.

3. Reduce social comparison behavior and income aspiration. Both social comparison behavior and income aspiration significantly correspond to the Easterlin paradox, which leads to unhappiness. Social comparison primarily refers to the situation in which people constantly compare themselves with others, feeling happy when they find themselves better or have a higher status than others or feeling uncontented when they find themselves poorer or in a worse situation than others. Income aspiration demonstrates that when humans gain a huge amount of money, they will double their effort to further earn high revenues steadily in the future. Individuals become unhappy when their aspired level of income and their existing income level has a wide gap.

When individuals fail to train their minds to “accept” and be contented or satisfied with what they have, they will increasingly suffer from social comparison, greed, jealousy, and pressure from competition. Reasonableness, which is an SE principle, helps people set their aspired income realistically or close to their ability. Individuals become happy when the gap between their aspired level and their existing income level is narrow. In sum, SE

teaches individuals to avoid comparing themselves with others, being jealous, and competing against one another and therefore makes them happy.

Second mechanism: SE develops immunity of individual. The behavioral patterns that apparently reflect the developed immunity are savings and generated reasonable debts that do not exceed one's ability to pay.

At the micro level, SE encourages people to save money for the stability of the family during emergencies and in the future. Irresponsible individuals who do not prepare themselves for the occurrence of recession due to an unexpected economic crisis or economic cycle practice overconsumption. Consequently, a country can rely on domestic savings for investments because such savings can help reduce the adverse effects of crises on economic stability (e.g., a large outward foreign investment). In this case, the economy is insignificantly affected.

SE neither prohibits nor denies indebtedness. However, the incurred debts should neither be beyond one's ability to pay nor cause trouble as a security after heavy scrutiny that the money will not be for purchasing unnecessary and excessive goods. The generation of debts beyond one's capacity to pay for the unnecessary and excessive consumption of goods is the main reason behind the entrenched poverty problem in Thailand in the past. This problem makes people fall into a debt trap, which can hardly be escaped from. When a person makes an effective plan before creating debts, he/she can avoid turning such debts into a heavy burden, and such indebtedness will not reduce his/her happiness.

Third mechanism: SE helps creating social capital.

Social capital is a factor that primarily increases one's happiness. At present, this concept is highly valued in Thai society because it serves as a shield against the effects of economic fluctuations. SE is directly linked with the creation of social capital as evidenced by the farming practice in accordance with the new theory stipulated in steps 2 and 3, which foster collectivism in group forms (e.g., career development group, savings

groups, a village's fund, and a housewives' career group). For example, carrier groups and a community learning center have been established in Bhuttavimut (Kotrmaneetaweetong et al., 2012) owing to SE adoption. Similarly, a community learning center has been inaugurated in Ban Huakrok (Supthpun, 2012). Participation in these collective activities improves the relationship, trust, and solidarity among community members, thereby promoting collectivism as part of the social capital.

SE also promotes the transfer of local wisdom from generation to generation, encourages the presence of local scholars, and creates learning grounds managed by the community, thereby providing opportunities for interactions among relatives, friends, and people in the same community, promoting cooperation and assistance, as well as creating opportunities for giving and taking. When good interactions occur within a community, trust will be established among its members, thereby improving their social capital and extent of happiness.

An example that demonstrates the success of creating a strong social capital is Matsayit Koi Rut Tak Wa, a Muslim community that has applied the SE principles. The community members have established mutual trust with one another, exhibiting good characteristics, including honesty, morals, and generosity. A "House Group" has also been founded to act as the community's unit that enforces policies and looks after all its members. Owing to the strong social capital formed, the community has been free from problems related to burglary, violent crimes, and other social problems (Mongsawad, 2010). Suwankitti and Pongquan (2012) conducted an empirical study on the effects of SE adoption in the Bhuttavimut Community of Kanchanaburi Province. These researchers determined the members of the society have developed internal support after SE has been adopted. Amornsiripong et al. (2012) realized that Bann Rang E-Meay and Bann Saradin in Nakhon Pathom Province obtained a high level of social capital after they applied SE. These research findings show that SE adoption results in communal strength through the creation of social capital.

Forth mechanism: SE creates a giving and sharing society.

Sharing and giving, including providing opportunities, is yet another main SE principle. This mechanism is in accordance with the concept introduced by Dalai Lama who stated that when a person is sympathetic toward the suffering of others and helps miserable individuals, he/she will eventually benefit by deriving pleasure from giving and making good deeds (Layard, 2005; Goleman, 2003).

As such, giving may refer to the exchanges in economics, such as the exchange of labor for harvest. Giving, sharing, or even exchanging are activities that contribute to utility. If utility in this context pertains to happiness, then such happiness will be achieved by both the givers and recipients. In a society in which the number of givers is less than that of the recipients, the utility from receiving may be high due to shortage. Contrarily, the utility or gross happiness of people in such society may not be extremely high compared with a society in which everyone has the pleasure of giving and realizes the value of receiving. The spiritual development that can make a society aware of the value of giving will contribute to the overall sustainable happiness of such society.

Kanjanarangsrinon et al. (2011) conducted an empirical study, which comprehensively confirmed that individuals develop a give-and-take behavior when they adopt SE. The conclusion of this qualitative study, which interviewed people and organizations who were awarded for their SE implementation, indicated that SE creates a giving and sharing society. Giving and sharing introduce “beneficial happiness.” Although “beneficial happiness” is not the absolute meaning of subjective happiness, it is still in accordance with such happiness.

Fifth mechanism: SE yields happiness through the participation in religious activities and strengthening of religious beliefs.

People who frequently practice their religion or hold in high regard their religious beliefs and faith tend to have a high happiness level. SE is a philosophy associated closely with

Buddhist teachings and doctrines as evidenced by one of its underlying conditions regarding morals. SE complies with Buddhist teachings in at least four aspects, namely, the middle path, the cause and effect law, internality, and spiritual development (Bhongmakapat, 2011). Many communities use monasteries (e.g., temples) to disseminate morals and ethics for the community members. A number of communities additionally use temples as centers for SE education and adoption, thereby establishing good vibrations between people and temples. Therefore, cultivating SE into people's lifestyle will bring the public close to monasteries and provide opportunities for them to spiritually develop themselves under religious principles and behave in compliance with the principles of Buddhism (e.g., charity, forgiveness, sharing, and listening to sermons) that induce happiness.

A few scholars, including Subsing (2003), Sangsuriyajan (2010), and Nawaboonnuyom (2015), have presented empirical evidence regarding the relationship of SE adoption with the practice of religious activities and the strengthening of religious doctrines. The significant behavior related to these activities increases one's motivation to continuously follow the five precepts of Buddhism, particularly abstaining from intoxicants or harmful substances and seriously practicing the Buddhist moral teachings and guidelines.

Sixth mechanism: The New Theory is a new farming system that contributes to happiness.

New Theory is an alternative agricultural system that incorporates SE into the principles of production, focusing on self-reliance at different levels and reducing the risks of natural variability or the changes from external factors. Farming in compliance with this theory can develop the happiness of practicing farmers owing to the following reasons:

1. The New Theory recommends farmers to apply the integrated farming method instead of monocropping or cash crop during the first agricultural phase because the former can lessen the risks of market place fluctuations. This type of farming will provide water supply for the farmers' own use to reduce the risks of natural disasters and the

uncertainty of rainfall, especially during the dry season. This agricultural system nurtures an improved sense of security among farmers, making them feel at peace and happy..

2. The New Theory advises farmers to plant crops that are used primarily for household consumption (e.g., rice, vegetables, and fruits) to create self-reliance, thereby contributing to their food security. In this case, farmers can survive when an economy falls into a recession or suffers from any economic problems.

3. Considering that humans generally value what they personally produce or are involved in the production of goods purchased from the market, farmers are encouraged to produce products for household consumption to increase their level of happiness and can therefore experience a sense of ownership (Norton, Mochon and Aliely, 2011). However, increasing utility may be alleviated using a less variety of products (Krugman, 1980) when compared with people who purchase product from the market. When the second or third phase of the New Theory is developed, it is expected to recommend additional products that should be cultivated by farmers.

4. The “New Theory” agricultural system prioritizes collectivism, which can generate happiness, especially within the Eastern agricultural society.

5. The practice of “New Theory” in the second phase, which encourages farmers to unite in the forms of cooperatives or business clusters (e.g., occupational group), can engender a strong social capital that yields happiness.

Figure 8.2 illustrates the transmission mechanisms of transforming the SE livelihood and agricultural practice into happiness. Texts above and under arrow in figure present related theoretical and empirical studies in each issue.

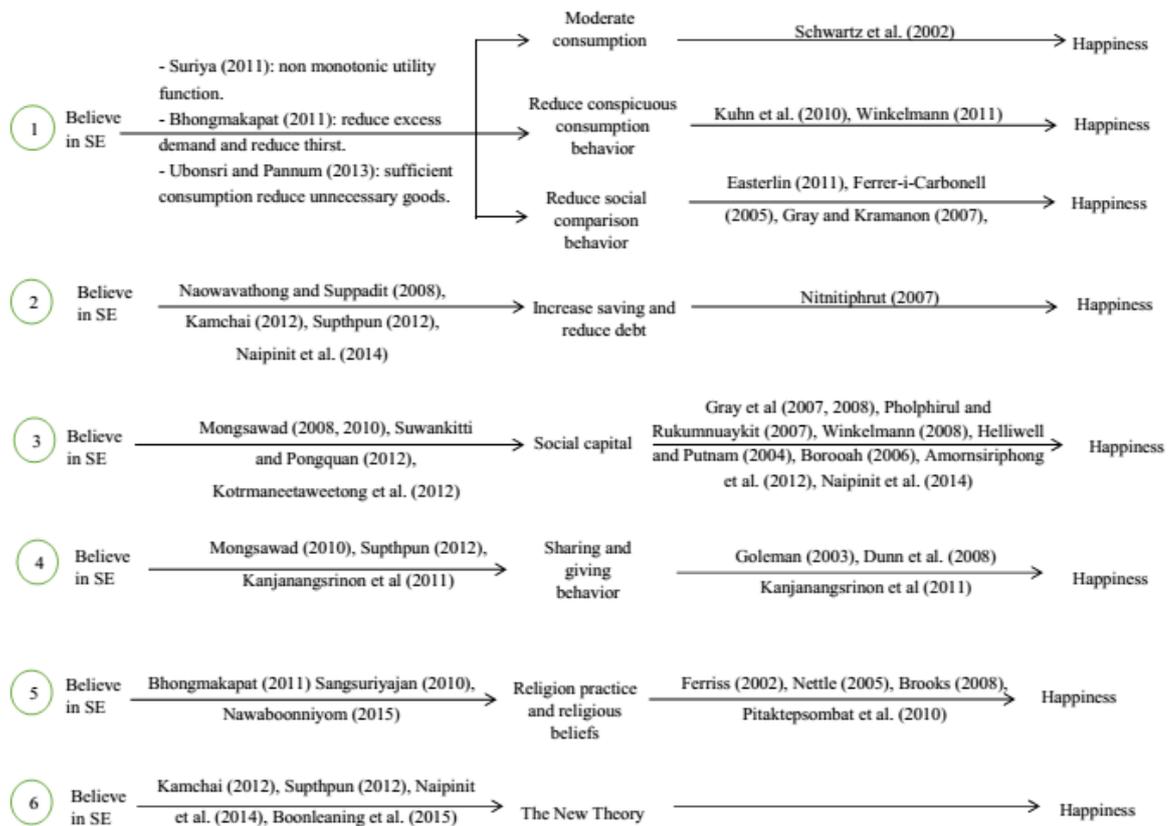


Figure 8.2 Sufficiency Economy Philosophy transmission to happiness mechanisms together with related theoretical and empirical studies.

8.3. Policy implication

1. Support Thai farmers in the serious adoption of SE

The research findings evidently confirm that the happiness of farmers can be increased if they follow SE with a heightened degree. *The* strong support of the government in implementing SE to all farmers is a suitable policy. However, this study proves that at the initial stage of SE implementation, the happiness of farmers is not immediately increased yet, but at the latter part of such adoption. As such, the support in the settlement period is extremely important. Encouraging farmers to implement SE in groups tends to encourage one another. Farmers who successfully adopt SE can also inspire others by giving advice and becoming a mentor of a joiner SE farmer. These techniques not only help farmers

who fail at the initial stage of SE implementation to pass a difficult period easily, but create a stable network of SE group as well. Finally, through these techniques, a society that applies SE with happy farmers can be established.

2. Increase income to a necessary level.

This study verifies that absolute income is an important factor that increases the happiness of farmers. Considering the Easterlin paradox, this relationship reveals that farmers' incomes are not high enough to reach the level that incomes and life satisfaction do not go together (point I_1 in Figure 8.1). Farmers still rely on the market mechanism and cannot focus completely on SE adoption. Therefore, the Thai government policies that aim to increase the farmers' income directly can raise the happiness of this population. These policies also indirectly provide opportunities to boost the SE level of farmers.

SE can decrease one's sufficiency income level. Figure 8.3 shows that $Happiness_1$ is the happiness of a farmer with a low degree of SE implementation; an increase in the absolute income of farmers can raise their happiness level. However, when farmers adopt SE with further intensity, $Happiness_1$ will become $Happiness_2$; thus, the sufficiency income level decreases from I_1 to I_2 .

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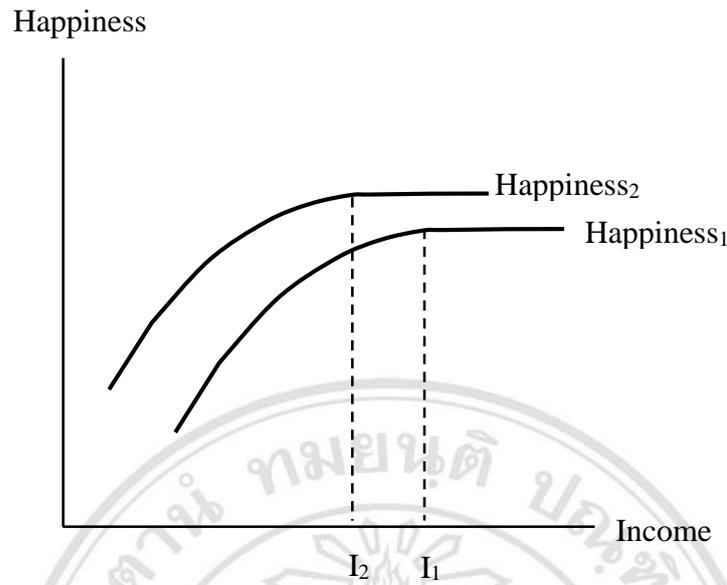


Figure 8.3 The happiness-income relationship under SE

3. Education and academic knowledge remains an important aspect in farming.

One's education or academic knowledge remains an important aspect in farming. When farmers apply SE to both their agricultural practices and livelihood, they prominently possess a know-how of such practices, use morals as their guide in their daily lives, and consider the situation of others. However, this population has insufficient academic knowledge. This limitation mainly explains the unsuccessful upgrading of SE farmers, particularly regarding the improvement of agricultural practices and livelihood efficiency. Therefore, farmers remain poor and have a few opportunities to boost their income. This situation is an obstacle in creating a giving and sharing society. To increase the SE adoption level of farmers, they should be provided with education and academic knowledge. This undertaking can also increase the happiness of farmers.

4. Raising income equality can increase happiness.

This research asserts that one's attitude toward a relative income is a main factor underlying happiness. SE adoption can decrease the comparative attitude of farmers and

can increase their happiness level. In addition, the government policies for the reduction of income inequality are essential for increasing the happiness of farmers. A high extent of income equality will reduce one's feeling of being "poorer" than others and can increase his/her happiness by creating social cooperation and social capital. People living in a society with high income equality feel sympathetic with a high level of cooperation.

5. Improve public relation campaigns.

This study posits that the happiness of farmers (70.20%) comes from "living with family and having worm family." SE provides farmers with additional opportunities to live with their family, thereby giving them the happiness they desire. In the past, the government frequently promoted SE in the phase as "do middle path following H. M. King Bhumibol's idea," which emphasized the mean. Changing the public relation campaign to promote the goal instead of the mean as "following Sufficiency Economy bring real happiness from living with your family" will draw the attention of Thai farmers.

8.4. Limitation of the study

1. This study is a point-in-time analysis. Therefore, the finding cannot elaborate on the transmission mechanisms of Sufficiency Economy into happiness and cannot describe attitude and behavior before and after adopting Sufficiency Economy in a person's life. To describe these transmission mechanisms and compare the changing attitude and behavior, longitudinal data analysis may be suitable for further studies.

2. Happiness in this study is a self-reported happiness level from the survey, with accepted validity and reliability. However, some measurements require additional scientific approaches, such as using MRI or electroencephalography, or detecting the happiness level from stress hormones (cortisol hormones).

3. The two components of Sufficiency Economy Intensity index, agricultural practice and livelihood, are equally weighted. In fact, agricultural practice and livelihood are important for each individual in varying weight, and differs by individual.

4. The scope of the study is the upper north region of Thailand. In case a study will be conducted in other regions, or extended to the entire country, the findings may differ.



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