

**KNOWLEDGE AND UNDERSTANDING  
OF THE PHILOSOPHY OF SUFFICIENCY  
ECONOMY, BY APPLICATION OF THE PHILOSOPHY  
OF SUFFICIENCY ECONOMY IN PERSONAL  
FINANCE MANAGEMENT AND THE RESULTS  
OF PERSONAL FINANCIAL MANAGEMENT  
OF NON-AGRICULTURAL PEOPLE**



**Rakpong Sansri**

**A Dissertation Submitted in Partial  
Fulfillment of the Requirements for the Degree of  
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School of Public Administration  
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2019**

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## ABSTRACT

<b>Title of Dissertation</b>	KNOWLEDGE AND UNDERSTANDING OF THE PHILOSOPHY OF SUFFICIENCY ECONOMY, BY APPLICATION OF THE PHILOSOPHY OF SUFFICIENCY ECONOMY IN PERSONAL FINANCE MANAGEMENT AND THE RESULTS OF PERSONAL FINANCIAL MANAGEMENT OF NON-AGRICULTURAL PEOPLE
<b>Author</b>	Rakpong Sansri
<b>Degree</b>	Doctor of Public Administration
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This article studied knowledge and understanding of the philosophy of sufficiency economy, by application of the philosophy of the sufficiency economy in personal financial management and the results of personal financial management of non-agricultural people. In the poverty-stricken provinces in each region are Amnat Charoen province, Chainat province, Pattani province and Mae Hong Son province. The number of samples is 400 samples for a total of 1,600 samples. This article were to study: 1) Analyze direct influences and indirect influences of cognitive factors in the sufficiency economy philosophy and the application factors of sufficiency economy philosophy in managing personal finances with the results of personal financial management 2) Presenting policies to promote the adoption of the philosophy of sufficiency economy applied to sustainable personal finance management. The statistics used for data analysis are frequency, percentage, minimum (Max), Mean (Mean) and standard deviation (S.D.). The research found that 1) Understandings towards the philosophy of sufficiency economy (UNDER) had positive direct effects on the application of the philosophy of sufficiency economy to the management of personal finance (APP) by the regression coefficient values of 0.840 with the 0.01 statistical value. 2) The application of the philosophy of sufficiency economy to the management of personal finance (APP) had positive direct effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy (SUFECO) by the regression coefficient values of 0.863 with the 0.01 statistical value. 3) Understandings towards the philosophy of sufficiency economy (UNDER) had positive direct effects on the outcomes of financial

management pertaining to the philosophy of sufficiency economy (SUFEKO) by the regression coefficient values of 0.161 with the 0.01 statistical value. 4) Understanding of the philosophy of sufficiency economy (UNDER) had total influenced on the variables of financial management pertaining to the philosophy of sufficiency economy (SUFEKO) with a total influence of 0.864 which the 0.01 statistical value. 5) Understandings towards the philosophy of sufficiency economy (UNDER) had indirect effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy (SUFEKO) by the regression coefficient values of 0.703 with the 0.01 statistical value. 6) Policies to promote the adoption of the sufficiency economy philosophy to be applied in managing personal finances sustainable. The government and related agencies should promote and promote the public sector to have knowledge and knowledge in the philosophy of sufficiency economy and encourage the public sector to implement correctly in daily life.

Recommendation from this research was the government and related agencies should making policies concerning the philosophy of sufficiency economy clear and continuously and set assessment system to account. The public and private sectors should promote proper knowledge and understanding in the philosophy of the sufficiency economy and able to apply correctly in other areas to achieve success and sustainability.

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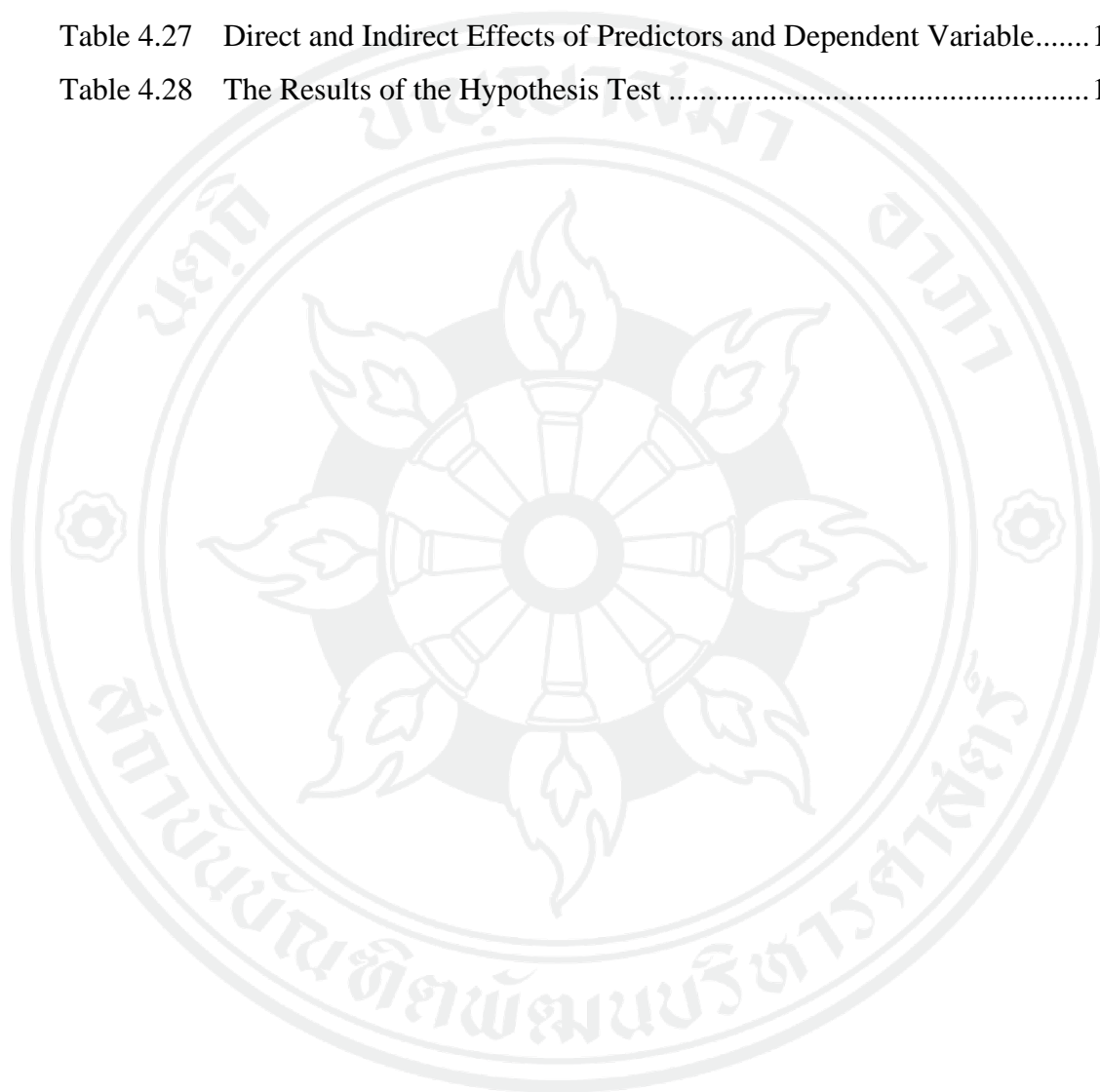
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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background and Significance of the Study**

From the first to the seventh national economic and social development plans (B.E.2504-B.E.2539), the country's development was placed upon economic growth. The strategies written in those plans emphasized the manufacturing sector for exports utilizing the nation's competitive advantage of natural and human resources. Those resources were used to build production bases for exports that were expected to generate income and create jobs. Such strategies were appropriate and consistent with Thailand's social and economic situations at that time. Moreover, they yielded a variety of benefits to the country, specifically economic growth. However, there were two sides to every story. Those national and economic and social development plans also caused subsequent problems, for example, destruction of natural resources, environmental decay and pollution, inequality of income distribution, a wider gap between rich and poor, inequality of rural development, development gap between industrial sector and agricultural sector, crimes, child prostitution, moral and ethical decline, and AIDS problems. With such problems, it was obvious that the country's development put an emphasis on economic expansion only, not taking any other dimensions into consideration. Although the nation's economy was prosperous, it created consequences of social and environmental problems that hindered Thailand's sustainable development.

The eighth national economic and social development plan (B.E.2540 – B.E.2544) shifted its attention to the human-centered development paradigm. It was anticipated that the new paradigm would lead the country to the sustainable development in the long run. Nevertheless, the 1997 financial crisis occurred in Asia as a result of economic bubble bursting, originating in Thailand, known as the Tom Yum King crisis. Financial institutions and businesses collapsed, forcing them to

restructure their debt, sell businesses to foreign companies, float the baht, and borrow from international financial institutions. Consequently, Thailand's foreign debt burden increased. The eight national economic and social development plan placed attention on the recovery of the country's economy and financial institutions. In addition, the borrowed money would help those affected by the financial crisis. Therefore, the philosophy of sufficiency economy introduced by King Bhumibol Adulyadej was applied to the ninth national economic and social development plan (B.E.2545 – B.E.2549). The sufficiency economy served as a guideline for the country's development during the 1997 financial crisis. King Bhumibol Adulyadej explained the philosophy of sufficiency economy on His Majesty's birthday anniversary on 4 December 1997, again. At that time, Thailand was seen as the fifth Asian tiger since the country had high potential for economic growth. King Bhumibol Adulyadej gave his royal speech as the following.

In fact, I always say at a conference like this that being a tiger is not necessary. What the country should do is focus on having economy that offers sufficient food for consumption. Sufficient food for consumption is that people can be self-reliant. I used to say that sufficiency is neither that all families must produce food for themselves nor that they are required to make cloth for wearing. That is too extreme. But a village or district must be sufficient. If we can produce food or other things exceeding consumption, such remaining can be put on sale. They should be sold in a place that is not too far away. If things are sold at distance, the costs of transportation must be included. Such practices are obsolete in the eyes of economists. It may be obsolete as those have said. Modern economy is a system of exchange or trade economy. It is opposite to sufficient economy and many feel that it is not luxurious. But Thailand is blessed with the natural resources that allow the country to produce for sufficient consumption.

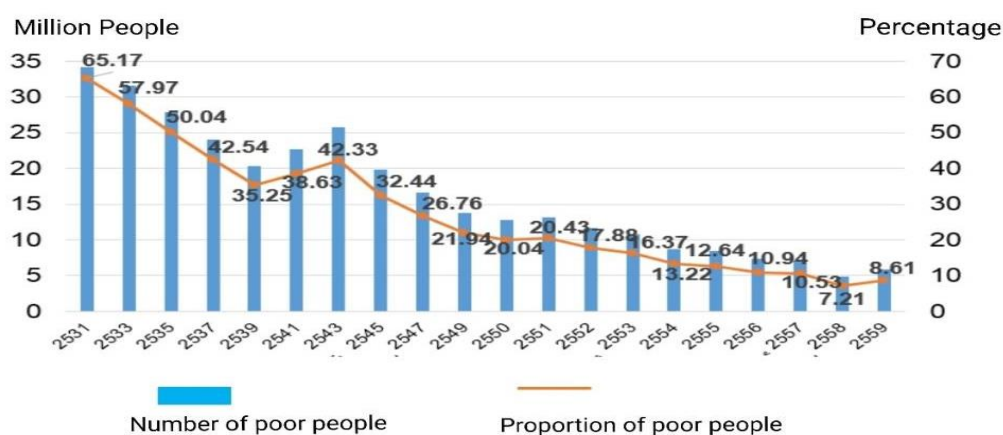
The philosophy of the sufficiency economy initiated by King Bhumibol Adulyadej is grounded in Thai culture, carefulness, and the middle path. At the first stage, most Thai people must have sufficient consumption. If they follow an approach to the country's development focusing only on economic dimension, problems may

arise. Thus, the Thai people should be basically wealthy and get themselves prepared, in the beginning. The next stage is to build the nation's prosperity and alleviate its economic position. According to King Bhumibol Adulyadej's royal speech, the sufficiency economy is the philosophy that helps Thai people realize what is necessary for life. It allows them to understand peoples' sufficiency. As a result, the ninth to the twelfth national economic and social development plans adopted the philosophy of the sufficiency economy as a guideline for the country's development.

As per King Bhumibol Adulyadej's royal speech, the sufficiency economy is the guideline that all people can apply to their lives, family, and society. Moreover, the philosophy can be applied at the national level. It emphasizes that individuals should have sustainable employment and that their spending should meet their income. No borrowing should be made. However, materialism is the current mainstream that drives people to face the problem of debts, causing poverty at the household and economic levels. The root causes of such problems are that people's spending does not meet their income. They create debts for better living conditions. If an individual can repay his/her debt, problems may not happen. If they do not make it and had a high amount of debt, the problems would take place in their life and family. With liquidity shortage and reduced spending, individuals will experience family problems.

The poverty and inequalities report by the Office of National Economic and Social Development Board (2017) finds that the number of poor people in Thailand was 5.9 million in 2016, which decreased by 5.3 million in 2017. The poverty density could be found in the southern, the northeastern, and the northern regions of Thailand. In addition, a report by the Bank of Thailand (2018) stated that, at the end of 2016, the average per-capita debt was 150,000 baht, which increased every quarter in 2018. The total of Thailand's household debt was 12.8 trillion baht which accounted for 78.6 percent of the gross domestic product (GDP). Furthermore, Thailand's household debt was ranked the tenth in the world from 89 countries and the third in Asia from 29 countries (Office of National Economic and Social Development Board, 2018). Thailand's household debt increased significantly in the second half of 2017. Thai people took on debt at a younger age and a growing debt was reported. There were a reported 10.8 million households in debt out of 21million households. Some 90

percent of the household debt was formal debt and 5.8 was informal debt; 4.2 percent represented both formal and informal household debt (National Statistical Office of Thailand, 2017).



**Figure 1.1** Poverty Line, Proportion of the Poor, and Poor Population from 1988 – 2016

Source: Household Socio-Economic Survey, National Statistical Office of Thailand, 2017.

Figure 1.1 shows the proportion of poverty in Thailand increased dramatically for the first time after the 1997 financial crisis, resulting in a growing number of poor people for several years. From 2007 to 2008, the global financial crisis occurred; consequently, the number of poor people in Thailand surged again (Office of National Economic and Social Development Board, 2017).

Poverty in Thailand became a national problem that needed immediate solutions. All government departments in the country attempted to seek economic and social solutions. With the adoption of the philosophy of the sufficiency economy to national strategic plans and the twelfth national economic and social development plan, the government aimed to fix the problems of poverty in accordance with King Bhumibol Adulyadej's royal speech. The philosophy of the sufficiency economy can be applied to daily life. The key messages of the philosophy sit in "sufficiency consumption, wellbeing, and wealth". Thai people can apply it as an approach to self-development including their families to live their lives happily with self-immunity

and stability. The philosophy nurtures Thai people to adhere to the virtues, ethics, and middle path, or sufficiency that leads to the sufficiency economy at the individual and social levels. Self-reliance is the principle of the philosophy. The Office of the National Economic and Social Development Board (NESDB) adopted the philosophy of the sufficiency economy as the guideline for the nation's sustainable development at all levels.

Therefore, this study entitled "An Understanding of the Philosophy of Sufficiency Economy, Application of the Philosophy of Sufficiency Economy to Personal Financial Management, the Outcomes of Personal Financial Management by Non – Agricultural Workers" realizes the importance of the philosophy of the sufficiency economy in the dimension of personal financial management. It emphasizes non-agricultural workers since the amount of employment in the non-agricultural sector is greater than the agricultural sector. According to a 2017 survey, the number of non-agricultural workers rose by 550,000. Moreover, those in the non-agricultural sector could earn higher average incomes than agricultural workers. In contrast, the number of agricultural workers increased by 410,000 which was lower than the non-agricultural sector (National Statistical Office of Thailand, 2018). Although non-agricultural workers can earn higher incomes than agricultural workers, they experience the problems of debt more severely. Some 95 percent of non-agricultural workers have a debt burden. Daily spending was the top reason for borrowing, followed by residence/housing. With the financial problems experienced by the non-agricultural workers, it is interesting to conduct a study with the population in the group. Additionally, few studies have investigated this group of the population. By creating a better understanding of the philosophy of the sufficiency economy, its adoption and application will be more widely accepted. It is also expected that the importance of the sufficiency economy will be more widely realized, leading to benefits from the adoption and application in all levels and sectors. The results of this study reflect a level of understanding of the philosophy of sufficiency economy, the application of the sufficiency economy to personal financial management and the outcomes of personal financial management by non-agricultural workers. In addition it will also serve as the foundation for determining a strategy for national development and policy formulation.

## **1.2 Research Question**

1.2.1 Does the knowledge and understanding of the sufficiency economy philosophy have a direct influence on the application of the sufficiency economy philosophy in personal financial management?

1.2.2 Does the application of the philosophy of sufficiency economy to personal finance management have a direct or indirect influence on the outcomes of financial management based on the philosophy of sufficiency economy?

1.2.3 Does the knowledge and understanding of the sufficiency economy philosophy have a direct or indirect influence on the outcomes of financial management based on the philosophy of sufficiency economy?

1.2.4 How should policy recommendations that promote the application of the philosophy of sufficiency economy to personal finance management, which leads to financial sustainability of people, be presented?

## **1.3 Research Objectives**

1.3.1 The research aims to examine the direct and indirect effects of the variables concerned with the understanding and application of the philosophy of the sufficiency economy to personal finance management and its outcomes.

1.3.2 The research aims to present policy recommendations that promote the application of the philosophy of the sufficiency economy to personal finance management, which leads to financial sustainability of people.

## **1.4 Scope of the Study**

### **1.4.1 Content**

Content is divided into three parts as follows:

- 1) An examination of the understanding of the philosophy of sufficiency economy.
- 2) An examination of the application of the philosophy of sufficiency economy to personal finance management.

3) An examination of the outcomes of the application of the philosophy of sufficiency economy to personal finance management.

#### **1.4.2 Population and Sample**

Population and samples are those who live in the areas of Amphoe Mueang of the target provinces: Amnat Charoen, Mae Hong Son, Chai Nat, and Pattani. Expected numbers of samples for each province was 400 and the total number of the current research's sample is 1,600.

#### **1.4.3 Time**

Research was conducted from August 2017 to July 2020 (3 years).

### **1.5 Definition of Terms**

Financial discipline refers to financial management in a systematic fashion. It includes financial planning in line with revenue, savings, expenses, and investment.

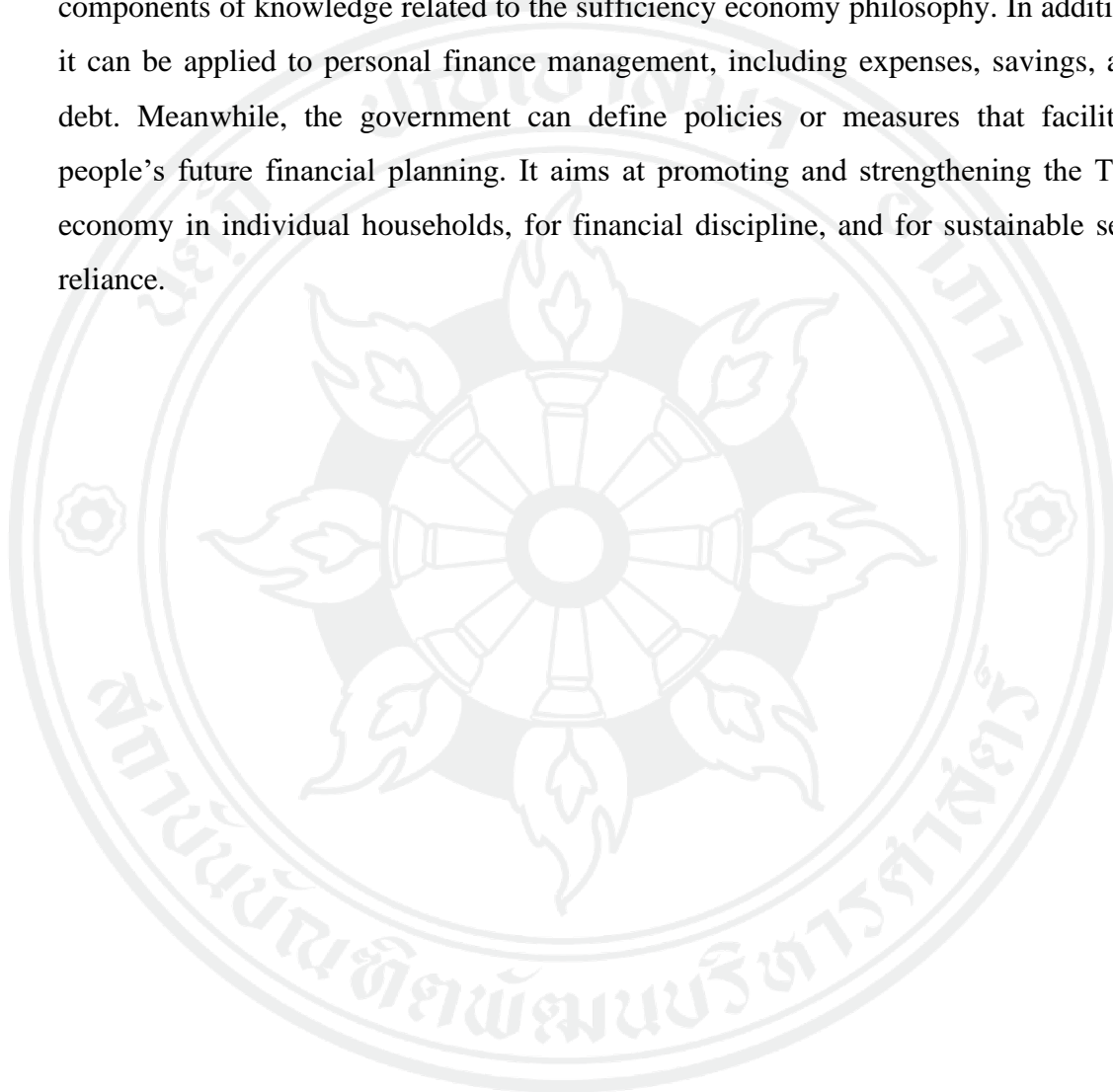
Financial planning is defined as preparedness to be wealthy in the future. It is a concept of livelihood that requires the nurturing of savings and spending habits since childhood. When children grow up and are employed, they will have knowledge of how to make a financial plan that balances both revenue and expenses, including savings for their future retirement. Financial planning is a concept that is vital to an individuals' existence, which will result in a healthy financial position in the future.

Keeping a record of income and expenses is concerned with recording financial data of an organization regarding operational activities. Inflows and outflows of income are required to be summarized so that the organization can learn how much the bottom line of an account remains. Also, it shows the loss and profitability of the organization.

Sufficiency economy is regarded as moderateness, reasonableness and self-immunity in response to changes in both external and internal environments. It is necessary for individuals to have knowledge and apply that knowledge to make a work plan in all processes with integrity and virtue. Individuals must live with patience, wisdom, and perseverance, getting themselves prepared for responding to social and environmental changes.

## 1.6 Expected Contribution

A sound understanding of the philosophy of the sufficiency economy and household financial management can be applied to Thailand's 20-year national strategy. The government is recommended to place its attention on the necessary components of knowledge related to the sufficiency economy philosophy. In addition, it can be applied to personal finance management, including expenses, savings, and debt. Meanwhile, the government can define policies or measures that facilitate people's future financial planning. It aims at promoting and strengthening the Thai economy in individual households, for financial discipline, and for sustainable self-reliance.



## **CHAPTER 2**

### **LITERATURE REVIEW**

This study entitled, “Knowledge and Understanding of the Philosophy of the Sufficiency Economy, by application of the philosophy of sufficiency economy in personal finance management and the results of personal financial management of non-agricultural people”, reviews the concepts, theories, and related studies that serve as a guide for the development of research framework and questionnaire as research instruments. Moreover, it presents sources of data collection from the samples and references for research discussion. The presentation aims at making the present study more reliable. Relevant concepts and theories are written and structured as follows:

- 2.1 The philosophy of sufficiency economy
- 2.2 The philosophy of sufficiency economy and the new theory under the royal initiatives
- 2.3 The philosophy of sufficiency economy in the dimension of economics
- 2.4 Theories related knowledge and comprehension
- 2.5 Perception
- 2.6 Previous studies on the understanding of the philosophy of sufficiency economy
- 2.7 The application of the philosophy of sufficiency economy to the management of personal finances
- 2.8 Previous studies on the application of the sufficiency economy to personal financial management
- 2.9 Conceptual framework
- 2.10 Research hypothesis

## **2.1 The Philosophy of Sufficiency Economy**

### **2.1.1 His Majesty King Bhumibol Adulyadej's Royal Speeches on the Philosophy of Sufficiency Economy**

The royal speeches of His Majesty King Bhumibol Adulyadej on the philosophy of sufficiency economy have been given to the Thai people for more than 30 years. The philosophy is the principles of thoughts and practices, which intend to enable Thai people to have access to basic needs based on the principles of moderation and carefulness. On 18 July 1974, His Majesty King Bhumibol Adulyadej gave a speech to those who graduated from Kasetsart University at the commencement ceremony. The royal speech reads as follows:

The country should be developed step by step. Initially, the basic needs of living for majority of Thai people must be built by methods and equipment that are not expensive and academically correct. When the basic needs of living are fulfilled in a wealthy and stable manner, the country's progress is the next step, including alleviation of economic conditions.

His Majesty King Bhumibol Adulyadej saw that the emphasis on economic expansion may cause many problems and Thai people should be self-sufficient. When their basic needs are fulfilled and they are fundamentally wealthy and stable, the next step was to create the nation's prosperity and alleviate the economic position. The 1974 royal speech was essential to Thailand politically and economically. After the incidents on 14 October 1973, democracy in Thailand have been blossomed, forcing the dictatorship to leave the country and live the rest of their life in exile. Then, His Majesty King Bhumibol Adulyadej granted the royal government under the leadership of Professor Sanya Thammasak, which marked an era of the country's democracy.

Again, on 4 December 1974, His Majesty King Bhumibol Adulyadej gave the royal speech on His Majesty's birthday anniversary as follows:

It does not matter how Thailand is looked. Some may say that Thailand is obsolete, old-fashioned, and does not have any modern things. But we are self-reliant. Thai people have enough for consumption. I ask that Thai people wish

their own country to have enough for consumption and peace. They should work based on good determination and resolution. In this respect, Thailand would become self-reliant, not the most prosperous. Thai people have enough for consumption and living and are peaceful compared to other countries. If we can maintain this self-reliance, we will become perfect.

Fundamentally, the country's economic stability must be achieved before the expansion of industrial sector. In other words, majority of Thai people should have enough for their consumption and livelihood. By doing so, income would be equally distributed; therefore, the economic foundation and country's stability are the focus. Then, higher level of economic development was adopted.

His Majesty King Bhumibol Adulyadej gave the royal speeches on the philosophy of sufficiency economy on various occasions as shown below.

Economics was a subject of economy. When we want to use a tractor, we must buy it. Then, we need to earn and spend money for its gasoline. When the tractor becomes old, we must fix it. When we use it, we must pour the gasoline in it as food. Then, the tractor gave us smoke. We breathe it into our body and become headache. On the contrary, when we use a buffalo, we feed them with grass. But the buffalo gave us fertilizer. Its fertilizer is beneficial to our land.

In addition, the royal speech was given on 9 May 1986 at the Royal Ploughing Ceremony.

His Majesty King Bhumibol Adulyadej (1994) repeatedly emphasized that publicizing "the New Theory" was important. The New Theory was another kind of sufficiency economy in a sense of sufficiency or self-reliance. According to the 1974 royal speech, His Majesty King Bhumibol have reminded the government and general Thai people of the economic conditions with the highest rate of exports.

In 1996, a slowdown of exports in the Asian region could be seen and economic problems appeared more likely to occur. At that time, people in the country thought that such problems would exist temporarily. They would soon disappear, and His Majesty King Bhumibol Adulyadej said that:

Now Thailand remains in good conditions. I use the word “good” since there would be people who say that the number of poor and those in trouble are numerous. Good, here, means that the country can live on its own.

I am concerned about the country. Within 2 years of the golden jubilee celebration, I have seen that Thai people are still in trouble. And there are many things that need to be resolved in all aspects. We are experiencing natural disasters that can be relieved or fixed, but it takes time. Likewise, harms come from human’s mind can be fixed; however, they are more difficult than those from natural disasters. Nature lives outside our body, but our habits lives inside us. It is another thing that I would like to manage it, and I have never been discouraged.

Moreover, His Majesty King Bhumibol Adulyadej gave the royal speech on the birthday’s anniversary at Dusidalai Hall on 4 December 1996.

It is not necessary to be or not to be a tiger. What is more important is that we have enough for living and consumption. Having enough for living and consumption means that we can rely on ourselves at an enough level. Sufficiency does not mean that all families must produce food for household consumption and make clothes for wearing. That is too much. In fact, a village or a district must have sufficiency at a certain level. If we can produce beyond our needs, we can sell them at a nearby place. If we sell them at a far-away location, we have to pay for transportation.

In 1974, I said that we should live our lives with sufficiency. Sufficiency refers to sufficiency economy. If each person has sufficiency, it is good. If all people in the country have enough for living and consumption, it is much better. At that time, some had enough for living and consumption and some did not.

In 1997, Thailand confronted severe financial crisis, which affected people throughout the country. To fix the problems of domestic economy, His Majesty King Bhumibol Adulyadej expected that Thai people lived their life on their own. Again,

His Majesty King Bhumibol Adulyadej gave the royal speech on 4 December 1997 as a guideline for Thai people's livelihood during the financial crisis.

If we can change it in a better way, it will turn out to be sufficiency economy. It is not necessary that all become sufficiency. Just half of the country is not required, too. Just one-fourth of the country, we can survive. To fix economic problems takes time and it is not easy. Many people are impatient because they have been in trouble. If we do it now, we can fix those problems.

In fact, I always say at this place that being a tiger is not necessary. What the country should do is focus on having economy that offers sufficient food for consumption. Sufficient food for consumption is that people can be self-reliant. I used to say that sufficiency is neither that all families must produce food for themselves nor that they are required to make cloth for wearing. That is too extreme. But a village or district must be sufficient. If we can produce food or other things exceeding consumption, such remaining can be put on sale. They should be sold in a place that is not too far away. If things are sold at distance, the costs of transportation must be included. Such practices are obsolete in the eyes of economists. It may be obsolete as those have said. Modern economy is a system of exchange or trade economy. It is opposite to sufficient economy and many feel that it is not luxurious. But Thailand is blessed with natural resources that allow the country to produce for sufficient consumption

His Majesty King Bhumibol Adulyadej gave the royal speech on the birthday's anniversary at Dusidalai Hall, Chitlada Villa on 4 December 1998 as:

Sufficiency has a broader definition. It means enough. Sufficiency is enough. If our needs are enough, greed will be small. When our greed is small, we will encroach other less. If any country adopts this kind of thought in whatever they do, their people will live happily. Sufficiency also means that if we have a lot, we can buy luxury goods. But we should not encroach other people.

His Majesty King Bhumibol Adulyadej gave the royal speech on the birthday's anniversary in 2000 as the following.

In 1974, I said that we should live our lives with sufficiency. Sufficiency refers to sufficiency economy. If each person has sufficiency, it is good. If the country has enough, that means it has sufficiency economy. I would like to emphasize that sufficiency economy is both economy and action that are taken for outcomes. Those outcomes come from causes. If causes or thoughts are good, actions will be good. The results of those actions become good actions. Good means effectiveness, benefits, and happiness. All are sufficiency economy which can be translated into English as self-sufficiency economy. Many said that there is no sufficiency economy word. But it is a new word of mine. It is defined as saving but not in a mean way. What we do with flexibility and reasonableness is sufficiency economy. All people will be happy. (Phra Maha Suthit A-Pha-Ka-Ro & Khemmanut Intharasuwan, 2010).

And His Majesty King Bhumibol Adulyadej gave the royal speech at Klai Kangwon Palace on 17 January 2001 as follows:

I say what sufficiency economy means. It means that what we do should be suitable for our position. We should be able to generate incomes of 20,000-30,000 baht from 200-300 baht. Many people talk about sufficiency economy in a non-sense way until it has been perceived as self-sufficiency. It is not that meaning in my view. I think that sufficiency economy is self-sufficiency of economy. For example, if one wants to watch a TV, we should allow him/her to do it. We should not limit or prohibit his/her to buy the TV. People watch the TV for entertainment. In a rural village I visited, they have a television powered by battery. They are not provided with electricity yet. However, in the sense of those that talk about sufficiency economy in a non-sense way, having a television is extravagant. It is compared with people who do not have money, but they have a business suit with Versace necktie. This is too extreme.

In conclusion, His Majesty King Bhumibol Adulyadej defines sufficiency economy as livelihood, economy for enough consumption, and self-reliance at an appropriate level that met one's needs. Moreover, it did not mean that all families must produce food for household consumption or make clothes for wearing. It did mean that a village must have sufficiency at a certain level (The Chaipattana Foundation, 2005).

### **2.1.2 Definition of the Philosophy of Sufficiency Economy**

The Subcommittee for Driving the Sufficiency Economy Philosophy, the Office of the National Economic and Social Development Board invited the senior experts in the field of economics and other fields to process and review His Majesty King Bhumibol Adulyadej's royal speeches on the sufficiency economy philosophy. After processing and reviewing the royal speeches, the philosophy would contain in the ninth national economic and social development plan. In addition, the article entitled "The Philosophy of Sufficiency Economy" was composed for His Majesty King Bhumibol Adulyadej's consideration. On 22 October 1999, His Majesty King Bhumibol Adulyadej made some revisions and granted the rights for the revised article to be published on 21 November 1999. The revised article would act as the guideline for practices for the Office of the National Economic and Social Development Board, including all sectors and general Thai people.

There are many academics who offer definitions of the sufficiency economy philosophy as follows:

Sufficiency economy refers to an economy that allowed individuals to be self-reliant without any troubles, but the economic foundations must be well-constructed. It should have enough for consumption, not aiming but dedicating to the alleviation of economy in a face-paced manner only. Those who have jobs and in a wealthy position could create progress and upgrade economic position. It was a moderation for existence and required self-reliance. For instance, people who could rely on their mind are perfect with strong hearts and with common sense that they could be self-reliant (Office of National Economic and Social Development Board, 2007; Sumet Tantivejkul, 2001).

Sufficiency economy was the principles, ideology, and philosophy that stemmed from learning of causes that pushed the Thai society to face with globalization. Such learning was the return of humans' souls to the real economy, not money economy. It was an economy that included humans and nature as its essence. Sufficiency economy understood the meaning of humankind and did not limit itself to fix the problems of poverty. It was involved in biodiversity and indigenous knowledge, creating the foundation of social costs and self-immunity for the nation's future (Saneh Chammarik, 2003).

Sufficiency economy was a paradigm that focused on human development. Human was placed at the center of development which was different from capitalism that viewed people as a tool. It allowed individuals to be actors and designators. Self-reliance at individual and global levels was emphasized (Wiwatchai Atthakon, 2010).

The concept of sufficiency economy was "a proposal for carrying out economic activities based on Buddhist's teachings". In a royal speech, His Majesty King Bhumibol Adulyadej described it as "moderation, honesty, and no greed, and no encroachment" (Aphichai Phanthasen, 2004). Besides, sufficiency economy could be applied to small and medium-sized enterprises and industrial sector at small and medium levels. It allowed those enterprises to use suitable technology, meaning that it should not be expensive, appropriate, and correct. The size should be consistent with the management's capability. Those enterprises should not be too greedy and expect only short-term profits, being honest to their consumers and involved parties. Sufficiency economy would make the enterprises to adopt low-risk management, not making debts or investing heavily beyond their capabilities. Their businesses should respond to the local demands, regionally, domestically, and internationally, respectively (Aphichai Phanthasen, Sorawit Premchuen, & Phichet Kiatdetpanya, 2007).

The concept of the philosophy of sufficiency economy was characterized by moderation or an economy of middle path connected to family, community, culture, and environment. Life, soul, society, environment, and civil society are also integrated into sufficiency economy. It could be called basic economy, balanced economy, integrative economy, and moral economy (Kasem Wattanachai, 2006; Prawet Wasi, 2007). It was based on the middle path and carefulness along with moderation,

reasonableness, and self-immunity. Moreover, sufficiency economy is involved with knowledge, cautiousness, and virtue when decisions are made. Moderation was sufficiency, meaning that it was not too much and too little. It did not encroach other people. Reasonableness was explained as the use of principles when decisions are made. Also, one must consider the consequences. Self-immunity was a preparedness and readiness for those impacts from any changes in surroundings. Those factors depended on knowledge and morality as the foundation (Chirayu Itsarangkul Na Ayutthaya, 2007; Natthaphong Thongphakdi, 2007; Prawet Wasi, 2007; Programme, 2007)

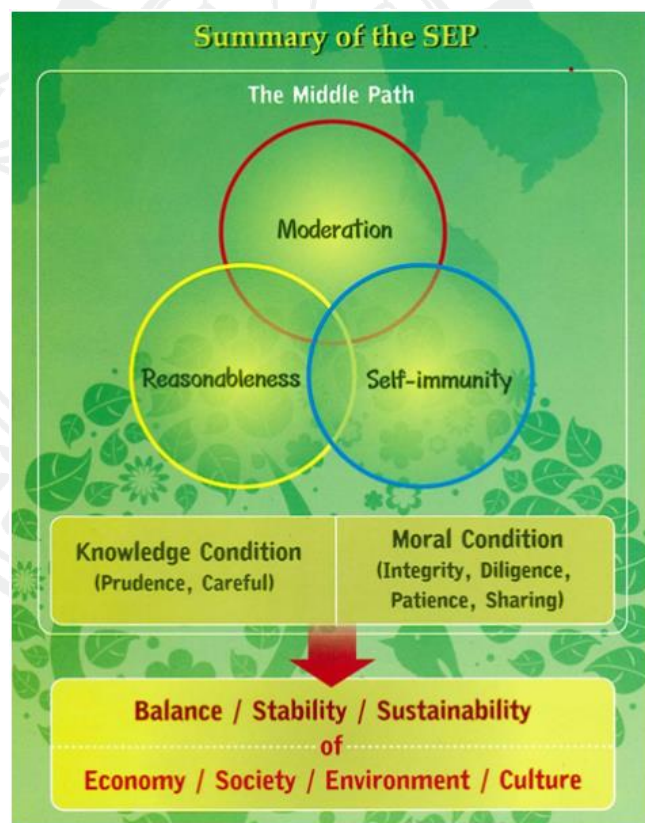
Sufficiency economy was a philosophy that would lead people to a balance of life and was a core of theory of sustainable development in the future. It was middle path of the society between local context and global context. It was not against modernism, fast-paced economic growth or cultural transition; on the other hand, it realized the importance of prevention planning for economic crisis and basic needs of living (Kumar, Liu, Singh, & Khurmi, 2011).

Therefore, sufficiency economy refers to sufficiency. It was enough for all people and families. It was not an economy that left some individuals behind. People who adopted the philosophy of sufficiency economy would have sufficiency mind and care for others. They utilized environment at a sufficiency level, preserving and increasing the environment that would serve as the foundation for working. The community would become so strong that people gathered for fixing the problems such as social problems, poverty, and environment. They have sufficiency wits, learning together and keeping up with the changing world based on the culture of sufficiency. Economy was related and grown from the cultural bases, meaning that a community's lifestyle was associated with the environment. In this sense, the economy would be stable in a sufficiency way, not becoming so volatile that humans could not bear it.

### **2.1.3 Concepts of the Philosophy of Sufficiency Economy**

Sufficiency economy refers to one's way of life, enough economic resources, and self-reliance that satisfied one's needs. It was not necessary for all families to produce food and weave clothes. Sufficiency economy was intended for the members in a village that they must have sufficient resources at a certain level to live a

moderate life. His Majesty King Bhumibol Adulayadej gave his royal definition to Chaipattana Foundation (2005). The philosophy of sufficiency economy was described as sources of three circles and two conditions, and the Sufficiency Economy Subcommittee adopted such description and launched a campaign to disseminate the knowledge about the philosophy of sufficiency economy through various channels of communication. Currently, the philosophy was characterized by moderateness, reasonableness, and self-immunity equipped with the conditions of knowledge and integrity. Sufficiency economy was a philosophy that guided livelihood of people from all walks of life ranging from family and community levels to governmental level. It allowed the nation to be developed and administered in a moderate manner. In particular, sufficiency economy enabled the nation's economic development to keep up with the mainstream globalization as shown in Figure 2.1.



**Figure 2.1** Concept of the Philosophy of Sufficiency Economy

Source: Chaipattana Foundation, 2005.

Figure 2.1 illustrated self-conduct and livelihood of people at the family, community, and national levels. Moderateness was adopted as a guideline on the country's economic development to stay in a contemporary era. Sufficiency refers to moderateness, reasonableness, and self-immunity. People who adopted the philosophy of sufficiency economy could cope with changes in external and internal environment. In addition, they are equipped with enough knowledge that have been applied to their planning in all steps. However, integrity must be built among all people in the country, along with honesty, patience, perseverance, and mindfulness for self-conduct and working. It allowed one's livelihood to be in a balanced manner as well as being able to cope with uncertainties caused internal and external environments that surrounded the country.

1) Moderation: The Subcommittee for Driving Sufficiency Economy, the Office of the National Economic and Social Development Board defines moderation as sufficiency that was not too many and too little or not extreme. At the same time, the moderation must not encroach other people and oneself. For example, production and consumption should be at a moderate level. Individuals must evaluate how much they needed for production and consumption. They must know what was and was not necessary for themselves. In a situation, individuals must know how much they wanted that was sufficiency. In other words, surrounding played an important role in decision making of individuals at a moderate level.

2) Reasonableness: Individuals are reasonable to do or not to do something. Decisions are made based on related factors and possible consequences are estimated carefully. As His Majesty King Bhumibol Adulyadej's royal speech given to Chulalongkorn University students on 8 July 1976 (Phensri Pliankham & Suksan Kuntabud, 2007).

What happens to us right now has its own causes. For example, you are holding your degree's certificate as a result of your efforts and investments in the study. That is the causes and their results are the knowledge that you are having now. The knowledge will cause many subsequent results; that it, you can use your knowledge for your desired employment. Your employment will become causes for other endless results. As many people say that we must

consider causes and results carefully. In other words, we must consider our own actions carefully. In general, individuals often think that they do not know how their future will be. In fact, we partially know it from our own current actions. If our present actions are good, their future will not be in trouble. Therefore, when any actions are taken, we should think of their consequences that will subsequently result in the future. Individuals will become mindful and any actions are carefully and consciously taken. So current actions are the most important things that require careful and complete considerations. Otherwise, possible consequence would be absolutely disappointing.

The royal speech indicated that everything happened from causes. Those causes may come from good or bad reasonableness which would affect the current and future actions. Obviously, we will face those consequences at the present time. If current action is good, the future will be good. It can be said that “Law of Reasonableness” given from the royal speech covered more than consequences. Its definition was in line with the philosophy and practices. His Majesty His Majesty King Bhumibol Adulyadej emphasized that sufficiency economy was reason-based economy leading to good actions. Our actions should be concentrated as the royal speech given on the birthday’s anniversary on 4 December 2000 (Phensri Pliankham & Suksan Kuntabud, 2007).

I would like to repeat that sufficiency economy acts as economic principles and practices that constituted consequences based on reasonableness. Consequences come from causes. If causes are good, the results will be good. If we think in a good way, good things are the shadow of our thinking. And our actions will be in a good way and consequences from those actions will be good. Good means effectiveness, benefits, and happiness.

Happiness was a result of actions that other people and community at large has been encroached. If the community at large is in trouble, it would return to oneself to be in trouble, in the end.

It could be concluded that reasonableness refers to decision making based on careful and complete consideration at a moderate level. Individuals pondered environmental factors and estimated possible consequences from those decision making carefully. They must estimate how much they wanted, including the situation with reasonableness, completeness, neutrality, and honesty.

3) Self-immunity: Natthaphong Thongphakdi (2007, p. 12) stated that dynamics could trigger changes rapidly. Individuals must get themselves prepared for their potential impacts. Not only did individuals consider current consequences but also the possibility of a situation that would likely happen in the future. Such practices could be called sufficiency actions. Those considerations should be limited to existing knowledge and self-immunity must be built in response to any changes. With self-immunity, individuals could adapt and handle those changes at once.

In conclusion, self-immunity was a self-preparedness for potential impacts and changes that could occur in a near future and in long-time future.

Apart from moderation, reasonableness, and self-immunity, the philosophy of sufficiency economy was also characterized by two conditions: knowledge and morality.

1) Knowledge conditions are composed of carefulness. If individuals have enough knowledge, they would make decisions more correctly. They must also rely on studying more on those subjects, including critical thinking when they attained new knowledge applied to themselves suitably.

It could be concluded that knowledge conditions included carefulness about seeking additional bodies of knowledge and those bodies of knowledge could be applied to a situation appropriately Economics-Based Conceptual Framework of the Philosophy of Sufficiency Economy Group, 2003).

2) Moral conditions are an awareness of morality, perseverance, and integrity. Individuals should live their lives without causing any troubles to other people, utilizing their wisdom for existence. Those moral conditions are the Buddhism's Teachings which are instilled by the society (Economics-Based Conceptual Framework of the Philosophy of Sufficiency Economy Group, 2003).

In conclusion, moral conditions consisted of awareness of morality. The philosophy of sufficiency economy was applied or adopted with integrity, perseverance, patience, responsibility, and sacrifice.

Kasem Wattanachai (2006, p. 154) stated that the philosophy of sufficiency economy was a way of existence and practices of people from all walks of life ranging from family and community levels to state level. The country should be developed and administered on the middle path. In particular, the country's economy should be able to keep up with the globalization on the principles of sufficiency or moderation, reasonableness, and self-immunity. The goal was to create a balance of responding to changes in both internal and external environments encompassing materialism, environment, and culture. Such balance was based on the following conditions.

- 1) People in the nation must be fundamentally psychologically strengthened, specifically public servants, theorists, and businesspersons to realize integrity, morality, and omniscience at an appropriate level.

- 2) Individuals must live their lives with patience, perseverance, mindfulness, and carefulness.

- 3) Individuals must rely on omniscience and carefulness when academic knowledge was applied to planning and operation in every step.

Phiphat Yodphreutikan (2007, pp. 97-98) presents the relationship of characteristics between conditions and goals contained in the philosophy of sufficiency economy in a cause and effect way. It illustrated a relationship diagram of the philosophy of sufficiency economy. Phiphat Yodphreutikan (2007, pp. 97-98) found that the relationship between conditions and goals of the philosophy of sufficiency economy was connected to the conditions of omniscience and integrity. Those conditions created moderation, mindfulness, patience, and perseverance all of which produced self-immunity. Utilizing wisdom carefully acted as a condition that constituted reasonableness and readiness for any potential changes and globalization.

#### 2.1.4 Application of the Philosophy of Sufficiency Economy to Sustainable Development of the Thai Society

The philosophy of sufficiency economy contributed to the development of the Thai society in different dimensions in an integrative way. Those different dimensions included self-reliance, ethics and morality, globalization, and the country's administration. All dimensions at all sectors and level are included in decision making, leading to sustainable development in the long run. The philosophy of sufficiency economy was a way of survival for people that would not be affected by the development not in a sustainable and balanced fashion. Wiwatchai Atthakon (2010) compared features of practices between sufficiency economy/self-reliance and free trade/global capitalism as shown in Table 2.1.

**Table 2.1** Comparison between Sufficiency Economy and Capitalism

Development Issue	Sufficiency Economy/Self-Reliance	Free Trade/Global Capital
1. Goals	Focuses on self-reliance and equality of income distribution	It emphasized economic growth in an efficient manner.
2. Methods	Focuses on community, cooperative, and community's economy.	It emphasized individualism and private funds, and business organizations.
3. Values	Focuses on cooperation.	It emphasized the competition that a loser would be forced to get out the business. Big fish ate small fish.
4. Motivation	Focuses on public consciousness and good relationship with the community in which individual lived.	It emphasized company's profitability, consumerism, and materialism.

<b>Development Issue</b>	<b>Sufficiency Economy/Self-Reliance</b>	<b>Free Trade/Global Capital</b>
5. Natural and environmental resources	Focuses on a balance among economy, life, society, and ecosystem.	It emphasized the development of industrial sector as priority and environment came afterward.
6. Technology	Focuses on a middle-level technology and local wisdom that served the community.	It emphasized high, expensive technology developed by western wisdom.
7. Globalization	Focuses on the strong structure together with transition to globalization.	It was full openness to globalization.

Source: Wiwatchai Atthakon, 2010.

### **2.1.5 Sufficiency Economy and Human Development**

Arkorn Termpitayapaisit (2011) cited the royal speech given to those who graduated from Kasetsart University on 26 July 1996, an approach to the human development that would result in self-development guided by His Majesty King Bhumibol Adulyadej. Subsequently, individuals would adapt and understand sufficiency economy and the new theory which are the foundation of development of better quality of life, becoming self-reliant. Finally, they could contain the problems of poverty. The royal speech was as follows:

Desired benefits derived from the development are the nation and people's peace, progress, and stability. To achieve those benefits requires an effort to develop the wellbeing of people initially, as it is an important foundation of peace and prosperity. If all people have economic wellbeing, peace and prosperity will take place. It can be said that development is like a war against the poverty for people's wellbeing. Whenever the wellbeing of people is good, the nation will be at peace and prosperity. And that development will be considered successful.

In 1983, a study on creating a balance between environment and development was conducted, and there was a report entitled “Our Common Future”. It was aimed at changing individuals’ luxury lifestyle for environmentally friendly development. The report was significant to the Earth Summit in Rio de Janeiro, Brazil in 1992. The Earth Summit included Brundtland Report giving the definition of sustainable development as the following.

“Sustainable development was a development approach that could satisfy the needs of next generations.” The goal of this concept was to develop the quality of life of global citizens and maintain a level of utilization of natural resources over the production capacity of nature. The theory focuses on a balance of economy, society, and environment (Anantachai Yuraprathom et al., 2014).

Human development emphasizes balance, a dimension of decision making on resources usage for development which can be applied at the individual, organizational, and governmental levels. Resources are used in a balanced manner. The goals are defined for the community at large. Connection between humans and all things was emphasized by taking the shared benefits into consideration (Phra Dhammapitika (P.A. Payutto), 1998). Human development put its emphasis on progress based on strong foundations at all levels. Furthermore, humans should be developed with integrity and knowledge of existence that allowed them to be self-reliant and become quality people (Priyanut Thammapiya, 2014). When an individual lived their routine life with others, he/she must consider moderation in each dimension, not living the lives in an extreme manner. The individual should get himself/herself prepared for any potential changes. Self-immunity must be built, and individuals must not take any too much risks which would get other people into trouble. They must seek new knowledge, having integrity for existence. Individuals should not encroach other people; instead, they should help each other which included sharing (Siriphon Khitsan, 2008).

As a result, human development based on the philosophy of sufficiency economy focused on morality and integrity. Individuals should do the right things, having logical mind. Living with other people was peaceful along with the use of wits that created omniscience. In a sense of sufficiency economy, development of mind and soul could not be separated from material development. It was aimed at

developing quality humans which required three principles. Knowledge must be governed by integrity for livelihood (2 conditions leading to sufficiency). Individuals' knowledge must be correct and sufficiency for taking any actions, including integrity principle. The integrity principle was selflessness and benefits for all.

#### **2.1.6 Sufficiency Economy, Self-Reliance, and Individual Indicators**

Applying the philosophy of sufficiency economy in a concrete manner depended on development indicators for measuring the extent to which the philosophy's goal was achieved (Suthawan Sathianthai, 2008). Those indicators are developed to reflect or explain changes in conditions, operation, and achievement or performance (Office of National Economic and Social Development Board, 2007). Sufficiency economy refers to sufficiency that individuals must possess at least 7 elements. The first element was sufficiency for everyone and all families, not an economy that left people behind. The second element was sufficiency mind that showed love and care to one another. The third element was sufficiency environment that preserved and enhanced natural resources for existence and occupation, for instance, mixed farming. The fourth element was the strong community. Individuals in a village must form a group to fix the problems of society, poverty, and environment. The fifth element was sufficiency wits. Individuals learned to practice and adapt continually. The sixth element was based on sufficiency culture, meaning that lifestyle of community was related to diverse environment. Therefore, sufficiency must be related and grown from cultural foundations that would create stability. The seventh element was sufficiency stability that allowed individuals to be psychologically healthy. When everything was sufficiency, balance would happen. Balance was normality and sustainability (Prawet Wasi, 1999).

The unique characteristics of sufficiency economy is that individuals lived their life on the middle path, connecting all things together in the domain of economy, mind, society, culture, and environment. To understand sufficiency, one must understand moderation. Individuals should know when it was enough. When they knew it, they would be satisfied, including moderation, giving, sharing, being reciprocal, peaceful society. Subsequently, the community would become strong with the potential, wealth, and sustainability. It was consistent with the teachings that

attempted to instill humans to have love, kindness, and reciprocity, and forgiveness. Individuals must be conscious which would result in wisdom that allowed them to respond to changes happily and perfectly.

### **2.1.7 Application of the Philosophy of Sufficiency Economy**

Application of the philosophy of sufficiency economy could be divided into three levels: individual, family and community, and national. Applying the philosophy of sufficiency economy at individual and family levels should begin with developing and strengthening people to have academic knowledge and necessary skills. Those knowledge and skills would make individuals to respond to any possible changes. In contrast, the application of the philosophy of sufficiency economy at the community level was the creation of sufficiency community. Individuals and families who have knowledge and integrity based on the philosophy of sufficiency economy formed a group for activities that are in line with the status and socio-geography of each community. Resources found in the community are utilized with maximum benefits through cooperation. Meanwhile, to apply the philosophy of sufficiency economy at the national level, the country's foundation must be laid in the beginning. Then, people must be promoted with having knowledge and understanding the philosophy of sufficiency economy. With knowledge and understanding of the philosophy of sufficiency economy, majority of people would become sufficiency and develop their skills necessary for livelihood. Learning exchange must be promoted to strengthen the understanding among people (Office of National Economic and Social Development Board, 2007; Sumet Tantivetchakul, 2006).

In conclusion, the philosophy of sufficiency economy could be applied at three levels: individual, family and community, and nation. It must begin with individuals to live their lives on the middle path, perseverance, and self-reliance. At the community level, resources in the community should be utilized with harmony and cooperation and the community received the maximum benefits. The community should be developed in a balanced manner, networks among community must be formed. At the national level, it must begin with promoting people to be sufficiency. Skills and knowledge between diversity of socio-geography, occupations, and

experience must be exchanged to build knowledge and true understanding for people in the country.

## **2.2 The Philosophy of Sufficiency Economy and the New Theory Under the Royal Initiatives**

His Majesty King Bhumibol Adulyadej provided the royal initiatives to help farmers who face the problems of natural disasters and external factors that have impacts on their farming. The royal initiatives could help the farmers to survive those crises which was an obvious example of applying the philosophy of sufficiency economy. His Majesty His Majesty King Bhumibol Adulyadej solved the problems of drought for farmers by applying the philosophy of sufficiency economy. There are many risks that the farmers to confront when they did farm. Therefore, application of sufficiency economy and the new theory are approaches or principles of land and water management for farmers with small plot of land to have maximum utilization. The essence of the new theory was a clear division of small plot of land that allowed the farmers to fully utilize it. Such practices have never been realized. The amount of water that would be kept for all-year round plantation must be calculated and a complete planning for smallholder farmers was made with three steps.

His Majesty His Majesty King Bhumibol Adulyadej gave the royal speech on the birthday's anniversary as the following.

Big projects or economy should be well-consistent. It was different from the new theory that used only 15 rai plots of land and rice was planted for consumption. This business is larger, but it is sufficiency economy, too. People understand that big project is like construction of Pasak Jolasid Dam and the construction is sufficiency economy. They think that it is a modern economy far from sufficiency economy. In fact, it is sufficiency economy as well.

The royal speech was given on His Majesty His Majesty King Bhumibol Adulyadej's birthday anniversary at Dusidalai Hall on 23 December 1999.

The new theory was essential and played a significant role in agricultural sector. It also contributed to the nation's economic growth in a sustainable manner. The new theory allowed farmers to be self-reliant at a high level personally and socially. It helped generate productivity and incomes, building a warm family, unity in community, and the recovery of fertile land. The key to successful adoption of the new theory is that farmers must live their lives with self-reliance, moderation, reasonableness, and self-immunity based on omniscience, carefulness, integrity, patience, and intellects all of which are the elements of the philosophy of sufficiency economy (Chanika Charoenwong, 1999). The new theory applied to and extended from sufficiency economy was the principle of water and land management at maximum utilization. Land should be managed and allocated appropriately, and the farmers would learn how to allocate their land that would be beneficial to them. In addition, water reservoir should be managed to meet all-year round demands, including a complete planning. Those practices are known as the new theory for smallholder farmers. With the adoption of the new theory, farmers could develop their land from the beginning to the advanced level. There are three steps of the new theory (Manit Kittichungchit, 2012).

Step 1: focuses on the management of agricultural land at the family level in accordance with ecosystem. The first step of the new theory emphasized sufficiency for living and consumption that are mean and could take care of individuals/family. There are three steps of water and land management that produced maximum benefits to farmers. The concept is that farmers must be self-reliant on their land.

Section 1: 30 percent of land was intended for water reservoir that would be used to do farming all-year round. It could be used during summer, late seasonal rain, fishery, and water vegetable plantation.

Section 2: Another 30 percent of land was allocated for rice cultivation.

Section 3: The last 30 percent of was used to grow local fruits and perennial plants such as wood for residence construction, agricultural plants, backyard vegetables, and herbs.

Section 4: 10 percent of land was used for residence, road, earthen dyke, rice drying yard, nursery and greenhouse, livestock, mushroom-cultivated house, and

other related houses. Vegetables are planted at the fence that could be cooked for household consumption.

Step 2: Cooperatives must be established through co-production, management, and development of community's welfare. Unity must be locally built and people in a community must be prepared for external environment. Smallholder farmers must register in a community system that allowed them to be self-reliant on each other. Bargaining power of production, output collection, prices, and market against capitalists and consumers must be made. Welfare and profit sharing among the members of the cooperatives should be provided. Such practices encouraged cooperation for activities in eight aspects.

1) Production: farmers must make prepare land, seeds, organic fertilizers for cultivation and plantation. Insects and weeds should be prevented. Water should be provided and available for production. Soil must be recovered from its deterioration.

2) Marketing: there should be the market in the community such as rice drying yard, rice barn, rice milling machine, and the markets for agricultural outputs or distribution agricultural outputs to other places.

3) Livelihood: cooperative shops are available in the community serving as the center of selling food, consumer goods, and staple products. The cooperative shops must be managed effectively. Participation must be established, and profits are shared to the members equally.

4) Welfare: community's welfare must be managed for the members. The welfare included low-interest rate loan. Public health services should be provided to poor and disabled people. The services are community fund and savings group.

5) Education: lifelong learning and academic knowledge should be promoted through library, training, and field trips.

6) Society: local wisdom, art and culture, community's tradition, and intellects should be promoted in accordance with 4 basic needs of living.

7) Religion: people in the community should be promoted with the religion they have faith with. The religion must serve as a guideline for livelihood, becoming faith and wisdom that they could adopt for existence.

8) Environment: preservation and recovery of natural and environmental resources must be promoted. Farmers should not exploit and encroach natural and environmental resources, not using chemicals in farming. Vetiver grass was used to manage water and other related resources, for example, community forest.

Step 3: farmers or a group of farmers should contact and coordinate with external agencies for capitals, knowledge, and technology. Those external agencies are banks, companies, government agencies, and foundations to invest and develop the quality of life of farmers. The market for community products should be expanded. Additional investment should be sought from a bank for production expansion and distribution to domestic market and international markets. Farmers should invest in a factory that produced food. The members of cooperative managed the factory. Alternatively, community's members are developed to be a trainer who transferred knowledge and provided training to those interested in. It was a way to earn additional income and members are made known to the public.

Thus, the philosophy of sufficiency economy and the new theory are approaches to the development of farmers' quality of life, upgrading their livelihood. It was consistent with the indicators of farmers' quality of life. Both the philosophy of sufficiency economy and those indicators focused on the wellbeing of people physically, emotionally, socially, psychologically, and thoughtfully, which measured farmers' quality of life from farmers' happiness and wellbeing indices. Such measurement was in line with the state of existence psychologically, physically, and intellectually connected to socio-economy and environment in a holistic manner. They could be measured in 5 domains with a total of 16 indicators (Office of Agricultural Economics, 2019).

1) Economy: the indicators of this domain are the household incomes of farmers, the ownership of land, employment of agricultural worker, farmer household expenses, farmer household saving, and farmers' debt to asset ratio.

2) Public health: the indicators of this domain are that agricultural household have a quality of food for consumption and that agricultural household organized their residences in hygienic conditions.

3) Education: the indicators of this domain included agricultural household members who have higher level of education than compulsory education and the proportion of farmers to agricultural workers equipped with technology and training.

4) Society: the indicators of this domain are pride of farmers, farmers' warm family, and good treatment for the elders by household members, and membership of an agricultural group/farmer institute.

5) Environment: the indicators of this domain the proportion of land forest to the total land of the country and recovery and preservation of soil resources.

Application of the new theory was grounded on integrated farming system with the emphasis on land management at maximum utilization. The theory focuses on applying knowledge, local wisdom, and existing resources at an appropriate level. The new theory was an agricultural system that has a variety of plantation and livestock on the same land under reciprocal relationship at maximum utilization. It relied on the principles of co-existence between plants, animals, and environment based on morality, integrity, perseverance, and sharing. Wisdom was also used in decision making and livelihood which facilitated collaborative learning through local wisdom. Each activity came with the pattern of existence in accordance with physical environment. The leftover from production and consumption are reused with a variety of activities for complete benefits. Therefore, mixed farming was an approach under the principle of the philosophy of sufficiency economy. Meanwhile, sufficiency agriculture emphasized sufficiency use of resources and costs of production. Organic farming was an agricultural method without the use of chemical fertilizers but may include mixed farming or monoculture. The new theory was a concept of self-reliance on existing resources. They are further developed to be sufficiency for consumption and livelihood based on self-reliance. The theory focuses on the capability of production and consumption on their own. Household expenses must be reduced. Sources of food for household consumption are available and allocated at the maximum benefits for farmers and their family. It allowed the members to build love, generosity, kindness, and unity that would lead to the connection of people in the community to the power of harmony. The new theory laid down the cultural, economic, social, and environmental foundations for coexistence with generosity; as a

result, internal economy could be expanded to the outside world. Besides, it connected external power to support the internal progress that was linked to outside mechanism.

Therefore, the goals of the philosophy of sufficiency economy and the new theory lied in not only income generation or alleviation of economic position but also equal income distribution and other related benefits in different dimensions. They are approaches to the development of quality of life of people in the good dimensions, not encroaching each other. Local wisdom was used for occupation, management of natural and environmental resources, the appropriate use of technology in production in a balanced and stable manner socially, culturally, economically, and environmentally. Successfully applying the philosophy of sufficiency economy in the form of the new theory required various key factors. For instance, farmers should be hard-working and determined. They should have their own land for farming including some capitals. Moreover, farmers should have a correct understanding of the new theory and knowledge of agriculture. They should be willing to learn new knowledge. The new theory depended on collaboration and cooperation between government sector, private sector, and community sector including farmers. For example, budget for operation must be consistent with process and marketing seriously and continually. For allocation of agricultural land, farmers should take environmental issues into consideration. It should be modified to fit local climate and landscape. For operation, forming a group must be encouraged and supported to carry out activities together, which established unity. The unity would be expanded to the outside group later.

In conclusion, the philosophy of sufficiency economy was a process that facilitated individuals to apply three elements and two conditions to their way of thinking and practices for livelihood at all levels, ranging from individual, family, community, and nation. Specifically, it is important for farmers to apply the philosophy of sufficiency economy which was a population of this study. They must adopt the new theory with three steps. The first step was land management at maximum utilization, for example, water reservoir, rice cultivation, plantation, livestock, and residence. The next step was a formation of cooperatives that would establish social, economic, cultural, and environmental interactions within the

community. When most members of community became self-reliant and unity and collaboration occurred in the community, the third step was to coordinate and collaborate with the outside organizations to support, promote, and develop knowledge and skills for members to be strong. The outcomes from outside supports are members' ability to produce goods and sell them for income. Coordination and collaboration with the outside organizations helped alleviate the members' capacity to be able to transfer knowledge and operational methods to interested people. It was a circulating system in the community.

## **2.3 The Philosophy of Sufficiency Economy in the Dimension of Economics**

### **2.3.1 The Relationship Between the Philosophy of Sufficiency Economy and Theories of Economics**

The philosophy of sufficiency economy was applied to different sectors in the society including academic society. There was a question whether sufficiency economy was a conceptual framework of economics only. In addition, it was thought whether the philosophy of sufficiency economy was consistent or contradict with the mainstream of economics or capital economics with the focus on market system. In the view of economists, how the philosophy of sufficiency economy was related to theories of economics and development was still in question.

However, the philosophy of sufficiency economy could be applied to the concepts of economics. The mainstream knowledge of economics was grounded on the western philosophy of education. Capitalism and free trade are the center of economy along with competition and price motivation. Meanwhile, the philosophy of sufficiency economy was mixed philosophy of socio-economic development in the new dimension of economics which could attract the attention of the society to use their wisdom and rational mind for decision making in a more balanced manner. It could be applied at microeconomic level such as consumption, decision making and at macroeconomic level such as planning, finance, trade, and export. The mainstream economics focused on mechanism of market and price while the philosophy of sufficiency economy covered the development of quality of life of individuals and

society in a holistic fashion. The conditions to apply the philosophy of sufficiency economy required omniscience and carefulness about what individuals are doing. Moreover, when the philosophy of sufficiency economy was applied, one must bear morality in mind, including integrity, virtue, generosity, and knowledge. All of these are not in the thinking process of the mainstream economics since their values did not exist in the market. Consequently, they are not included in the market and price system directly. It could be said that the philosophy of sufficiency economy was different from the mainstream economics. Sufficiency economy was aimed at maximum satisfaction rather than profitability. Its goal was to create a balance of sufficiency economically, socially, culturally, and environmentally. Risks needed management and are possibly caused by internal and external factors at each level (Thanwa Chitsa-nguan, 2007). It was in line with the concept by Apichai Phanthasen (1999) which stated that economics emphasized profit maximization with minimum costs. On the other hand, sufficiency economy focused on satisfaction or optimizing point since it did not want to turn individuals to be too greedy which would push them into troubles,

In economists' perspective, the relationship between the philosophy of sufficiency economy and mainstream economics was divided into three groups (National Research Council of Thailand, 1999).

Group 1: this group explained that the philosophy of sufficiency economy was a concept beyond the mainstream economics. Sufficiency economy refers to the needs reduced to self-reliant level and applied the Buddhism's Teachings and local wisdom as a social capital. It decreased people's needs and created happiness from the relationship of social system. In contrast, the mainstream economics emphasized happiness of individualism that was full of endless needs. The concept of economics could not reach a level of sufficiency based on moderation of the philosophy of sufficiency economy.

Group 2: this group explained that the philosophy of sufficiency economy shared certain similarities of the mainstream economics. Those similarities are moderation, an element of the philosophy of sufficiency economy. Its meaning is like dynamic equilibrium in economics. It encouraged individuals to adapt to changing situation based on their capability. Moreover, self-immunity was close to the meaning

of risk reduction from uncertainty in the sense of economics. It required individuals to be self-reliant and depend on knowledge and perseverance.

Group 3: this group explained that the philosophy of sufficiency economy was corresponding to the principle of decision making based on the mainstream economics. For instance, human behavior was limited by income when they carried out economic activity. Risk management was an approach to maintenance of a balance between exchange and effectiveness. Risks should be diversified equally which was in line with the philosophy of sufficiency economy. Its goal was to be self-reliance and reduce outside dependence, which could reduce risks. Thus, the philosophy of sufficiency economy focused on a balance of risks.

It was obvious that the philosophy of sufficiency economy was mixed between the philosophy of socio-economic development and new dimension in economics. It encouraged individuals in the society to utilize their wisdom and rational mind to decide in a more balanced manner. Those decision makings included livelihood and financial planning to create stability and sustainability to their family and themselves. The relationship between the philosophy of sufficiency economy and the mainstream economics was classified into three groups. The first group explained that the philosophy of sufficiency economy was beyond the mainstream economics. The second group pointed out that the philosophy of sufficiency economy was like the mainstream economics in certain dimensions. The third group went on to say that the philosophy of sufficiency economy could be applied to be used with the mainstream economics. The theory focuses on rational mind and morality of pursuing happiness at the sufficiency level from appropriate behavior rather than seeking the highest level of satisfaction based on the mainstream economics. The philosophy of sufficiency economy was not concerned with economic factors only, but it covered the dimensions of wisdom, religion, and beautiful lifestyles.

## **2.4 Theories Related Knowledge and Comprehension**

### **2.4.1 Knowledge**

Knowledge is defined as remembering, perceiving, and understanding general things shaped by attitude and experience. Those things are evaluated by existing

knowledge. Sopha Chuphichaikul and Orathai Cheunmanut (1973) and Anan Srisopha (1979) suggested that knowledge would be occurred when experience has been remembered in association with the facts derived from education. Moreover, it was expressed from remembering. Knowledge could be categorized into three groups.

The first group was knowledge about specific subject. It was the knowledge of facts, such as time, individuals, origin, and place.

The second group was operational knowledge. Division and classification, order, pattern, rules, and procedures are examples of this group.

The third group was the knowledge that stemmed from a collection of thoughts and structure of a thing, for instance, rules, value description, prediction and observation by rules, and structure and theory.

Thanaphon Samakkan (2007) concluded that knowledge refers to keeping a story, fact, place, regulations, individuals, or thing by observation from direct and indirect experience. Kirati Buncheu (1982) explained the definition of knowledge in a philosophical way. It was knowledge through eyes or only eyes. Phaisan Wangphanit (1983) stated that knowledge was the details of a story or factual description as well as a phenomenon that has been inherited. In contrast, comprehension refers to a modification of knowledge and recognition that came with explanation and comparison of a story or fact. The Webster (1997) dictionary defines knowledge as things that are related to structural and factual regulations created by searching and studying. It could be knowledge about a person, an object, and a place that has been learned from one's experience, reports, and observation, which required a period to acquire clear facts.

#### **2.4.2 Comprehension**

Anan Srisopha (1979) suggested that comprehension was an in-depth knowledge that could produce a better understanding toward the relationships between sciences. Thanaphon Samakkan (2007) added that comprehension was concerned with the ability to modify recognition and knowledge for interpretation, captivation, organization, order, and comparison of the facts. Kirati Buncheu (1982) explained the definition of comprehension in a philosophical manner. It was the feelings that allowed an individual to understand the relationships between sciences.

Bloom (1971) described comprehension as the ability to define, translate, interpret, and predict a situation that would potentially occur by an action or estimation. Good (1973) mentioned the meaning of knowledge in a dictionary. It was a fact, truth, information, and regulations that humans have collected and accumulated from experiences. Bloom (1971) divided knowledge into 6 levels ranging from the lowest to the highest level.

- 1) Knowledge refers to how much one's brain could remember things.
- 2) Comprehension was the ability to convey messages, making individuals know and understand a person's intention as well as others'.
- 3) Application was the ability of individuals to apply knowledge and comprehension to solve new problems effectively. In addition, knowledge gained from a subject could be applied to fix a situation successfully.
- 4) Analysis was the ability of individuals to analyze and break down a subject into smaller parts.
- 5) Synthesis was the ability of individuals to compile different parts as a single story. It required a careful consideration in various aspects. Those different parts would be restructured with improved efficiency.
- 6) Evaluation depended on criteria and standards that are placed upon assessment.

### **2.4.3 Understanding**

Royal Institute Dictionary B.E. (2525) defines an understanding as knowledge that was comprehended and known. At the same time, comprehension was described as knowing the meaning. An understanding was regarded as intellectual knowledge that could take in a large amount of information that was recalled from past experiences. Collecting and dividing the information thoroughly was called an understanding.

### **2.4.4 Level of Knowledge**

Praphaphen Suwan and Sawing Suwan (1993) stated that knowledge in cognitive domain was an intellectual skill in pondering things. It could be further divided into 6 levels.

1) Knowledge was the ability to recall and recognize the experiences that an individual has. It was concerned with vocabulary and its meaning. Moreover, it included specific facts, such as day, year, and event. Knowledge was also related to specific procedures, organization, pattern, and tradition, order and trend, classification, criteria, process and rules, conceptual and structural collection, conclusion and principles, and theories and structure.

2) Comprehension was the ability to interpret, translate, and extend a meaning of an event. It could be characterized by three features.

(1) Translation was an act of capturing the main idea correctly. It was involved in conveying messages from a language to another language.

(2) Interpretation was an act of summarizing a fact by reorganizing its content.

(3) Extension was an act of extending the content beyond its scope. It was a reference extension.

3) Application was the ability to apply knowledge to a real situation. In other words, it turned abstract into a concrete situation.

4) Analysis was the ability to break down messages into units. Thoughts and their relations are layered in order of importance to convey a clearer meaning. It could be classified into three characteristics.

(1) Component analysis demonstrated different units that are the components of conveyed meaning of an object.

(2) Relation analysis illustrated the relation between components of conveyed meaning of an object.

(3) Procedural analysis was a managerial system and method of compiling the components.

5) Synthesis was the ability to collect things as an object to produce a new pattern or structure.

(1) Message synthesis was the creation of a message that conveyed thoughts, feelings or experience to others.

(2) Pattern synthesis was the development and presentation of a plan that corresponded to the requirements.

(3) Relation synthesis was involved in the creation of a set of abstracts. It explained certain information or phenomena from initial messages.

6) Evaluation was the ability to assess the content value and method in a qualitative and quantitative fashion consistent with the situation. It could be created internally or by others, which included two characteristics.

(1) An evaluation followed internal criteria for correctness of a message, event, material, and equipment based on their features or events.

(2) An evaluation was based on the external criteria.

#### **2.4.5 Knowledge Measurement**

Knowledge measurement was an assessment of past experiences that individuals have seen or done. Measuring one's ability could be performed by a list of questions. Those questions varied, depending on forms, knowledge, and memory. They could be the questions about past stories or experiences which included theory, terms, definition, patterns, and principles.

Chawan Phaerattakun (1983) suggested that knowledge measurement was an assessment of knowledge about terms and their definitions. It was measured by a word or a group of words, meaning or translation of symbols, photos, acronyms, and signs.

Measuring knowledge against facts and truth was how proved and accepted formula, regulations, facts, truth, and main idea.

Measurement of procedural knowledge was to assess recognition or process and procedures of an event in terms of its background and steps. It did not focus on how it was practiced and understood.

Knowledge measurement of formality was an assessment of formality based on customs and traditions that have been practiced.

Knowledge measurement of trend and hierarchy was an assessment of knowledge about what trends and movement the events are heading to.

Knowledge measurement of classification was concerned with assessing a story, a thing, and an event based on their category, type, and order.

Knowledge measurement of criteria refers to an assessment of recognizing regulations by diagnosis and investigation. It was to measure if a person could recognize those regulations and which regulation a person should use.

Knowledge measurement of operation assessed values and performance, including its practices, techniques, processes, and methods that are required to prove or find out the truth.

Knowledge measurement of summarized content was an assessment of whether a person could remember a summarized idea and principle.

In conclusion, the understanding was a process of seeking knowledge and comprehending an object deeply before taking such knowledge into practices. If individuals did not have a correct understanding, it could cause any errors to an action or objective.

## **2.5 Perception**

A determinant that could influence an individual's understanding was perception. Individuals have different experiences, and their perceived feelings and impressions may not be similar. This affected the ability of the individuals to interpret, organize, and respond to the information differently. When the concept of understanding was examined, it was necessary to explore the concepts and theories of perception, firstly.

### **2.5.1 Definition of Perception**

Chamnian Chuangchote, et, al. (as cited in Khanittha Kongkawin, 2008, p. 43) defines the term perception as the following. First of all, it was a translation and interpretation of the meaning that experienced or an act of experiencing a meaningful object. The meaningful object became well-known and understood. Interpretation and translation required existing understanding or experiences to serve as an instrument. Next, perception refers to an experience toward a thing through sense organs. It was explained as external picture of a person that other people saw in their imaginative mind. Such perception would lead to different reactions of those people.

Arun Raktham (1996, as cited in Thanaphon Samakkan, 2007, p. 19) stated that an individual's perception toward a society was a process of perception that

allowed a receiver to gain basic information. That receiver would think and understand it through implicit theories or common sense.

Roger and Shoemaker (1997, as cited in Thanaphon Samakkan, 2007, p. 12) summarized that receiving new knowledge of sciences in five stages. The first one was awareness stage. It was assumed when a person received a new knowledge of science for the very first time and lacked an in-depth knowledge. The person did not have any additional information. The second stage was an interest. Individuals are interested in new knowledge and attempted to seek additional information. The next stage was an evaluation. At this stage, people would think, review, and contemplate pros and cons of new knowledge. The fourth stage was trial. Individuals would apply such knowledge to conduct a small experiment for acceptance. The last stage was adoption. It was a stage of reaching an agreement with such science and turned it into practices. Besides, Roger and Shoemaker (1997, as cited in Thanaphon Samakkan, 2007, p. 12) suggested that the factors that could influence individuals' acceptance: acceptance form of new science, channel of communication, utilizing knowledge to disseminate and spread new knowledge, nature of social system, and perseverance of change agents to disseminate new knowledge toward a rate of acceptance.

Robbins (2003, as cited in Khanittha Kongkawin, 2008, p. 42) described perception as a process that individuals selected to receive, organize, and translate the information for their understanding.

It could be concluded that interpretation required analysis of information for comprehension. It needed current and past experiences for interpretation. A process of interpretation was created by seeing, hearing, and perceiving through senses by stimuli. If such perception was not made known, no one did.

### **2.5.2 Factors Affecting Perception**

Factors that could influence one's perception are related to both external and internal environment. Understanding toward choices of perception created a better comprehension of individuals and their behavior.

Munn (1997, as cited in Thanaphon Samakkan, 2007, p. 18) stated that individuals may have different perception which was caused by two factors.

1) External attention factor was characterized by stimuli. Such stimuli are light, sound, and taste. For instance, a person could hear louder or quieter sound. A larger object could draw more attention than that of smaller object. An individual who moved could grasp more interest than a still person.

2) Internal attention factor resided in an individual. This kind of factor could be in the form of learning and motivation, all of which are associated with personality. For example, different styles of learning shaped individuals to have different interests and respond to those stimuli and situations differently.

Robbin (1998, as cited in Thanaphon Samakkan, 2007, p. 18) categorized the factors influencing individuals' perception into three categories.

1) Receiver was a perception category that has attempted to interpret a meaning of what an individual saw. It stemmed from personal characters that influenced their interpretation. Factors related to perception included motivation, attitude, expectation, and past experiences.

2) Target, classified in the second group, was observed and accepted by perception. For example, a loud person was observed more than a quieter one. Their voice, size, newness, movement, and background would be also observed. The target could not be seen in a single manner. For instance, the relationship between target and its background could influence the likelihood of classifying things into the same group that shared certain similarities.

3) Situation was an event that could be noticed. This type of external environment also affected perception. Situational factors are time, working conditions, and social conditions.

### **2.5.3 Process of Digesting Perception**

It was a complicated and natural process of actions that responded to perception. The process could be divided into 5 steps.

Step 1: external environment was a stimulus or situation that aroused senses. In other words, a situation was socio-cultural environment, meaning that perception would not occur if a person was not aroused by stimuli and an event. When stimuli and situation happened, the process of digesting perception did.

Step 2: confrontation arose when an individual has experienced physical stimuli, such as socio-cultural environment. They would be surrounded by social and physical environment. For example, individuals worked at organizations.

Step 3: selection took place when a person has confronted stimuli and situations. The person would selectively place his/her interest in one of the external factors. Their interest would be based on their attitude and psychological selection. The person would realize the importance of their selection.

Step 4: perceptual organization was an order of perception that would be served as foundation of the next step. The factors influencing perceptual organization of a person included similarities of color, size, and other characteristics that demonstrated the physical differences, including speed and slowness.

Step 5: interpretation was concerned with interpreting stimuli that came into a person. Such stimuli has been organized. The factors influencing interpretation depended on the characteristics of stimuli and a person.

#### **2.5.4 Factors Hindering Perception**

Soittrakun Atthamana (1994, as cited in Thanaphon Samakkan, 2007, p. 21) suggested that there are two factors that hindered perception.

1) Stereotype was a picture of people, objects, or things that an individual has in their feelings. When the individual has the feelings of another individual, his/her picture illustrating the characteristics of a whole group that the individual belonged to could influence his/her perception rather than the characteristics of that individual only.

2) Halo Effect was a situation when one of the characteristics of an individual was embraced to process perception of that individual. It was assumed that processing would be based only on individual's characteristics. In this sense, the individual may perceive incorrect characteristics of the other individual which could deviate perception from the truth.

In conclusion, knowledge and comprehension are the process of perceiving stories and information through a person systematically. Intellectual skills would be used to organize and separate perception. In addition, it could perform hierarchical organization, which required individuals to have knowledge and comprehension.

Intellectual skills organized the situation into category and divided it, forming perception. Perception is defined as recognition and understanding through experiences gained from seeing, listening, observing, and evaluating with existing knowledge. Such perception shaped behavior of individuals.

## **2.6 Previous Studies on the Understanding of the Philosophy of Sufficiency Economy**

After the literature on the understanding of the philosophy of sufficiency economy has been reviewed, the relationship between the understanding of the philosophy of sufficiency economy and behavior, practices, and livelihood based on the philosophy of sufficiency economy was found and existed. The findings from the literature review showed that the understanding of the philosophy of sufficiency economy has a statistically significant relationship with behavior, practices, and livelihood based on the philosophy of sufficiency economy (Benjawan Thanormchayathawat & Rathayanaphit Ratchathawan, 2018; Nisa Pumirak, 2016; Phakaphan In-champa, 2011; Sanpet Saisapphamongkhon, 2016; Thanathep Buabut, 2017; Watchara Pinthong & Suraphon Setthabut, 2013; Wilaiphon Worachittanon, 2008). Moreover, it was found that the understanding of the philosophy of sufficiency economy influenced spending habits when the philosophy of sufficiency economy has been adopted (Nirin Witthayakiatlert, 2018; Thatsanai Sunthornwiphat, 2015; Thirawat Chanthek & Sukhontha Raktheung, 2017). Besides, the understanding of the philosophy of sufficiency economy affected savings after the philosophy of sufficiency economy has been applied (Jeamjai Srichairattanakul, Yupaporn Tirapaiwong, & Kesorn Suvithayasiri, 2016). In addition, understanding of the philosophy of the sufficiency economy has a positive impact on the guidelines for the preparation of household accounts with statistical significance at the level of 0.05 (Krit Peethong, 2017; Pavinee Thanaanawat, 2013; Prapapit Srisawangwong, 2019; Waripin Mongkolsamai, 2009). The understanding of the philosophy of the sufficiency economy impact on making personal account therefore population has more systematic in spending and less debt and have more saving (Arthit Sutjasen,

Nittaya Tadtiam, & Kamonnan Cheevarattanachote, 2019; Supamas Angsuchoti & Kanjanee Kangwanpornsiri, 2015).

**Table 2.2** Previous Studies on the Understanding of the Philosophy of Sufficiency Economy

Title	Objectives	Research Methodology	Variable	Results
Knowledge and Lifestyle on Sufficiency Economy Philosophy of the student of Faculty of Industrial Education, King Mongkut's Institute of Technology Ladkrabang.  Wilaiphon Worachittanon (2008)	-To study the level of knowledge and understanding and behavior in accordance with the philosophy of the sufficiency economy of the students of the Faculty of Industrial Education King Mongkut's Institute of Technology Chao Khun Ladkrabang. -To study the relationship between knowledge and understanding and behavior in accordance with the philosophy of sufficiency economy of students	Quantitative method  (Data analyzed by Pearson)	<u>Independent variables</u> -The philosophy of sufficiency economy  <u>Dependent variables</u> - Level of knowledge and understanding of the principles of the sufficiency economy - Lifestyle behavior - The opinions of students in applying the philosophy of sufficiency economy. Used as a way of living.	Rajabhat University students behave according to the sufficiency economy philosophy. Have behavior levels at a medium level for reasoning and immunity. Have high level of behavior opinions on the application of the philosophy of the sufficiency economy in life, such as accounting for income and expenses cheap and worthwhile.
The practices that followed the philosophy of sufficiency economy among employees' families working for private hospitals in Bangkok.  Phakaphan In-champa (2011)	To investigate the practices that followed the philosophy of sufficiency economy among employees' families, the correlational factors, and predictive factors among employees' families working for private hospitals in Bangkok	Quantitative method  (Data analyzed by Chi-square)	<u>Independent variables</u> Sex, age, education, and income  <u>Dependent variable</u> Practices following the philosophy of sufficiency economy	Age, knowledge of sufficiency economy, has household economy has relationship with the practices that followed the philosophy of sufficiency economy.

Title	Objectives	Research Methodology	Variable	Results
Factors Affecting the Success of Living according to the Sufficiency Economy Philosophy of Farmers Around Huay Sai Development Study Center Due to the initiative of Phetchaburi Province  Watchara Pinthong and Suraphon Setthabut (2013)	To study and analyze factors affecting the lifestyle of farmers, successful groups and unsuccessful groups In applying the sufficiency economy philosophy in daily activities.	Mixed-research methodology  (Data analyzed by Descriptive Statistics, Interview Schedule, Focus Group, Discussion and indepth interview)		Knowledge and understanding of the philosophy of sufficiency economy is different. Affecting the decision to join the agricultural project In the Huai Sai Development Study Center and affects the decision not following the sufficiency economy philosophy as well
The factors affecting the adoption of the philosophy of sufficiency economy by the farmers in Moo 6, Baan Nong-sai, Nong Sari sub-district, Phanom Thuan district, Kanchanaburi province.  Nisa Pumirak (2016)	To examine the factors affecting the adoption of the philosophy of sufficiency economy.	Quantitative method  (Data analyzed by Pearson)	<u>Independent variables</u> - Sex, age, education, land, and income - Knowledge about the philosophy of sufficiency economy  <u>Dependent variables</u> Practices that adopted the philosophy of sufficiency economy -Household accounting -Self-evaluation	The factors influencing the adoption of sufficiency economy are age, number of household members, agricultural labor in household, and the understanding toward the philosophy of sufficiency economy. The factors that did not affect the adoption of sufficiency economy by the farmers included sex, education, and income.

Title	Objectives	Research Methodology	Variable	Results
Application of the sufficiency economy to the livelihood of civil servants of Directorate of Joint Civil Affairs  Sanpet Saisapphamongkhon (2016)	- To examine the application of the philosophy of sufficiency economy to the livelihood - To propose the approach to the application of the sufficiency economy to the livelihood of civil servants of Directorate of Joint Civil Affairs	Quantitative method  (Data analyzed by Independent t-test )	<u>Independent variables</u> -Demographic factors -Understanding of the philosophy of sufficiency economy -Organizational culture  <u>Dependent variables</u> -Applying the sufficiency economy to the livelihood	The civil servants of Directorate of Joint Civil Affairs understood the application of sufficiency economy at a high level. Also, sufficiency economy (moderateness, reasonableness, and self-immunity) was applied at a high level. Each of demographic factors has a statistical difference of the application of sufficiency economy at the significant level of 0.05.
Knowledge and behavior based on the philosophy of sufficiency economy  Jeamjai Srichairattanakul et al. (2016)	To explore a level of knowledge and behavior that adopted the philosophy of sufficiency economy	Quantitative method  (Data analyzed by Independent t-test, Multi-regression analysis)	<u>Independent variables</u> -Demographic factors -The philosophy of sufficiency economy  <u>Dependent variables</u> -Understanding of the philosophy of sufficiency economy -Behavior based on the philosophy of sufficiency economy	It was found that student nurses has a high level of understanding of the philosophy of sufficiency economy. The respondents has savings behavior, the attribute of the philosophy of sufficiency economy at the statistical significance of 0.01 ( $p < .001$ ).

Title	Objectives	Research Methodology	Variable	Results
<p>The adoption of the philosophy of sufficiency economy to the development of quality of life among non-commissioned officers of the 1st Field Artillery Battalion, King's Guard.</p> <p>Thanathep Buabut (2017)</p>	<p>To examine pattern of livelihood corresponding to the philosophy of sufficiency economy based on demographic factors</p> <p>To explore pattern of livelihood corresponding to the philosophy of sufficiency economy based on a level of knowledge and understanding toward the philosophy of sufficiency economy</p> <p>To examine the relationship of pattern of livelihood corresponding to the philosophy of sufficiency economy</p>	<p>Quantitative method</p> <p>(Data analyzed by One way ANOVA, t-test, F-test)</p>	<p><u>Independent variables</u></p> <p>- Age, education, income, and debt</p> <p>- Knowledge about the philosophy of sufficiency economy</p> <p><u>Mediator variable</u></p> <p>- Livelihood pattern that followed the philosophy of sufficiency economy</p> <p><u>Dependent variable</u></p> <p>- Quality of life</p>	<p>Demographic factors did not affect pattern of livelihood corresponding to the philosophy of sufficiency economy.</p> <p>Only the length of services and knowledge affected pattern of livelihood corresponding to the philosophy of sufficiency economy.</p>
<p>The understanding toward the philosophy of sufficiency economy among the elders in Tambon Sam Phraya, Amphoe Cha-Am, Phetchaburi province.</p> <p>Thirawat Chantheuk and Sukhontha Raktheung (2017)</p>	<p>To examine the livelihood that followed the philosophy of sufficiency economy</p> <p>To explore the understanding toward the philosophy of sufficiency economy</p> <p>To develop an approach to the application of sufficiency economy to the development of elders' livelihood.</p>	<p>Qualitative method</p>		<p>The elders in Tambon Sam Phraya, Amphoe Cha-Am, Phetchaburi province are farmers that adopted monocrop and mixed-farming. They followed the philosophy of sufficiency economy by keeping livestock and exercising agricultural practices, spending moderately and being debt-free</p>

Title	Objectives	Research Methodology	Variable	Results
<p>The understanding toward and the implementation of sufficiency economy to the daily life of undergraduate students of the faculty of administration and management, King Mongkut's institute of technology Ladkrabang.</p> <p>Saovanee phuengpunum (2018)</p>	<p>To examine the understanding toward and the application of sufficiency economy to the daily life of undergraduate students of the faculty of administration and management, King Mongkut's institute of technology Ladkrabang.</p>	<p>Quantitative method</p>	<p><u>Independent variables</u></p> <ul style="list-style-type: none"> <li>- Sex</li> <li>- School year</li> </ul> <p><u>Dependent variables</u></p> <ul style="list-style-type: none"> <li>- The understanding toward the philosophy of sufficiency economy</li> <li>- Implementation of the philosophy of sufficiency economy</li> </ul>	<p>Female respondents are aware of news and information about the philosophy of sufficiency economy at the high level.</p> <p>School years did not affect the understanding toward the philosophy of sufficiency economy.</p>
<p>The development of knowledge management based on the philosophy of sufficiency economy by student nurses in the Bachelor of Nursing Science program, Boromarajonani College of Nursing Nakhon Si Thammarat</p> <p>Benjawan Thanormchayathawat and Ratthayanaphit Ratchathawan (2018)</p>	<p>To develop knowledge management based on the philosophy of sufficiency economy and to investigate the outcomes from knowledge management based on the philosophy of sufficiency economy</p>	<p>Quantitative method (Data analyzed by frequency, percentage, and standard deviation.)</p>	<p><u>Independent variables</u></p> <ul style="list-style-type: none"> <li>-Concepts of educational policy</li> <li>-Knowledge management based on the sufficiency economy</li> </ul> <p><u>Dependent variables</u></p> <ul style="list-style-type: none"> <li>-Knowledge management based on the philosophy of sufficiency economy</li> <li>-Outcomes from knowledge management formats based on the philosophy of sufficiency economy</li> </ul>	<p>Most student nurses understood the philosophy of sufficiency economy at a high level and their behavior was based on the philosophy of sufficiency economy at a high level.</p>

Title	Objectives	Research Methodology	Variable	Results
Measurement of the philosophy of sufficiency economy for business management by students of College of Management	- To measure the knowledge of the philosophy of sufficiency economy for business management and for education	Quantitative method  (Data analyzed by Cremer's V coefficient)	<u>Independent variables</u> -Demographic factors: sex, age, college years, and subject field	It was found that the samples understood the philosophy of sufficiency economy at a moderate level, and there was a relationship between different subject fields and sufficiency economy's knowledge for business management at the statistical significance of 0.05.
Chawalit Suphasakthamrong (2018)	- To examine the relationship between different subject fields and sufficiency economy's knowledge for business management		<u>Dependent variables</u> -Application of the philosophy of sufficiency economy to business management	
An understanding of the philosophy of sufficiency economy among employees at Nongpho Ratchaburi Dairy Cooperative Limited (Under the Royal Patronage)	To examine a level of understanding of sufficiency economy among employees at Nongpho Ratchaburi Dairy Cooperative Limited (Under the Royal Patronage)	Quantitative method  (Data analyzed by t-test and F-test (one-way anova))	<u>Independent variables</u> -Demographic factors: sex, age, education, salary, expenses, savings, and perceived information	It was found that employees at Nongpho Ratchaburi Dairy Cooperative Limited (Under the Royal Patronage) understood the sufficiency economy philosophy at a high level. Overall, the respondents knew that the philosophy expected people to live their live according to the level of their income. Different levels of expenses and perceived information influenced sufficiency economy's knowledge with the statistical difference at the significant level of 0.050.
Chawalit Suphasakthamrong (2018)			<u>Dependent variable</u> - Understanding of sufficiency economy for business management	

Title	Objectives	Research Methodology	Variable	Results
The Guideline for Conducting Household Accounting for Developing the Accounting Wisdom under the Sufficiency Economy Philosophy of Community Enterprises in Maha Sarakham Province  Prapapit Srisawangwong (2019)	To study the guidelines for household accounting to create accounting wisdom under the philosophy of sufficiency economy of community enterprises, Maha Sarakham Province.	Quantitative method  (Data were analyzed by Multiple Regression Analysis)	<u>Independent variables</u> -The understanding toward the philosophy of sufficiency economy - Preparation of household accounts  <u>Dependent variables</u> - Accounting Wisdom	The findings demonstrate that the knowledge of the sufficiency economy philosophy has a positive impact on the guidelines for household accounting of community enterprises, Maha Sarakham province with statistical significance at the level of 0.05.
Ways to manages debt by application of the sufficiency economy philosophy of civil servants Royal Thai Armed Forces Headquarters.  Krit Peethong (2017)	To study the state of debt and factors related to having indebtedness of military personnel of the Royal Thai Armed Forces, knowledge, understanding and use of guidelines for debt management.	Quantitative method  (Data were analyzed by frequency, percentage, and standard deviation.)	<u>Independent variables</u> - The understanding toward the philosophy of sufficiency economy -Sex, Age, Education level  <u>Dependent variables</u> - Debt management	There are some of civil servants has good knowledge of sufficiency economy philosophy can be used to manage debt, by creating income and expense information in their family. The civil servant able to maintain their spending level from debt and not spend more than necessary.

Title	Objectives	Research Methodology	Variable	Results
The Knowledge Management of Accounting to develop community enterprises for golden dried longan at Muangkwak Village Muang Lumpoon Province  Waripin Mongkolsamai (2009)	To develop bookkeeping in accordance with the principles of the sufficiency economy to solve debt problems and for self-reliance	Qualitative method		The farmers of Muangkwak village have an understanding of the philosophy of the sufficiency economy from television and newspapers. Most of them had moderate level of knowledge. The farmers are well informed about the cost accounting from the philosophy of the sufficiency economy. Farmers has a good attitude that the family records income and expenditure will make children has discipline in spending.
A Study of Relationship between the Cognition about Royal Initiative of the Philosophy of Sufficiency Economy and Household Accounting Record of People in Khanom District, Nakhon Sri Thammarat Province  Arthit Sutjasen et al. (2019)	To study the philosophy of sufficiency economy which was initiated by Thai Royal. This research focuses on the house-hold accounting in both recording process and opinions of people in Khanom district, Nakhon Srithammarat province.	Mixed-research methodology (Survey Research)  (Data were analyzed by Pearson Product Moment Correlation	<u>Independent variables</u> -Sex, Education level, Income, Occupation.  <u>Dependent variables</u> -The understanding toward the philosophy of sufficiency economy -household account	The findings demonstrate that the population has knowledge and understanding in the sufficiency economy philosophy in moderate level and found that household accounting was recorded in accordance with the philosophy of the sufficiency economy from time to time. The population has more systematic in spending and less debt.

Title	Objectives	Research Methodology	Variable	Results
Approaches and measures in promoting elder saving in accordance with philosophy of sufficiency economic: A case study of Nonthaburi province.  Supamas Angsuchoti and Kanjanee Kangwanpornsir (2015)	To determine short-term and long-term guidelines and measures for promoting saving of the elderly in principle of the philosophy of the sufficiency economy.	Survey method		Participants are managing money management according to the philosophy of sufficiency economy, by applied knowledge from the training to be careful in spending, accounting for income and expenses, investment by using savings money and increasing more savings.

## 2.7 The Application of the Philosophy of Sufficiency Economy to the Management of Personal Finances

The philosophy of sufficiency economy consisted of moderateness, reasonableness, and self-immunity equipped with knowledge and integrity. Application of sufficiency economy helped manage personal finance in a balanced manner.

### 2.7.1 Applying the Philosophy of Sufficiency Economy to the Management of Personal Finances

Natthaphong Thongphakdi (2007) explained the application of sufficiency economy to the management of personal finances that organizations and individuals should adopt the philosophy. It could help manage their financial activities in a balanced and sustainable manner. Such applications are based on reasonableness, moderateness, and self-immunity. For example, business organizations and individuals should invest in assets needed by business operation and expansion or livelihood. This was concerned with reasonableness when making an investment decision. They should not make their investments in assets that could not generate incomes. Moreover, business organizations and individuals should not invest in assets

with highly expected returns. In other words, their investment decisions should be based on moderateness that did not cause any financial burdens. They should consider the surviving rate of their organization and livelihood in the long run. Self-immunity and risk diversification must be embraced. For instance, individuals should make their investments in a wide range of assets, including bond and equity instrument. Market expansion should cover different locations, not depending on a single market. Any investments should be equipped with risk management. For example, financial tools should be deployed to manage risks from exchange rate. It was assumed that all investment decisions are made on the conditions that the management of an organization and individuals has knowledge about investment analysis, risks, and return on investment. They should not make a greedy investment, and stakeholders should be treated with integrity.

Nada Chansom (2010) suggested that the management of personal finances was associated with decision making in a set of activities that helped create balances and sustainability of individuals and their families, including business organization. The management of personal finances could be divided into 6 categories.

- 1) Employment decision making was related to occupation and jobs that are considered main sources of individuals' income. It was also connected to the management of incomes and expenses incurred by those employments. A decision making in work and life balances was an integral part of employment.

- 2) Financial management is defined as effective and efficient management of received finances, taking current and future burdens into consideration.

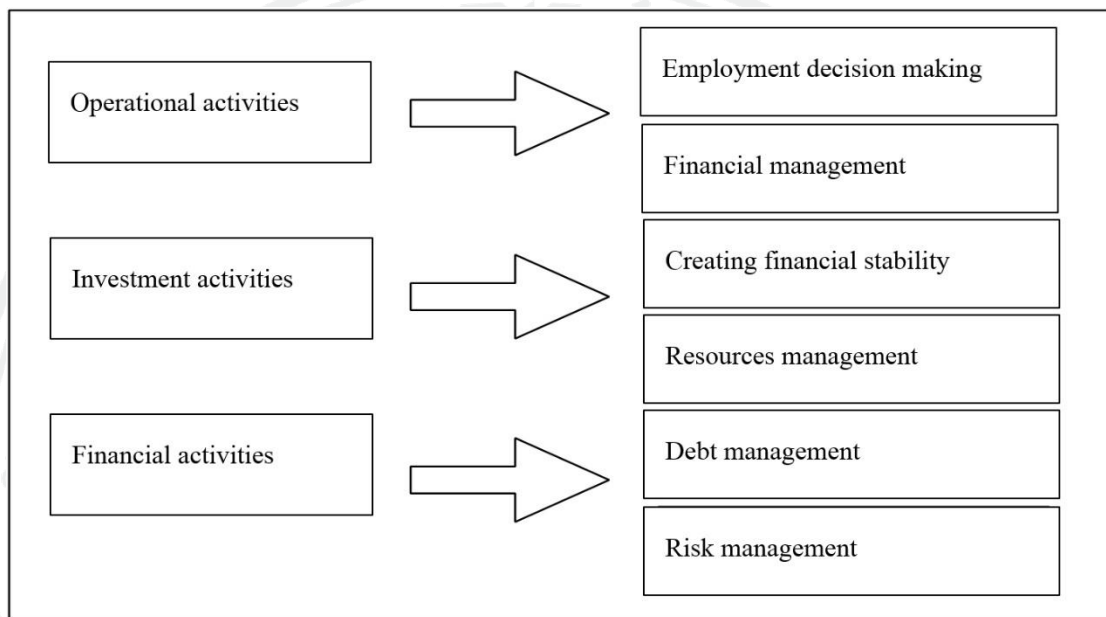
- 3) Creating financial stability was associated with investments by savings for expected spending, emergency cases, and retirement. It allowed individuals and business organizations to be financially-free in the future.

- 4) Resources management refers to a decision making in acquiring assets for appropriate livelihood such as residence, vehicles, and other related assets.

- 5) Debt management was concerned with sources of borrowing money along with potential risks and burdens. Moreover, approaches to debt management are known.

6) Risk management was related to uncertainties that caused one's livelihood at risks. Thus, they should make plan and execute the plan in response to any potential risks.

In addition, such 6 categories involved in main activities of the management of personal finances as illustrated in Figure 2.2.



**Figure 2.2** The Management of Personal Finances

Figure 2.2 depicted decision making in main activities and elements of the management of personal finances

1) Employment decision making refers to a selection of occupation that fit an individual perfectly, which resulted in happiness. It was the foundation of livelihood in other aspects as well. However, making a job decision required integrity according to a Buddhism's teachings. It offered the principle of right livelihood. With integrity, people could use the philosophy of sufficiency economy for making a job decision.

2) Financial management refers to income generation and management both effectively and efficiently in the current and future situations, which was the most important aspect of personal financial management. Personal

financial management was a balanced allocation between incomes and expenses. With such balanced allocation, individuals would have sustainable wellbeing, and, in a crisis, they could live their lives. Those potential crises would be illness and no income for retirement. That was the start of applying the principles of moderation, reasonableness, and self-immunity to personal financial management.

The ability of individuals to generate incomes and control personal and household expenses would be measured by their income and expenditure account. It was a record of personal or household expenses on a continual basis. The records of monthly income and expense reflected the relationship of personal and household financial position.

At a point in time, each spending would affect a change in personal or household financial position. Nevertheless, it was not necessary for individuals to reflect the relationship income-expenditure account and financial position accounts on a regular basis. It would become their burden that broke their life balance. Most importantly, income and expenditure account must be recorded on a regular basis so that individual would have the information for analysis of income and expense structure, reflecting spending habits of individuals or household.

Besides, financial planning covered 4 areas: daily spending, asset acquisition, future's explicit expenditure and retirement, and emergency case. The philosophy of sufficiency economy could be applied to those 4 areas of financial management. For instance, incomes left from asset acquisition should be spent on daily expenses, future's explicit expenditure and retirement, and emergency case. If the leftover was not huge, individuals should spend them carefully.

Consequently, individuals should spend on necessary things. If the leftover from asset acquisition was large enough, then they could make expensive purchases. Future's explicit expenditure and retirement included children's educational expenditure and another asset expenditure. Explicit expenditure planning would force individuals to allocate some part of their incomes to reduce those expenditures. In addition, risks in a huge amount of money supply are decreased when individuals needed to pay for those financial burden.

3) Financial stability was an investment by savings for expected expenditure, retirement, or emergency cases, which resulted in financial freedom in the future.

4) Resources management was concerned with decision making on acquisition of resources and assets for existence. Those resources and assets are residence, vehicles, and other valuable assets. Individuals should not acquire too many assets. Sufficiency economy did not prohibit individuals to buy expensive goods. If they are expensive with quality and durability, then decision making on them at maximum utilization was considered sufficiency resources management.

5) Debt management refers to an individual who knew channels of borrowing, perceived risks, and possible burdens. Those debts could be managed effectively. In the sense of sufficiency economy, debt was not sufficiency, but individuals could take on debt since it was a way of financial foundation. In addition, those debt should not be heavy burdens. Individuals must adhere to the principles of reasonableness, moderation, and self-immunity when debts have been taken on.

6) Risk management was a control of uncertain situations that would push livelihood at risks. It was involved with making an emergency plan in response to potential risks. The process of risk management began with identification of risks. In the beginning, potential risks would be identified and their consequences that would affect livelihood of individuals and household negatively. Those potential risks are the lack of income, unemployment, and illness. The next process was risk assessment. The possibility of identified risk to occur would be evaluated. In case those risks occurred, how would they affect individuals' livelihood and their families?

In conclusion, application of the philosophy of sufficiency economy was exercised at the individual level, leading to financial management in a balanced and sustainable manner. Decisions are made based on reasonableness, moderation, and self-immunity. It was assumed that individuals possessed knowledge of financial management and self-integrity. As a result, the research was interested in examining the application of the philosophy of sufficiency economy in terms of personal financial management. In this research, personal financial management covered the areas of income-expenditure account and financial management and discipline. It was expected that personal finance was stable and sustainable.

## **2.8 Previous Studies on the Application of the Sufficiency Economy to Personal Financial Management**

The findings from the literature review in relation to the application of the philosophy of sufficiency economy to personal financial management demonstrated that the application of the philosophy of sufficiency economy was statistically significant to personal financial management at the level of 0.05 (Khwanakamon Donkhwa, 2013; Nopphon Chantharanamchu, 2016; Phonphraphrom Thammanittayakul & Uthanrat Mueangsan, 2018). It also influenced creation of income and expenditure account (Kannika Phiromrat, 2010; Kriangkrai Sinlaparatsami, 2015; Parichart Maneemai, Chalanthorn Sritammachot, Patarapol Wannarat, & Rawiwan Sukphilab, 2018; Savitree Rangsipaht & Apinut Sangtriphetchakra, 2014; Suphanut Trinet, 2014), personal financial management (Rujee Charupash, Kalaya Taksinajenkit, & Siripak Somjaipen, 2010; Ukrit Sridaromon, Saman Ngamsanit, Saard Bunjertrit, & Boonrueang Sriharun, 2013), and financial discipline and saving (Suphamat Angsuchot & Kanchani Kangwanphonsiri, 2015; Suphanut Trinet, 2014; Ukrit Sridaromon et al., 2013). Moreover, the findings revealed that the philosophy of sufficiency economy was applied to other aspects, for example, microfinance management in community (Pairut Kanjanakaroorn, Sasipen Phuangsaichai, Pimolpan Boonyasena, & Sukhoom Pannarong, 2015), business operation management (Chanthima Chanthiang, 2015; Natchaphon Suriyaseni, Sahanon Tungbenchasirikul, Kriengsak Chareonwongsak, & Waiphot Kulachai, 2017; Suthaphon Bamrungya & Wutthichat Sunthornsamai, 2015; Wichuta Chusriwat, 2018), business development (Pornchanok Thonglad, Phaithun Intakhan, & Banthit Busaba, 2016), organizational sustainability (Phonthawan Kham-ngam & Prasopchai Phasunanon, 2017), human resources management (Chanikan Petngam, 2017), happiness and quality of life (Sangphen Khunphattharasakul & Wirot Chetsadalak, 2015; Viroj Jadesadalug, Chanunchida Charoenwat, & Hataichanok Tesayanon, 2015; Warangrat Tannawan & Wannakit Wannasin, 2018), occupational development (Chamrerat Chitchirachan, 2016) and self-development (Chamrerat Chitchirachan, 2016).

**Table 2.3** Previous Studies on the Application of the Sufficiency Economy to Personal Financial Management

Title	Objectives	Research Methodology	Variable	Results
Knowledge and Lifestyle on Sufficiency Economy Philosophy of the student of Faculty of Industrial Education, King Mongkut's Institute of Technology Ladkrabang.  Wilaiphon Worachittanon (2008)	<p>-To study the level of knowledge and understanding and behavior in accordance with the philosophy of the sufficiency economy of the students of the Faculty of Industrial Education King Mongkut's Institute of Technology Chao Khun Ladkrabang.</p> <p>-To study the relationship between knowledge and understanding and behavior in accordance with the philosophy of sufficiency economy of students</p>	Quantitative method  (Data analyzed by Pearson)	<p><u>Independent variables</u></p> <p>-The philosophy of sufficiency economy</p> <p><u>Dependent variables</u></p> <p>- Level of knowledge and understanding of the principles of the sufficiency economy</p> <p>- Lifestyle behavior</p> <p>- The opinions of students in applying the philosophy of sufficiency economy. Used as a way of living.</p>	Rajabhat University students behave according to the sufficiency economy philosophy. Have behavior levels at a medium level for reasoning and immunity. Have high level of behavior opinions on the application of the philosophy of the sufficiency economy in life, such as accounting for income and expenses cheap and worthwhile.

Title	Objectives	Research Methodology	Variable	Results
<p>The practices that followed the philosophy of sufficiency economy among employees' families working for private hospitals in Bangkok.</p> <p>Phakaphan In-champa (2011)</p>	<p>To investigate the practices that followed the philosophy of sufficiency economy among employees' families, the correlational factors, and predictive factors among employees' families working for private hospitals in Bangkok</p>	<p>Quantitative method</p> <p>(Data analyzed by Chi-square)</p>	<p><u>Independent variables</u></p> <p>Sex, age, education, and income</p> <p><u>Dependent variable</u></p> <p>Practices following the philosophy of sufficiency economy</p>	<p>Age, knowledge of sufficiency economy, has household economy has relationship with the practices that followed the philosophy of sufficiency economy.</p>
<p>Factors Affecting the Success of Living according to the Sufficiency Economy Philosophy of Farmers Around Huay Sai Development Study Center Due to the initiative of Phetchaburi Province</p> <p>Watchara Pinthong and Suraphon Setthabut (2013)</p>	<p>To study and analyze factors affecting the lifestyle of farmers, successful groups and unsuccessful groups In applying the sufficiency economy philosophy in daily activities.</p>	<p>Mixed-research methodology</p> <p>(Data analyzed by Descriptive Statistics, Interview Schedule, Focus Group, Discussion and in depth interview)</p>		<p>Knowledge and understanding of the philosophy of sufficiency economy is different. Affecting the decision to join the agricultural project In the Huai Sai Development Study Center and affects the decision not following the sufficiency economy philosophy as well</p>

Title	Objectives	Research Methodology	Variable	Results
<p>The factors affecting the adoption of the philosophy of sufficiency economy by the farmers in Moo 6, Baan Nong-sai, Nong Sari sub-district, Phanom Thuan district, Kanchanaburi province.</p> <p>Nisa Pumirak (2016)</p>	<p>To examine the factors affecting the adoption of the philosophy of sufficiency economy.</p>	<p>Quantitative method</p> <p>(Data analyzed by Pearson)</p>	<p><u>Independent variables</u></p> <ul style="list-style-type: none"> <li>- Sex, age, education, land, and income</li> <li>- Knowledge about the philosophy of sufficiency economy</li> </ul> <p><u>Dependent variables</u></p> <p>Practices that adopted the philosophy of sufficiency economy</p> <ul style="list-style-type: none"> <li>-Household accounting</li> <li>-Self-evaluation</li> </ul>	<p>The factors influencing the adoption of sufficiency economy are age, number of household members, agricultural labor in household, and the understanding toward the philosophy of sufficiency economy. The factors that did not affect the adoption of sufficiency economy by the farmers included sex, education, and income.</p>
<p>Application of the sufficiency economy to the livelihood of civil servants of Directorate of Joint Civil Affairs</p> <p>Sanpet Saisapphamongkhon (2016)</p>	<ul style="list-style-type: none"> <li>- To examine the application of the philosophy of sufficiency economy to the livelihood</li> <li>- To propose the approach to the application of the sufficiency economy to the livelihood of civil servants of Directorate of Joint Civil Affairs</li> </ul>	<p>Quantitative method</p> <p>(Data analyzed by Independent t-test )</p>	<p><u>Independent variables</u></p> <ul style="list-style-type: none"> <li>-Demographic factors</li> <li>-Understanding of the philosophy of sufficiency economy</li> <li>-Organizational culture</li> </ul> <p><u>Dependent variables</u></p> <ul style="list-style-type: none"> <li>-Applying the sufficiency economy to the livelihood</li> </ul>	<p>The civil servants of Directorate of Joint Civil Affairs understood the application of sufficiency economy at a high level. Also, sufficiency economy (moderateness, reasonableness, and self-immunity) was applied at a high level. Each of demographic factors has a statistical difference of the application of sufficiency economy at the significant level of 0.05.</p>

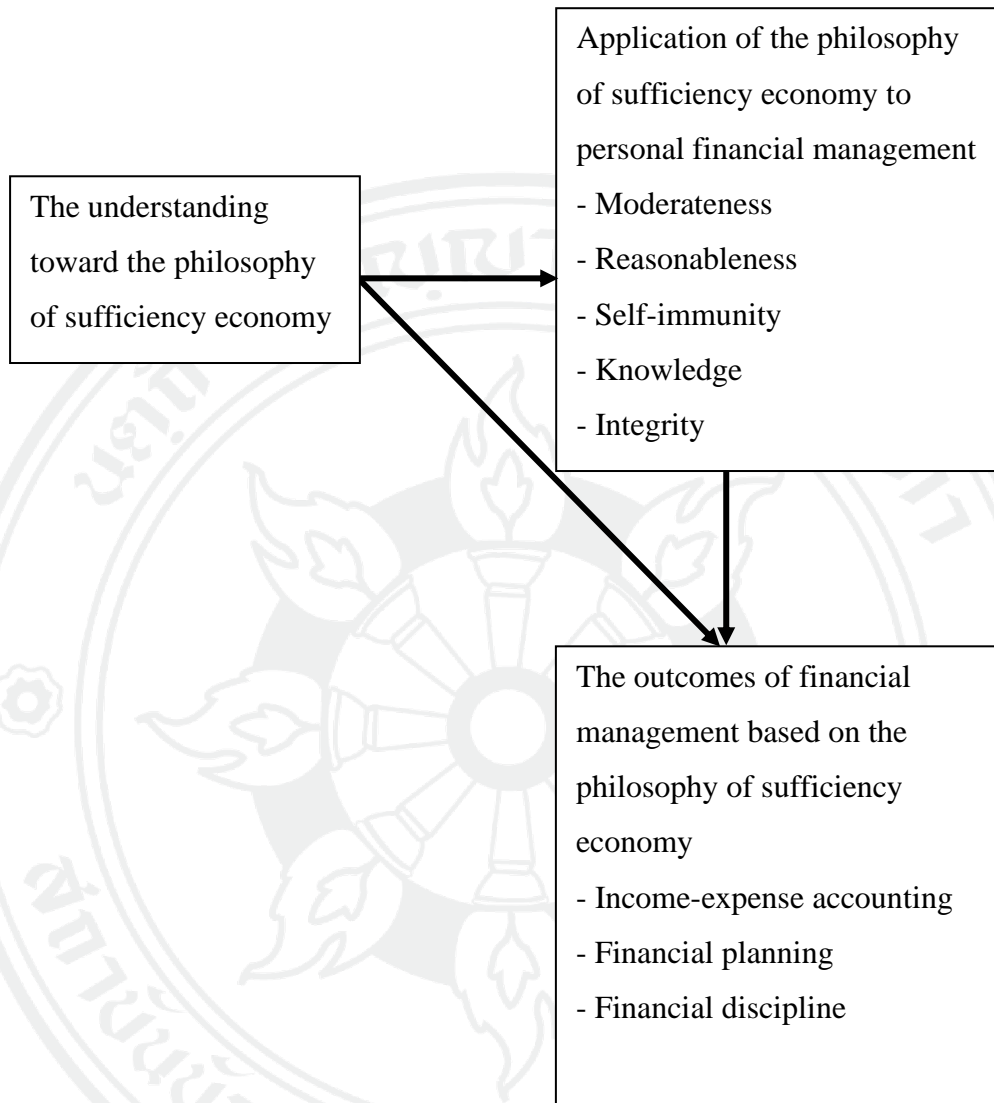
Title	Objectives	Research Methodology	Variable	Results
Knowledge and behavior based on the philosophy of sufficiency economy  Jeamjai Srichairattanakul et al. (2016)	To explore a level of knowledge and behavior that adopted the philosophy of sufficiency economy	Quantitative method  (Data analyzed by Independent t-test, Multi-regression analysis)	<u>Independent variables</u> -Demographic factors -The philosophy of sufficiency economy  <u>Dependent variables</u> -Understanding of the philosophy of sufficiency economy -Behavior based on the philosophy of sufficiency economy	It was found that student nurses has a high level of understanding of the philosophy of sufficiency economy. The respondents has savings behavior, the attribute of the philosophy of sufficiency economy at the statistical significance of 0.01 ( $p < .001$ ).
The adoption of the philosophy of sufficiency economy to the development of quality of life among non-commissioned officers of the 1st Field Artillery Battalion, King's Guard.  Thanathep Buabut (2017)	To examine pattern of livelihood corresponding to the philosophy of sufficiency economy based on demographic factors To explore pattern of livelihood corresponding to the philosophy of sufficiency economy based on a level of knowledge and understanding toward the philosophy of sufficiency economy To examine the relationship of pattern of livelihood corresponding to the philosophy of sufficiency economy	Quantitative method  (Data analyzed by One way ANOVA, t-test, F-test)	<u>Independent variables</u> - Age, education, income, and debt - Knowledge about the philosophy of sufficiency economy  <u>Mediator variable</u> - Livelihood pattern that followed the philosophy of sufficiency economy  <u>Dependent variable</u> - Quality of life	Demographic factors did not affect pattern of livelihood corresponding to the philosophy of sufficiency economy. Only the length of services and knowledge affected pattern of livelihood corresponding to the philosophy of sufficiency economy.

Title	Objectives	Research Methodology	Variable	Results
<p>The understanding toward the philosophy of sufficiency economy among the elders in Tambon Sam Phraya, Amphoe Cha-Am, Phetchaburi province.</p> <p>Thirawat Chanthuek and Sukhontha Raktheung (2017)</p>	<p>To examine the livelihood that followed the philosophy of sufficiency economy</p> <p>To explore the understanding toward the philosophy of sufficiency economy</p> <p>To develop an approach to the application of sufficiency economy to the development of elders' livelihood.</p>	Qualitative method		<p>The elders in Tambon Sam Phraya, Amphoe Cha-Am, Phetchaburi province are farmers that adopted monocrop and mixed-farming. They followed the philosophy of sufficiency economy by keeping livestock and exercising agricultural practices, spending moderately and being debt-free</p>
<p>The understanding toward and the implementation of sufficiency economy to the daily life of undergraduate students of the faculty of administration and management, King Mongkut's institute of technology Ladkrabang.</p> <p>Saovanee phuengpunum (2018)</p>	<p>To examine the understanding toward and the application of sufficiency economy to the daily life of undergraduate students of the faculty of administration and management, King Mongkut's institute of technology Ladkrabang.</p>	Quantitative method	<p><u>Independent variables</u></p> <ul style="list-style-type: none"> <li>- Sex</li> <li>- School year</li> </ul> <p><u>Dependent variables</u></p> <ul style="list-style-type: none"> <li>- The understanding toward the philosophy of sufficiency economy</li> <li>- Implementation of the philosophy of sufficiency economy</li> </ul>	<p>Female respondents are aware of news and information about the philosophy of sufficiency economy at the high level. School years did not affect the understanding toward the philosophy of sufficiency economy.</p>

Title	Objectives	Research Methodology	Variable	Results
The development of knowledge management based on the philosophy of sufficiency economy by student nurses in the Bachelor of Nursing Science program, Boromarajonani College of Nursing Nakhon Si Thammarat	To develop knowledge management based on the philosophy of sufficiency economy and to investigate the outcomes from knowledge management based on the philosophy of sufficiency economy	Quantitative method  (Data analyzed by frequency, percentage, and standard deviation.)	<u>Independent variables</u> -Concepts of educational policy -Knowledge management based on the sufficiency economy  <u>Dependent variables</u> -Knowledge management based on the philosophy of sufficiency economy -Outcomes from knowledge management formats based on the philosophy of sufficiency economy	Most student nurses understood the philosophy of sufficiency economy at a high level and their behavior was based on the philosophy of sufficiency economy at a high level.
Benjawan Thanormchayathawat and Rattayanaphit Ratchathawan (2018)				
Measurement of the philosophy of sufficiency economy for business management by students of College of Management	- To measure the knowledge of the philosophy of sufficiency economy for business management and for education	Quantitative method  (Data analyzed by Cremer's V coefficient)	<u>Independent variables</u> -Demographic factors: sex, age, college years, and subject field  <u>Dependent variables</u> -Application of the philosophy of sufficiency economy to business management	It was found that the samples understood the philosophy of sufficiency economy at a moderate level, and there was a relationship between different subject fields and sufficiency economy's knowledge for business management at the statistical significance of 0.05.
Chawalit Suphasakthamrong (2018)	- To examine the relationship between different subject fields and sufficiency economy's knowledge for business management			

Title	Objectives	Research Methodology	Variable	Results
An understanding of the philosophy of sufficiency economy among employees at Nongpho Ratchaburi Dairy Cooperative Limited (Under the Royal Patronage)  Nirin Witthayakiatlert (2018)	To examine a level of understanding of sufficiency economy among employees at Nongpho Ratchaburi Dairy Cooperative Limited (Under the Royal Patronage)	Quantitative method  (Data analyzed by t-test and F-test (one-way anova))	<u>Independent variables</u> -Demographic factors: sex, age, education, salary, expenses, savings, and perceived information  <u>Dependent variable</u> - Understanding of sufficiency economy for business management	It was found that employees at Nongpho Ratchaburi Dairy Cooperative Limited (Under the Royal Patronage) understood the sufficiency economy philosophy at a high level. Overall, the respondents knew that the philosophy expected people to live their live according to the level of their income. Different levels of expenses and perceived information influenced sufficiency economy's knowledge with the statistical difference at the significant level of 0.050.

## 2.9 Conceptual Framework



**Figure 2.3** Conceptual Framework

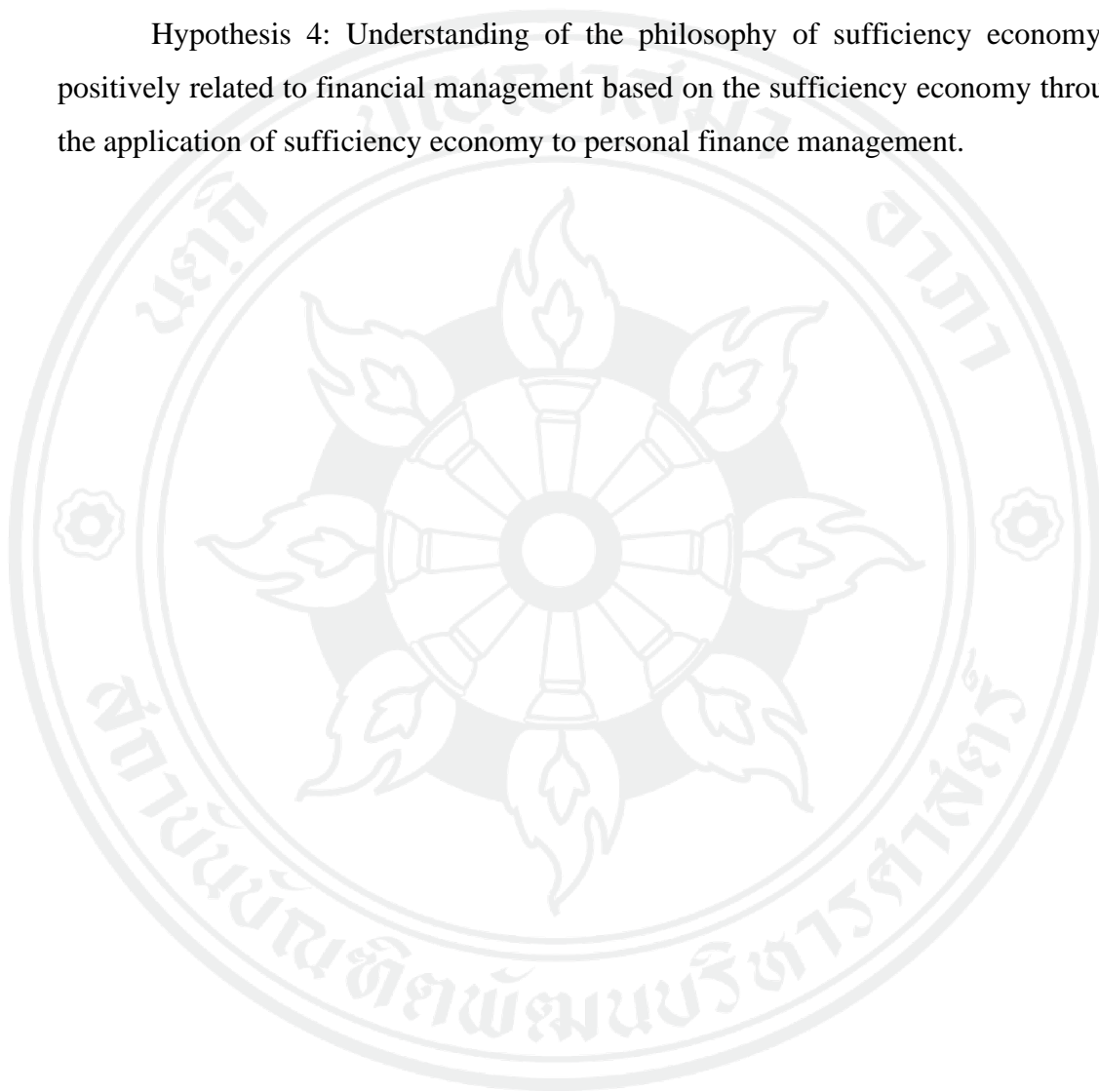
## 2.10 Research Hypothesis

Hypothesis 1: Understanding of the philosophy of sufficiency economy is positively related to the application of sufficiency economy to personal finance management.

Hypothesis 2: Application of the philosophy of sufficiency economy to personal finance management is positively related to the outcomes of financial management based on the philosophy of sufficiency economy.

Hypothesis 3: Understanding of the philosophy of sufficiency economy is positively related to financial management based on the sufficiency economy.

Hypothesis 4: Understanding of the philosophy of sufficiency economy is positively related to financial management based on the sufficiency economy through the application of sufficiency economy to personal finance management.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

This research examines direct and indirect effects of the knowledge and understanding of the philosophy of the sufficiency economy, by application of the philosophy of sufficiency economy in personal finance management on the outcomes of the personal finance management. Also, it analyzes the role of mediator variable of the application of the philosophy of sufficiency economy to the management of personal finance on the management of personal finance. It is aimed at presenting a policy on the promotion of applying the philosophy of sufficiency economy to the personal finance management. The results are expected to contribute to the sustainability of people financially. The details are as follows:

#### **3.1 Research Design and Process**

Quantitative research methodology is adopted in response to the research objectives. The process of conducting the study is as follows:

- 1) Relevant studies, concepts, theories are reviewed from books and academic journals to write the importance of research problems.
- 2) Research objectives and hypotheses are defined.
- 3) Research framework is developed.
- 4) Targeted population is determined, including sample size and study areas.
- 5) Research instrument is developed, including the validity and reliability of research instrument.
- 6) Data are collected from the targeted samples.
- 7) Data analysis and hypothesis testing are performed.
- 8) Conclusion and discussion are drawn and written.

### 3.2 Population and Sample

The population of this research is a group of working people who live in the north, the northeast, the central, and the south of Thailand. Purposive sampling is employed to select the samples based on the criteria of poorest provinces in each region of Thailand. Each poorest province would have 400 respondents. The targeted provinces are Mae Hong Son, Chainat, Amnatcharoen, and Pattani.

**Table 3.1** Income per Month per Head of the Sample

Province	Income (Bath /Head/Month)
Mae Hong Son	2,296
Chainat	2,819
Amnatcharoen	2,335
Pattani	2,492

Source: Data from household socioeconomic survey National Statistical Office of Thailand, compiled by the Bureau of Database Development and Social Indicators Office of the National Economic and Social Development Council (2006-2015)

From the survey of the Office of the National Economic and Social Development Board in the category of poverty and income distribution at the provincial level with details as in Table 3.2

**Table 3.2** Poverty Line by Province, 2000-2018

Province	Income (Bath /Head/Month) 2016	Income (Bath /Head/Month) 2017	Income (Bath /Head/Month) 2018
Mae Hong Son	2,357	2,320	2,322
Chainat	2,787	2,857	2,938
Amnatcharoen	2,394	2,410	2,494
Pattani	2,486	2,505	2,692

Source: Poverty line by province, Office of the National Economic and Social Development Board, 2000-2018.

The Office of the National Economic and Social Development Council (2000-2012) has processed the list of the top 10 provinces with the highest density of poverty, which is found in 2016, when considered as the top 1 in 5 provinces with the highest proportion of the poor, Mae Hong Son province. Chainat Province Amnat Charoen and Pattani Province as in Table 3.3.

Table 3.3 List of Provinces with the Top 10 Provinces with the Highest Proportion of the Poor or the Highest Density of Poverty between 2000-2017

Year	No.1	No.2	No.3	No.4	No.5	No.6	No.7	No.8	No.9	No.10
2017	Pattani (34.20)	Narathiwat (34.17)	Karasin (33.33)	Karasin (32.96)	Nakhon Phanom (27.78)	Tak (27.18)	Chainat (26.21)	Burirum (20.99)	SaKaeo (19.03)	Pathalung (18.67)
2016	Mae Hong Son (39.21)	Narathiwat (37.30)	Pattani (35.98)	Karasin (31.99)	Nakhon Phanom (30.24)	Chainat (28.34)	Tak (27.54)	Burirum (24.32)	Amnat Charoen (24.00)	Nan (22.73)
2015	Pattani (34.91)	Mae Hong Son (32.19)	Tak (24.48)	Burirum (23.34)	Yala (21.34)	Nan (21.01)	Chainat (19.64)	Narathiwat (19.50)	Karasin (17.78)	Kanjanaburi (17.63)
2014	Mae Hong Son (46.08)	Narathiwat (45.13)	Karasin (42.67)	Pattani (39.15)	Burirum (39.13)	Tak (36.53)	Yala (32.83)	Nan (28.80)	Chiang Rai (26.83)	Nakhon Phanom (24.89)
2013	Mae Hong Son (65.16)	Pattani (37.44)	Narathiwat (35.31)	Tak (34.00)	Nakorn Phanom (31.13)	Karasin (31.03)	Mukdahan (29.26)	Lam Phu (27.38)	Burirum (25.35)	Ubonratchathani (24.25)
2012	Mae Hong Son (65.16)	Pattani (37.44)	Narathiwat (42.73)	Karasin (39.80)	Srisaket (36.07)	Tak (35.93)	Nakorn Phanom (35.28)	Sakonnakorn (34.25)	Burirum (31.61)	Mukdaharn (30.80)
2011	Mae Hong Son (58.85)	Tak (43.50)	Srisaket (35.89)	Burirum (33.67)	Pattani (33.39)	Yasothon (32.45)	Kanchanaburi (32.19)	Nakorn Phanom (32.11)	Ratchaburi (30.10)	Karasim (28.55)
2010	Mae Hong Son (70.39)	Srisaket (55.79)	Pattani (54.26)	Karasin (51.64)	Nakorn Phanom (46.41)	Tak (45.87)	Sakaeo (40.47)	Narathiwat (35.24)	Burirum (32.82)	Uttaradit (30.69)

Source: Data from household socio-economic survey, National Statistical Office of Thailand compiled by the Bureau of Database Development and Social Status Indicators, NESDB, 2017.

### 3.2.1 Sample

Sample size is determined by the formula developed by Yamane (1973) with the confidence value of 95 percent or an error of 0.05.

The sample size of this quantitative research study is 1,600 respondents. The respondents are classified into four groups. The samples are characterized by those who are working people living in Mae Hong Son, Chainat, Amnatcharoen, and Pattani provinces as illustrated in Table 3.1. To determine the sample size, the formula developed by Yamane (1973) is used with the confidence level of 95 percent or an error of 0.05.

Formula

$$n = \frac{N}{1 + Ne^2}$$

When

n = sample size

N = population

e = Proportion of error allowed and assumed to be 0.05

Plug those values into the formula:

$$n = \frac{109,712}{1 + (109,712(0.05)^2)} = 400$$

Therefore, the sample size of this research is 400 respondents. With the target population in four provinces, the true sample size is 1,600 respondents as shown in Table 3.1.

**Table 3.4** Employed Population of the Targeted Provinces

<b>Region</b>	<b>Province</b>	<b>Population</b>	<b>Sample size</b>
North	Mae Hong Son	109,712	400
Central	Chainat	174,777	400
Northeast	Amnatcharoen	144,813	400
South	Pattani	162,051	400
<b>Total</b>		<b>591,353</b>	<b>1,600</b>

Source: National Statistical Office of Thailand

### **3.3 Research Instrument and Validity and Reliability of Research Instrument**

#### **3.3.1 Research Instrument**

The research instrument developed for this research is questionnaire. The questionnaire included both open and open-ended questions and consisted of 4 parts as follows:

Part 1: General information of the respondents. The questions are the checklist.

Part 2: Examines the understanding and experiences toward the practices following sufficiency economy. They are 16 questions in this part about the concept of the philosophy of sufficiency economy (Jirayu Itsarangkul Na Ayutthaya & Kobsak Phutakul, 2005, pp. 3-87). The respondents could answer with “yes”, “no sure”, and “no”.

1 mean correct answer.

0 mean not sure

0 mean incorrect answer.

Maximum scores indicate that the respondents made correct answers to all questions with 16 points. In contrast, the minimum score indicates that incorrect answers are made to all questions with 0 score. There are 7 positive question items: 1,

7, 8, 9, 10, 15, and 16. For negative questions, there are 9 items: 2, 3, 4, 5, 6, 11, 12, 13, and 14.

The understanding of the sufficiency economy philosophy among the samples could be divided into three levels (Khanittha Kongkawin, 2008).

Mean which is below  $\bar{x} - S.D.$  indicates a low level of understanding.

Mean which is between  $\bar{x} \pm S.D.$  indicates a moderate level of understanding.

Mean which is between  $\bar{x} + S.D.$  indicates a high level of understanding.

The understanding of the sufficiency economy philosophy among the samples could be divided into three levels.

Those with score below 7.9 had a low level of understanding.

Those with score falling between 7.9 – 15.8 had a moderate level of understanding.

Those with score greater than 15.7 had a high level of understanding.

Part 3: it is concerned with the questions of applying the philosophy of sufficiency economy to the personal finance management. 5-point scale is used in this part (Best & Kahn, 1998, p. 247).

5 indicates a very high level of applying the philosophy of sufficiency economy

4 indicates a high level of applying the philosophy of sufficiency economy

3 indicates a moderate level of applying the philosophy of sufficiency economy

2 indicates a low level of applying the philosophy of sufficiency economy

1 indicates a very low level of applying the philosophy of sufficiency economy

The scores obtained are analyzed and interpreted and the results of the mean according to the importance levels. The grading criteria for each level is as follows: (Best, 1977, p. 14)

$$\begin{aligned}\text{Class interval} &= \frac{\text{Rang}}{\text{Number of levels}} \\ &= \frac{\text{Maximum score} - \text{Minimum score}}{\text{Number of levels}} \\ &= \frac{5-1}{5} = 0.80\end{aligned}$$

Average rating between 1.00 - 1.80 Meant Very Low

Average rating between 1.81 - 2.60 Meant Low

Average rating between 2.61 - 3.40 Meant Moderate

Average rating between 3.41 - 4.20 Meant High

Average rating between 4.21 - 5.00 Meant Very High

Part 4: the questions are related to the outcomes of the management of personal finance pertaining to the philosophy of sufficiency economy with the five-point rating scale as written in the following (Best & Kahn, 1998, p. 247).

5 Very high level of the outcomes of outcomes of the management of personal finance pertaining to the philosophy of sufficiency economy

4 High level of outcomes of the management of personal finance pertaining to the philosophy of sufficiency economy

3 Moderate level of outcomes of the management of personal finance pertaining to the philosophy of sufficiency economy

2 Low level of outcomes of the management of personal finance pertaining to the philosophy of sufficiency economy

1 Very low level of outcomes of the management of personal finance pertaining to the philosophy of sufficiency economy

The criteria for each level

Average rating between 1.00 - 1.80	Indicates	Very Low
Average rating between 1.81 - 2.60	Indicates	Low
Average rating between 2.61 - 3.40	Indicates	Moderate
Average rating between 3.41 - 4.20	Indicates	High
Average rating between 4.21 - 5.00	Indicates	Very High

### 3.3.2 Validity and Reliability of Research Instrument

The research instrument is reviewed by three experts to examine content validity. Index of item objective congruence (IOC) is adopted to evaluate content validity based on the criteria of the clear use of language and wording. The validity value should be greater than 0.50. In this research, the index of item objective congruence is 0.96 and the following is a list of three experts.

- 1) Prof. Dr. Anchana Na Ranong  
Director of the Ph.D. program in Public Administration.
- 2) Assoc. Prof. Dr. Kasemsan Chotichakronpan  
Director of the Ph.D. program in Governance and Development  
(International Program)
- 3) Dr. Chayakrit Asvathitanont  
Associate Dean for Administrative Affairs, College of Innovation,  
Thammasat University.

After the development of questionnaire had been completed, its pre-testing is conducted with worker population in the nearby provinces. Those nearby provinces are Kalasin, Nan, and Narathiwat. They are not the targeted samples but listed among the top ten provinces that had the highest number of poor persons per square kilometer or the highest poverty density during 2000 – 2017. The data are acquired from the household socio-economic sample survey, the National Statistical Office of Thailand (2017). 30 questionnaires are tried out with the working people in the provinces with similar characteristics as the targeted samples. Once they are finished, the completed questionnaires are analyzed by item-total correlation and Cronbach's

alpha coefficient. Table 3.2 demonstrated the results of Cronbach's alpha coefficient values.

**Table 3.5** Cronbach's Coefficient Values

<b>Variables</b>	<b>Cronbach's coefficient</b>
Understanding toward the philosophy of sufficiency economy	0.750
Application of the philosophy of sufficiency economy: moderateness	0.784
Application of the philosophy of sufficiency economy: reasonableness	0.723
Application of the philosophy of sufficiency economy: self-immunity	0.816
Application of the philosophy of sufficiency economy: knowledge conditions	0.779
Application of the philosophy of sufficiency economy: integrity conditions	0.804
Outcomes of financial management: accounting incomes and expenses	0.753
Outcomes of financial management: financial planning	0.730
Outcomes of financial management: financial discipline	0.780

### **3.4 Data Collection**

#### **3.4.1 Secondary Sources**

Secondary sources provided the data and information about the studies from relevant agencies and organizations, including books, journals, conference proceedings, academic seminar, online articles, research reports, and academic articles.

#### **3.4.2 Primary Sources**

Primary sources kept the data collected from 1,600 samples living in Mueang district of Amnatcharoen province, Mae Hong Son province, Chainat province, and Pattani province.

### 3.5 Data Analysis

After the data collection, it is time to perform data analysis. In this section, the process of analyzing the data is described as follows:

- 1) The collected questionnaires would be reviewed to see if there are any missing values.
- 2) The collected data are processed, and their codes are determined. Also, the code manual is produced.
- 3) The scores are assigned to those codes according to the item 2.
- 4) The running number is assigned to each of questionnaires, including the codes. Those codes are transferred into the coding sheet.
- 5) The coding sheet is made, and the data is analyzed by SPSS (statistical package for the social science: SPSS). The independent variables derived from the analysis by SPSS are, income and expense accounts, financial planning, and financial discipline. The outcomes of the management of personal finance based on the philosophy of sufficiency economy served as a dependent variable of the study.

Next, the conceptual framework is quantitatively tested by path analysis with linear structural relationship model or the LISREL model.

Statistical significance or margin of error for hypothesis testing is 0.05 ( $\alpha = 0.05$ ). The data analysis is performed as follows:

- 1) Descriptive statistics is used to analyze the demographic data of the respondents. It included frequency, percentage, mean, and standard deviation. Fundamental statistics is also utilized to analyze the variables of the study to develop the conceptual framework.
- 2) At first glance, multiple regression is expected to be used. Because those variables are independent variables, dependent variable, and mediator variable, structural equation modelling is adopted to test the causal relationship among the variables. The causal relationships are analyzed by means of the LISREL program. Path analysis is embraced to analyze the direct and indirect effects of the variables. The factor loading, p-value, variances, and error of observed variables are analyzed based on parameter values and maximum likelihood (Yut Kaiwan, 2014).

**Table 3.6** Statistical Values of the Goodness of Fit of Conceptual Framework and Empirical Data

Related Statistics	Symbol	Objectives	Goodness of fit with
Relative Chi Square	$\chi^2/df$	To prove whether the conceptual framework was relative to the empirical data	$\chi^2/df < 3.00$
Goodness of Fit Index	GFI	To measure level of the goodness of fit index ranging between 0 and 1.00	$>.90$
Comparative Fit	CFI	To measure the comparative fit with the values ranging between 0 – 1.00	$>.95$
Normal Fit Index	NFI	To measure normal fit index	$>.90$
Standardized Root Mean square Residual	Standardized RMR	To indicate the errors of conceptual framework in the form of standardized root mean square residual with a range of values between 0 – 1.00.	$>.08$
Root Mean Square Error of Approximation	RMSEA	To indicate the errors of conceptual framework in the form of root mean square error of approximation	$<0.05$

Source: Hair, Black, Babin, Anderson, and Tatham, 2006.

## **CHAPTER 4**

### **RESULTS AND ANALYSIS**

This study, entitled “Knowledge and Understanding of the Philosophy of the Sufficiency Economy, by application of the philosophy of sufficiency economy in personal finance management and the results of personal financial management of non-agricultural people”, aims to examine the direct and indirect effects of understandings towards the philosophy and the application of the sufficiency economy to the management of personal finances and the outcomes of personal finance management, analyzing the roles of applying the philosophy to the management of personal finance as a mediator variable and presenting a policy on the promotion of applying the philosophy of sufficiency economy to the management of personal finance with the aim of making Thai people financially sustainable.

The research reviews the literature in relation to the philosophy, sufficiency economy in its economic dimensions and the application of the philosophy, including previous studies concerning the philosophy and sufficiency economy and financial management. Quantitative data was collected by questionnaire from the defined samples. This chapter was structured into five sections as follows:

- 4.1 Results of demographic factors
- 4.2 Results of the understanding toward the philosophy of sufficiency economy
- 4.3 Results of the application of the philosophy of sufficiency economy
- 4.4 Results of the management of personal finance
- 4.5 Results of the understanding toward the philosophy of sufficiency economy from exploratory factor analysis
- 4.6 Results of correlation coefficients among the observed variables
- 4.7 Testing of structural equation modelling
- 4.8 Hypothesis testing

#### 4.1 Results of Demographic Factors

The results from the analysis of demographic factors from 1,600 samples is illustrated in the following tables.

**Table 4.1** Frequency and Percentage of the Respondents by Sex

<b>Sex</b>	<b>Frequency</b>	<b>Percent</b>
Male	979	61.2
Female	621	38.8
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.1 indicates that the highest percentage of respondents was male with 61.2 percent (979) while female was 38.8 percent (621), respectively.

**Table 4.2** Frequency and Percentage of Respondents by Age

<b>Age</b>	<b>Frequency</b>	<b>Percent</b>
20-35 years old	704	44.1
36-45 years old	670	41.8
46-55 years old	226	14.1
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.2 demonstrates that the highest percentage of respondents is aged between 20 – 35 years old with 44.1 percent (704), followed by a range of 36 – 45 years old with 41.8 percent (670), and a range of 46 – 55 years old with 14.1 percent (226), respectively.

**Table 4.3** Frequency and Percentage of the Respondents by Their Residences in Regions

<b>Residences</b>	<b>Frequency</b>	<b>Percent</b>
North	400	25.0
Northeast	400	25.0
Central	400	25.0
South	400	25.0
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.3 shows the shared percentages of respondents by their residences is the north with 25 percent (400 respondents), the northeast with 25 percent (400 respondents), the central (400 respondents), and the south with 25 percent (400 respondents).

**Table 4.4** Frequency and Percentage of the Respondents by Their Education

<b>Educational Level</b>	<b>Frequency</b>	<b>Percent</b>
Senior high school/vocational certificate	287	17.9
Diploma/high vocational certificate	520	32.5
Bachelor's degree	657	41.1
Over bachelor's degree	136	8.5
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.4 reveals that the highest percentage of respondents by their educational level starts from a bachelor's degree with 41.1 percent (657), diploma/high vocational certificate with 32.5 percent (520), senior high school/vocational certificate with 17.9 percent (287), and over bachelor's degree with 8.5 percent (136), respectively.

**Table 4.5** Frequency and Percentage of the Respondents by Their Occupation

<b>Occupation</b>	<b>Frequency</b>	<b>Percent</b>
Company employees	456	28.5
Public servants	404	25.3
Employees of state enterprise	326	20.4
Sellers and traders	216	13.5
Factory workers	198	12.4
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.5 demonstrates that the highest percentage of respondents by their occupation was company employee, with 28.5 percent (456), followed by public servants with 25.3 percent (404), employees of state enterprises with 20.4 percent (326), sellers and traders with 13.5 percent (216), and factory workers with 12.4 percent (198).

**Table 4.6** Frequency and Percentage of the Respondents by Work Experience

<b>Work Experience</b>	<b>Frequency</b>	<b>Percent</b>
Less than 10 years	870	54.4
10-19 years	522	32.6
20-29 years	202	12.6
30-39 years	6	0.4
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.6 indicates the highest percentage of respondents by work experience is in the range of less than 10 years with 54.4 percent (870), followed by 10 – 19 years with 32.6 percent (522), 20 – 29 years with 12.6 percent (202), and 30 – 39 years with 0.4 percent (6), respectively.

**Table 4.7** Frequency and Percentage of the Respondents by Their Salary

Salary	Frequency	Percent
Below 15,000 baht	3	0.2
15,001-25,000 baht	797	49.8
25,001-35,000 baht	372	23.2
35,001-45,000 baht	226	14.1
45,001-55,000 baht	100	6.3
More than 55,001 baht	102	6.4
<b>Total</b>	<b>1,600</b>	<b>100.0</b>

Table 4.7 shows that the highest percentage of respondents by their salary ranged from 15,001 – 25,000 baht with 49.8 percent (797), 25,001 – 35,000 baht with 23.2 percent (372), 35,001 – 45,000 baht with 14.1 percent (226), more than 55,001 baht with 6.4 percent (102), and 45,001 – 55,000 baht to below 15,000 baht with 0.2 percent (3), respectively.

**Table 4.8** Frequency and Percentage of the Respondents whether Their Income was Enough to Expenses

Income meets expenses	Frequency	Percent
Sufficient	445	27.8
Sufficient in certain months	311	19.4
Insufficient	844	52.8

Table 4.8 indicates that most respondents do not have sufficient income to cover their expenses, with 52.8 percent (844). A total of 445 respondents or 27.8 percent show their income could cover expenses; while, only 311 respondents, or 19.4 percent stated their income was sufficient in certain months. Most respondents between the age of 20-35 years, which is the age that people build their futures, therefore spending a lot of money for daily consumption, housing, vehicles and child support, resulting in a large amount of loans both in and outside the system. As a

result, the monthly income is not enough to cover their expenses, resulting in no or little savings.

## 4.2 Results of the Understanding toward the Philosophy of Sufficiency Economy

In this section, the results from the analysis of understanding are divided into two parts as the following.

**Table 4.9** Frequency and Percentage of Understandings toward the Philosophy of Sufficiency Economy

Understanding Level	Frequency	Percent
Low level of understanding	322	20.12
Neutral level of understanding	1236	77.25
High level of understanding	42	2.63
<b>Total</b>	<b>1,600</b>	<b>100.00</b>

The full scores of the variables, namely, understandings toward the philosophy of sufficiency economy is 16 points. The maximum scores that the respondents received is 16 points; in contrast, the minimum score is 4 points. In addition, their mean was 11 points and the standard deviation was 3.12 points. The mean and standard deviation are leveled into three groups as the following.

Mean score less than 7.9 points	Low level of understanding
Mean ranging between 7.9 – 15.8 points	Neutral level of understanding
Mean ranging between 15.8 points	High level of understanding

A total of 1,236 respondents (77.25 percent) had a neutral level of understanding toward the philosophy, followed 322 respondents (20.12 percent) with a low level of understanding and 42 respondents (2.63) with a high level of understanding. Table 4.9 illustrated the details of the results of understandings toward the philosophy.

**Table 4.10** A Level of Understanding toward the Philosophy of Sufficiency Economy by Questions

Questions	n = 1600		
	Correct	Incorrect	Not Sure
	Frequency (Percent)	Frequency (Percent)	Frequency (Percent)
1. The philosophy of sufficiency economy was a principle of people's living based on the middle path, reasonableness, self-immunity, and the conditions of knowledge and integrity.	1,044 (65.3)	463 (28.9)	93 (5.8)
2. The philosophy of sufficiency economy focused on building the country's foundation, particularly in economy*.	1,145 (71.6)	403 (25.2)	52 (3.3)
3. The philosophy of sufficiency economy promoted the production for household consumption rather than production for trade*.	1,007 (62.9)	514 (32.1)	79 (4.9)
4. If the philosophy of sufficiency economy was adopted, export and outside trading are prohibited*.	1,368 (85.5)	196 (12.3)	36 (2.3)
5. Production for exports conflicted the philosophy of sufficiency economy*.	1,428 (89.3)	149 (9.3)	23 (1.4)
6. The philosophy of sufficiency economy was not corresponding to the business principle of profit maximization*.	1,097 (68.6)	450 (28.1)	53 (3.3)
7. If we adopted the philosophy of sufficiency economy, we could pay extravagantly.	1,307 (81.7)	258 (16.1)	35 (2.2)

Questions	n = 1600		
	Correct	Incorrect	Not Sure
	Frequency (Percent)	Frequency (Percent)	Frequency (Percent)
8. If we adopted the philosophy of sufficiency economy, we could borrow the money.	1,307 (81.7)	271 (16.9)	22 (1.4)
9. The philosophy of sufficiency economy was consistent with the principle of sustainable development.	1,428 (89.3)	149 (9.3)	23 (1.4)
10. The philosophy of sufficiency economy could be applied to financial management perfectly.	1,045 (65.3)	495 (30.9)	60 (3.8)
11. The philosophy of sufficiency economy ignored modernization*.	1,044 (65.3)	499 (31.2)	57 (3.5)
12. The country developed by a transfer of technology from foreign countries did not correspond to the philosophy of sufficiency economy*.	857 (53.6)	667 (41.7)	76 (4.8)
13. The philosophy of sufficiency economy was a production of bio-extract or a liquid cleaner used in household*.	1,171 (73.2)	391 (24.4)	38 (2.4)
14. The philosophy of sufficiency economy was a concept of idealism*.	1,274 (79.6)	297 (18.6)	29 (1.8)
15. Applying the philosophy of sufficiency economy in one's life required a correct knowledge and comprehension.	1,274 (79.6)	286 (17.9)	40 (2.5)
16. The philosophy of sufficiency economy could be applied to all walks of life in the society, including individual, community, and state levels.	1,318 (82.4)	237 (14.8)	45 (2.8)

Questions	n = 1600		
	Correct	Incorrect	Not Sure
	Frequency (Percent)	Frequency (Percent)	Frequency (Percent)
Min = 0   Max = 16   Mean = 9.306 S.D. = 7.06668			

**Note:** \* Negative questions

As indicated in Table 4.10, the results of understandings toward the philosophy of sufficiency economy is as follows:

1) A total of 1,044 respondents or 65.3percent correctly answered the question: the philosophy of sufficiency economy was a principle of people's living based on the middle path, reasonableness, self-immunity, and the conditions of knowledge and integrity: 463 respondents or 28.9percent that incorrectly answered and 93 respondents or 5.8 percent that were not sure.

2) A total of 1,145 respondents or 71.6percent correctly answered the question: the philosophy of sufficiency economy focused on building the country's foundation, particularly in economy. On the contrary, 403 respondents or 25.2 percent that incorrectly answered and 52 respondents or 3.3 percent that were not sure. From the study results, the researchers have observed as follows from the question of "The philosophy of the sufficiency economy emphasizes the foundation of the country especially economic only" which is a negative question. Most of the respondents answered yes for 70.9 percent, showing that most of the non-agricultural people have an incorrect understanding of the sufficiency economy philosophy. By looking only economy context, but does not look at the dimensions of society, environment and well-being of the people. In which the philosophy of the sufficiency economy is holistic or fully integrated in every dimension and level.

3) A total of 1,007 respondents or 62.9 percent correctly answered the question: the philosophy of sufficiency economy promoted the production for household consumption rather than production for trade. In contrast, 514 respondents or 32.1 percent that incorrectly answered and 79 respondents or 4.9 percent that were not sure. From the study results, the researchers have observed as follows from the

question of “the philosophy of sufficiency economy promoted the production for household consumption rather than production for trade” which is a negative question. Most of respondent answered yes 62.9 percent, showing that the majority of the non-agricultural people have an incorrect understanding of the sufficiency economy philosophy by looking at the production for self-consumption context only, but the philosophy of sufficiency economy and the new theory of agriculture have principles and guidelines for practice with steps. First must produce rice or produce food for consumption for yourself and then take the labor and the remaining land produced for sale according to the potential and opportunity. Based on the environment of each society and based on low risk management. Then grouped together to operate other businesses or integration of production for trading such as cooperative group, Savings group, Community enterprise group, Buffalo cattle bank for example. Which may begin by selling the remaining produce for internal consumption first and therefore developing the potential to produce other products to sell outside the community to increase more income. Which the group must be based on mutual help, sharing according to their ability.

4) A total of 1,368 respondents or 85.5 percent incorrectly answered the question: if the philosophy of sufficiency economy was adopted, exports and international trades are prohibited. However, 196 respondents or 12.3 made a correct answer and there are 36 respondents or 2.3 percent that were not sure. From the study results, the researchers have observed as follows from the question of “the philosophy of sufficiency economy promoted the production for household consumption rather than production for trade” which is a negative question. Most of respondents answered yes 85.5 percent, showing that the majority of the non-agricultural people have an incorrect understanding of the sufficiency economy philosophy by understand that the philosophy of sufficiency economy is closed system economy and not related to anyone, but in fact the philosophy of the sufficiency economy does not support to close countries or resist the world trend and globalization. The sufficiency economy encourages to take advantage of globalization trend. Which considers various issues in every angle and develop oneself to be knowledgeable, also can choose to receive a useful thing for yourself. Which development based on strong foundations step by step and have balancing. However, they must be able to be self-reliant then improve

oneself to have a better quality of life which allow others to rely on and continue to support society.

5) A total of 1,428 respondents or 89.3 percent correctly answered the question: production for exports conflicted the philosophy of sufficiency economy. There are 149 respondents or 9.3 percent that incorrectly answered and there are 23 respondents or 1.4 percent that were not sure. According to the research results, it was noticed that the question item “production for exports conflicted with the philosophy of sufficiency economy” was a negative question. 89.3 percent of all respondents marked the Yes answer, indicating that the respondents who are non-agricultural workers had an incorrect knowledge of the philosophy of sufficiency economy. In fact, the philosophy did not deny production for exports. In the beginning, the exporters should be equipped with self-immunity in response to any potential changes. With self-immunity, any decisions would be made based on omniscience, carefulness, and integrity. In addition, production capacity must meet market demands. Exporters should adapt to changing situations based on the principles of moderation, reasonableness, and self-immunity. Besides, integrity must be taken into business and trade practices.

6) A total of 1,097 respondents or 68.6 percent correctly answered the question: production for exports conflicted the philosophy of sufficiency economy: 450 respondents or 28.1 percent that incorrectly answered and 53 respondents or 3.3 percent that were not sure. This shows that most respondents who are non-agricultural workers understood the philosophy of sufficiency economy incorrectly. They perceived that sufficiency economy was related to agriculture and rural people. It was far from them living in urban areas. Moreover, its principles did not conflict with the business principles with an emphasis on profitability. The philosophy of sufficiency economy was not a closed economic system; that is, it did not prohibit individuals to interact with others. Trade, exports, and production for others could be done. In a sense of sufficiency economy, moderation and reasonableness are the principles for earning a profit, not taking advantage on consumers and suppliers as well as not exploiting social benefits.

7) A total of 1,307 respondents or 81.7 correctly answered the question: If we adopted the philosophy of sufficiency economy, we could pay

extravagantly: 258 respondents or 16.1 percent that incorrectly answered and 35 respondents or 2.2 percent that were not sure.

8) A total of 1,307 respondents or 81.7 percent correctly answered the question: If we adopted the philosophy of sufficiency economy, we could borrow the money: 271 respondents or 16.9 percent that incorrectly answered and 22 respondents or 1.4 percent that were not sure.

9) A total of 1,428 respondents or 89.3 percent correctly answered the question: The philosophy of sufficiency economy was consistent with the principles of sustainable development. There are 149 respondents or 9.3 percent that incorrectly answered and 23 respondents or 1.4 percent that were not sure.

10) A total of 1,045 respondents or 65.3 percent correctly answered the question: The philosophy of sufficiency economy could be applied to financial management perfectly: 495 respondents or 30.9 percent that incorrectly answered and there are 60 respondents or 3.8 percent that were not sure.

11) A total of 1,044 respondents or 65.3 percent correctly answered the question: the philosophy of sufficiency economy neglected modernization: 499 respondents or 31.2 percent that incorrectly answered and 57 respondents or 3.5 percent that were not sure. It demonstrates that most non-agricultural workers understood the philosophy of sufficiency economy incorrectly. Their misunderstanding was caused by the fact that it was not modern. Sufficiency economy was the philosophy that had been developed from practices. It encompassed different dimensions of development grounded on truth and applicability. It was based on the principles of moderation, reasonableness, and self-immunity. Thus, it could be applied to the modern economic system and did not cause any slow progress toward the development. In addition to the dimensions of economy and development, the philosophy of sufficiency economy enhanced individuals' carefulness and cautiousness about taking risks that are beyond their control.

12) A total of 857 respondents or 53.6 percent correctly answered the question: the country developed by a transfer of technology from foreign countries did not correspond to the philosophy of sufficiency economy. There are 667 respondents or 41.7 percent that incorrectly answered and 76 respondents or 4.8 percent that were not sure. This indicates that most respondents who are non-agricultural workers

understood the philosophy of sufficiency economy incorrectly. It could be applied to modern technology even though the philosophy of sufficiency economy was under the mainstream of globalization. Sufficiency economy was a way of middle path which helped enhance the use of technology imported from foreign countries properly. In addition, the use of technology must be able to support the country's development at a time being. Before the adoption of the technology, individuals must know pros and cons, requiring conditions of technical and social knowledge. The technology could be applied to the Thai local wisdom in an integrative way. The local wisdom should be shared for development by adhering to the principles of unity, honesty, and social responsibility.

13) A total of 1,171 respondents or 73.2 percent correctly answered the question: the philosophy of sufficiency economy was a production of bio-extract or a liquid cleaner used in household: 391 respondents or 24.4 percent that incorrectly answered and 38 respondents or 2.4 percent that were not sure. It reveals that most respondents who are non-agricultural workers understood the philosophy of sufficiency economy correctly. Fermented bio-extracts are an example of the adoption of the royal speech to practices. Such practices during an era of globalization are considered self-reliant, which was determined by the principles of sufficiency economy. Fermented bio-extracts are the Thai local wisdom whose production and application are inherited from generation to generation. Furthermore, the philosophy of sufficiency economy relied mainly on natural resources and supported inheritance of local wisdom that would establish lifestyle of self-reliance.

14) A total of 1,274 respondents or 79.6 percent correctly answered the question: The philosophy of sufficiency economy was a concept of idealism: 297 respondents or 18.6 percent that incorrectly answered and 29 respondents or 1.8 percent that were not sure. It shows most respondents who are non-agricultural workers understood the philosophy of sufficiency economy incorrectly. In fact, it was not an ideology; it was a concept of applicability. The New Theory under the royal initiative was an example of its applicability. The philosophy of sufficiency economy did not only aim at economic development; however, it was also the extent to which sufficiency would take place. It could be said that sufficiency economy was the philosophy of step-by-step development. Building a strong foundation was its priority.

Any individual who adopted it would experience the results themselves. Whatever social status of individuals was, they could create sufficiency depending on their conditions if understood correctly.

15) A total of 1,274 respondents or 79.6 percent correctly answered the question: Applying the philosophy of sufficiency economy to one's life required a correct knowledge and comprehension: 286 respondents or 17.9 percent that incorrectly answered and 40 respondents or 2.5 percent that were not sure.

16) A total of 1,318 respondents or 82.4 percent correctly answered the question: The philosophy of sufficiency economy could be applied to all walks of life in the society or at individual, community, and state levels: 237 respondents or 14.8 percent that incorrectly answered and 45 respondents or 2.8 percent that were not sure.

### 4.3 Results of the Application of the Philosophy of Sufficiency Economy

**Table 4.11** Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: Moderateness

<b>Application of the philosophy of sufficiency economy: moderateness</b>	<b><math>\bar{X}</math></b>	<b>S.D.</b>	<b>Operational Level</b>
- You could allocate your income to cover all expenses in a balanced manner.	3.57	.887	High
- You could spend your money as planned.	3.45	.983	High
- You made a plan to buy an asset by using savings money rather than borrowed money.	3.45	.941	High
- You made a loan for necessary stuff in your life.	3.49	.872	High
<b>Total</b>	<b>3.49</b>	<b>0.877</b>	<b>High</b>

Table 4.11 demonstrates that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in the dimension of moderateness are in the high level with the mean of 3.49. The question "You could allocate your income to cover all expenses in a balanced

manner” had the highest mean score of 3.57, followed by the question “You made a loan for necessary stuff in your life.” with the mean score of 3.49. Moreover, the questions “You could spend your money as planned.” and “You made a plan to buy an asset by using savings money rather than borrowed money” had mean scores of 3.49 and 3.45 respectively.

**Table 4.12** Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: Reasonableness

Application of the philosophy of sufficiency economy	$\bar{X}$	S.D.	Operational Level
Reasonableness			
- You earned a living with not-too risky way.	3.36	1.167	Moderate
- Accounting incomes and expenses allowed you to spend your money systematically.	3.31	1.180	Moderate
- You could cut unnecessary expenses to have money enough in each month.	3.44	.910	High
- You made a savings plan.	3.41	.925	High
- You made a correct analysis of borrowing based on academic knowledge and appropriateness.	3.50	.785	High
- You made a financial planning before your borrowing.	3.45	.811	High
<b>Total</b>	<b>3.41</b>	<b>0.866</b>	<b>High</b>

Table 4.12 demonstrates that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in the dimension of reasonableness are in the high level with the mean score of 3.41, overall. When each question was considered, results find that the questions that are mostly applied included “You made a correct analysis of borrowing based on academic knowledge and appropriateness” had the highest mean score of 3.50 followed by “You made a financial planning before your borrowing” with the mean score of 3.45 Moreover, the question “You could cut unnecessary expenses to have

money enough in each month” “You made a savings plan” “You earned a living with not-too risky way” and “Accounting incomes and expenses allowed you to spend your money systematically” had mean scores of 3.44, 3.41, 3.36 and 3.31, respectively.

**Table 4.13** Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: Self-Immunity

Application of the philosophy of sufficiency economy	$\bar{X}$	S.D.	Operational Level
Self-immunity			
- You avoided earning income by a way that you are not specialized in.	3.58	.869	High
- You had savings money for your retirement.	3.55	.859	High
- You are self-discipline of repaying your debt systematically.	3.54	.833	High
- You are financially self-discipline, such as accounting daily expenses for controlling your spending.	3.50	.861	High
<b>Total</b>	<b>3.54</b>	<b>0.806</b>	<b>High</b>

Table 4.13 illustrated that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in the dimension of self-immunity are in the high level with the mean score of 3.54, overall. When each question was considered, the questions “You avoided earning income by a way that you are not specialized in.” had the highest mean score of 3.58, followed by the question “You had savings money for your retirement” with the mean score of 3.55, the question “You are self-disciplined of repaying your debt systematically” with the mean score of 3.54 and “You are financially self-discipline, such as accounting daily expenses for controlling your spending” with the mean score of 3.50, respectively.

**Table 4.14** Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: The Knowledge Condition

Application of the philosophy of sufficiency economy	$\bar{X}$	S.D.	Operational Level
Knowledge conditions			
-You are self-disciplined of savings without any impacts on daily expenses.	3.53	.816	High
-You usually accounted your income and expenses.	3.52	.819	High
-You knew your financial situation and tried to live your life under your financial limit.	3.46	.802	High
-You usually accounted your expenses which made you specialized.	3.49	.775	High
-You accounted your income and expenses, allowing you to spend your money systematically.	3.41	1.213	High
<b>Total</b>	<b>3.48</b>	<b>0.796</b>	<b>High</b>

Table 4.14 shows that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in the dimension of self-immunity are in the high level with the mean score of 3.48. When each question was analyzed, findings show that “You are self-disciplined of savings without any impacts on daily expenses” had the highest mean score of 3.53, followed by “You usually accounted your income and expenses” with the mean score of 3.52, the question “You usually accounted your expenses which made you specialized” with the mean score of 3.49, the question “You knew your financial situation and tried to live your life under your financial limit” with the mean score of 3.46, and “You accounted your income and expenses, allowing you to spend your money systematically” with the mean score of 3.41, respectively.

**Table 4.15** Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: The Integrity Conditions

Application of the philosophy of sufficiency economy	$\bar{X}$	S.D.	Operational Level
Integrity conditions			
- You are usually self-disciplined of accounting your income and expenses.	3.47	1.157	High
- You had goals when making financial planning.	3.66	0.935	High
- You are honest for earning your income.	3.58	0.966	High
- You are self-disciplined of spending daily expenses.	3.55	0.950	High
<b>Total</b>	<b>3.56</b>	<b>0.929</b>	<b>High</b>

Table 4.15 reveals that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in the dimension of integrity are in the high level with the mean score of 3.56. When each question was analyzed, findings show that “You had goals when making financial planning” had highest mean score of 3.66, followed by “You are honest for earning your income” with the mean score of 3.58, the question “You are self-disciplined of spending daily expenses” with the mean score of 3.55, and the question “You are usually self-disciplined of accounting your income and expenses” had mean score of 3.47, respectively.

#### 4.4 Results of the management of personal finance

**Table 4.16** The Results of the Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: Accounting Incomes and Expenses

Accounting incomes and expenses	$\bar{X}$	S.D.	Operational Level
1. You made your income and expense accounts.	3.78	1.034	High
2. Your income and expense accounts helped you reduce your expenses.	3.75	1.042	High
3. Your income and expense accounts helped you to have more savings.	3.71	1.018	High
4. Your income and expense accounts helped you not to borrow money.	3.79	0.903	High
5. Your income and expense accounts helped you to have more money for repayment.	3.75	0.871	High
<b>Overall mean</b>	<b>3.76</b>	<b>0.927</b>	<b>High</b>

Table 4.16 demonstrates that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in the area of accounting incomes and expenses are in the high level with the mean score of 3.67. When the questions are analyzed, findings show that the question “Your income and expense accounts helped you not to borrow money” had highest mean score of 3.79, followed by “You made your income and expense accounts” with the mean score of 3.78, the question “Your income and expense accounts helped you to have more money for repayment” with the mean score of 3.75, and “Your income and expense accounts helped you to have more savings” with the mean score of 3.71, respectively.

**Table 4.17** Results of the Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: Financial Planning

<b>Financial Planning</b>	<b><math>\bar{X}</math></b>	<b>S.D.</b>	<b>Operational Level</b>
1. Financial planning allowed you to have incomes meeting your expenses.	3.74	1.089	High
2. Financial planning allowed you to spend less.	3.70	1.110	High
3. Financial planning helped you to have more savings.	3.64	1.114	High
4. Financial planning allowed you to borrow money that you could repay.	3.54	1.204	High
<b>Overall mean</b>	<b>3.66</b>	<b>1.080</b>	<b>High</b>

Table 4.17 indicates that people employed in non-agricultural sector applied the philosophy of sufficiency economy to the management of personal finance in terms of financial planning are in the high level with the mean score of 3.66, overall. When the question items are analyzed, findings show that “Financial planning allowed you to have incomes meeting your expenses” had the highest mean score of 3.74, followed by “Financial planning allowed you to spend less” with the mean scores of 3.70, the question “Financial planning helped you to have more savings” with the mean scores of 3.64 and the question “Financial planning allowed you to borrow money that you could repay” with the mean score of 3.54, respectively.

**Table 4.18** Results of the Application of the Philosophy of Sufficiency Economy to the Management of Personal Finance: Financial Discipline

Financial Discipline	$\bar{X}$	S.D.	Operational Level
1. You usually controlled your spending to be less than your incomes.	3.67	1.079	High
2. You allocated some part of your incomes for savings for future spending, usually.	3.66	1.054	High
3. You do not have any debt that exceeded your ability to repay.	3.55	1.136	High
4. You could always repay your debt on time.	3.49	1.139	High
<b>Overall mean</b>	<b>3.59</b>	<b>1.061</b>	<b>High</b>

Table 4.18 shows that people employed in non-agriculture sector applied the philosophy of sufficiency economy to the management of personal finance in the area of financial discipline are in a high level with the mean score of 3.59. When the questions are analyzed, findings show that the question “You usually controlled your spending to be less than your incomes” had the highest mean score of 3.67, followed by “You usually allocated some part of your incomes for savings for future spending” with the mean score of 3.66, the question “You do not have any debt that exceeded your ability to repay” with the mean score of 3.55 and the question “You could always repay your debt on time” with the mean score of 3.49, respectively.

#### **4.5 Results of the Understanding Toward the Philosophy of Sufficiency Economy from Exploratory Factor Analysis**

Research articles composed by Chirayu Itsarangkul Na Ayutthaya (2007, pp. 3-87) have been reviewed. The questionnaire used of quantitative data collection was developed based on the findings from those reviewed research articles. The questionnaire adopts a nominal scale to measure understandings towards the philosophy of sufficiency economy. The nominal measurement scale came with three labels: “Yes”, “Not Sure”, and “No”. Then, exploratory factor analysis was performed

to determine the variables into a factor along with principal axis factoring (PAF). Orthogonal rotation was also run by Equamax which determined the smallest number of factors. Each factor would contain the smallest number of variables. To meet factor analysis criteria, the eigenvalue should be over 1 (Kanlaya Vanichbuncha, 2001) including factor loadings of the variables. In other words, a variable with high value that belonged to the factor would be determined into that factor. To determine the variable into the factor, its value should be over 0.3 (Wiyada Tanvatanagul as cited in Yuth Kaiyawan, 2008).

After the analysis of factor extraction, 16 question items are determined into five factors as shown in Table 4.19.

**Table 4.19** Results of Understandings towards the Philosophy of Sufficiency Economy from the Exploratory Factor Analysis

<b>Factors</b>	<b>Number of Variables</b>	<b>Eigenvalue</b>	<b>Eigenvalue (%)</b>	<b>Cumulative Eigenvalue (%)</b>
Understanding of practices	5	4.000	24.997	24.997
Understanding of basic concept	5	2.823	17.646	42.644
Understanding of different aspects	2	2.636	16.473	59.117
Understanding of application	2	2.197	13.728	72.845
Understanding toward the philosophy of sufficiency economy	2	1.540	9.624	82.469
<b>Total</b>	<b>16</b>	<b>-</b>	<b>82.469</b>	<b>82.469</b>

Kaiser-Meyer-Olkin = 0.703    Bartlett's Test of Sphericity = 23,505.870, df = 120, P-value = 000

Table 4.19 illustrated that there are five factors of understandings towards the philosophy of sufficiency economy as found from factor extraction of exploratory factor analysis, which could explain the variables of understanding towards the philosophy of sufficiency economy by 82.469 percent. With the results of a matrix of correlation coefficients by Bartlett's Test of Sphericity, chi-square was equal to 23,505.870 with the significance value of 0.000 which was different from zero at the statistical significance of the 0.01 level. Kaiser-Meyer Olkin (KMO) was 0.703 which was close to 1. Thus, it could be concluded that factor analysis supported empirical data (Yuth Kraiwan, 2013, p. 74).

**Table 4.20** Component 1 “Knowledge and Understanding in Practice”

Indicators	Knowledge and understanding in practice	Factor loadings
Q12	The country developed by a transfer of technology from foreign countries did not correspond to the philosophy of sufficiency economy*.	0.919
Q15	Applying the philosophy of sufficiency economy in one's life required a correct knowledge and comprehension.	0.914
Q13	The philosophy of sufficiency economy was a production of bio-extract or a liquid cleaner used in household*.	0.842
Q14	The philosophy of sufficiency economy was a concept of idealism*.	0.841
Q6	The philosophy of sufficiency economy was not corresponding to the business principle of profit maximization*.	0.693
5 Indicators	Eigenvalue	4.000
Factor 1	% Eigenvalue	24.997

Table 4.20 indicates that there are five indicators determined into factor 1, “Knowledge and understanding in practice” with factor loadings ranging between 0.693 and 0.919. The highest values of factor loadings among the indicators are “The

country developed by a transfer of technology from foreign countries did not correspond to the philosophy of sufficiency economy\*”, followed by “Applying the philosophy of sufficiency economy in one’s life required a correct knowledge and comprehension”, The philosophy of sufficiency economy was a production of bio-extract or a liquid cleaner used in household\*, and “The philosophy of sufficiency economy was a concept of idealism\*”, respectively. Meanwhile, the indicator with the lowest value of factor loading was the philosophy of sufficiency economy was not corresponding to the business principle of profit maximization\*”. For factor 1, eigenvalue was 4.000 which could explain eigenvalue by 24.997.

**Table 4.21** Component 2 “Knowledge and Understanding of Basic Principles, Conceptual Framework”

Indicators	Knowledge and understanding of basic principles, conceptual framework	Factor loadings
Q10	The philosophy of sufficiency economy could be applied to financial management perfectly.	0.901
Q9	The philosophy of sufficiency economy was consistent with the principle of sustainable development*.	0.863
Q5	Production for exports conflicted the philosophy of sufficiency economy*.	0.857
Q1	The philosophy of sufficiency economy was a principle of people’s living based on the middle path, reasonableness, self-immunity, and the conditions of knowledge and integrity.	0.745
Q16	The philosophy of sufficiency economy could be applied to all walks of life in the society, including individual, community, and state levels.	0.707
5 Indicators	Eigenvalue	2.823
Factor 2	% Eigenvalue	17.646

Table 4.21 indicates that there are five indicators determined into factor 2, “Knowledge and understanding of basic principles, conceptual framework” with factor loadings ranging between 0.707 and 0.901. The highest values of factor loadings among the indicators are a “The philosophy of sufficiency economy could be applied to financial management perfectly”, followed by “The philosophy of sufficiency economy was consistent with the principle of sustainable development\*”, “Production for exports conflicted the philosophy of sufficiency economy\*”, and “The philosophy of sufficiency economy was a principle of people’s living based on the middle path, reasonableness, self-immunity, and the conditions of knowledge and integrity.”, respectively. Meanwhile, the indicator with the lowest value of factor loading was “The philosophy of sufficiency economy could be applied to all walks of life in the society, including individual, community and state levels”. For factor 2, eigenvalue was 2.823 which could explain eigenvalue by 17.646.

**Table 4.22** Component 3 “Knowledge and Understanding of Various Perspectives”

Indicators	Knowledge and Understanding of various perspectives	Factor loadings
Q2	The philosophy of sufficiency economy focused on building the country’s foundation, particularly in economy*.	0.900
Q11	The philosophy of sufficiency economy ignored modernization*.	0.647
2 Indicators	Eigenvalue	2.636
Factor 3	% Eigenvalue	16.473

Table 4.22 indicates that there are two indicators determined into factor 3, “Knowledge and Understanding of various perspectives” with factor loadings ranging between 0.647 and 0.900. The highest values of factor loadings among the indicators are “The philosophy of sufficiency economy focused on building the country’s foundation, particularly in economy\*”, followed by “The philosophy of sufficiency

economy ignored modernization\*”, respectively. For factor 3, eigenvalue was 2.636 which could explain eigenvalue by 16.473.

**Table 4.23** Component 4 “Knowledge and Understanding in the Application”

Indicators	Knowledge and understanding in the application	Factor loadings
Q8	If we adopt the philosophy of sufficiency economy, we could borrow the money.	0.917
Q7	If we adopt the philosophy of sufficiency economy, we could pay extravagantly.	0.881
2 Indicators	Eigenvalue	2.197
Factor 4	% Eigenvalue	13.728

Table 4.23 indicates that there are two indicators determined into factor 4, “Knowledge and understanding in the application” with factor loadings ranging between 0.881 and 0.917. The highest values of factor loadings among the indicators are “If we adopt the philosophy of sufficiency economy, we could borrow the money”, followed by “If we adopt the philosophy of sufficiency economy, we could pay extravagantly”, respectively. For factor 4, eigenvalue was 2.197 which could explain eigenvalue by 13.728.

**Table 4.24** Component 5 “Knowledge and Understanding in the Philosophy of Sufficiency Economy, New Theories”

Indicators	Knowledge and understanding in the philosophy of sufficiency economy, new theories	Factor loadings
Q3	The philosophy of sufficiency economy promoted the production for household consumption rather than production for trade*.	0.889
Q4	If the philosophy of sufficiency economy was adopt, export and outside trading are prohibited*.	0.446
2 Indicators	Eigenvalue	1.540
Factor 5	% Eigenvalue	9.624

Table 4.24 indicates that there are two indicators determined into factor 5, “Knowledge and understanding in the philosophy of sufficiency economy, new theories” with factor loadings ranging between 0.446 and 0.889. The highest values of factor loadings among the indicators are “The philosophy of sufficiency economy promoted the production for household consumption rather than production for trade\*”, followed by “If the philosophy of sufficiency economy was adopted, export and outside trading are prohibited\*”, respectively. For factor 5, eigenvalue was 1.540 which could explain eigenvalue by 9.624.

#### 4.6 Results of Correlation Coefficients Among the Observed Variables

There are three factors: understandings towards the philosophy of sufficiency economy (UNDER), application of the philosophy of sufficiency economy to personal financial management (APP), and the outcomes from personal financial management based on the philosophy of sufficiency economy (SUFECO). Those factors had a total of 13 variables, and their correlation coefficients are reviewed to see factor loadings of question items. The factor loadings also confirmed if the observed variables could only measure latent variables.

The results are as follows: Correlation coefficients among 13 variables or observed variables are statistically different from zero (0) with the statistical

significance of the 0.01 level of all 91 pairs. The strength of their relationships was moderate and high, ranging between 0.623 and 0.970 as demonstrated in Table 4.24.



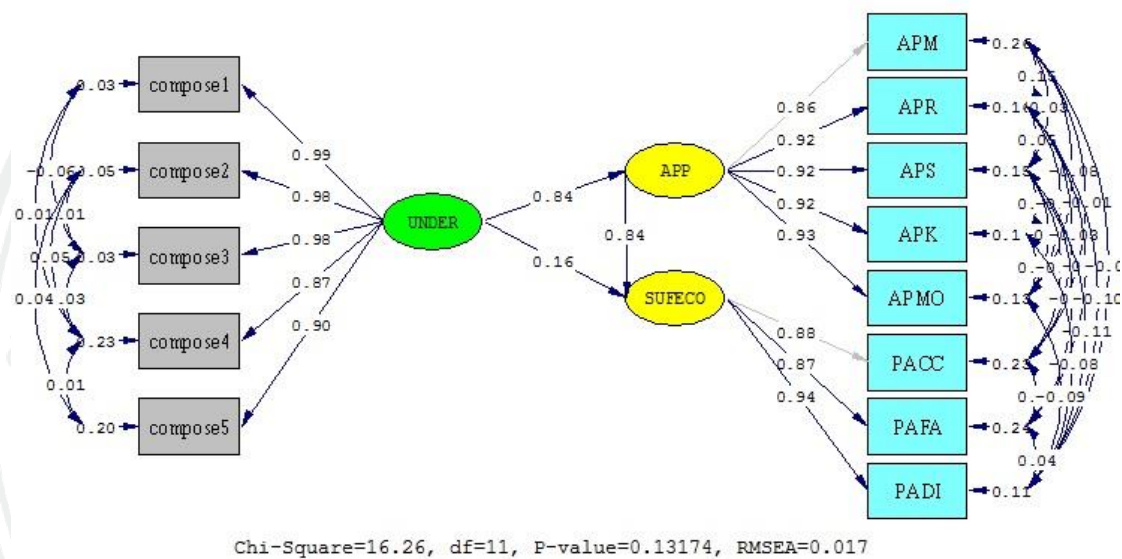
**Table 4.25** The Pearson Product Moment Correlation Coefficient of Observed Variables in the Causal Model, Applying the Sufficiency Economy Philosophy to Personal Financial Management

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Compose1	1												
2. Compose2	.963**	1											
3. Compose3	.915**	.970**	1										
4. Compose4	.873**	.904**	.890**	1									
5. Compose5	.885**	.910**	.884**	.794**	1								
6. APM	.727**	.713**	.652**	.623**	.642**	1							
7. APR	.764**	.756**	.701**	.670**	.682**	.939**	1						
8. APS	.727**	.756**	.723**	.680**	.686**	.819**	.901**	1					
9. APK	.724**	.757**	.736**	.684**	.695**	.794**	.849**	.890**	1				
10. APMO	.701**	.729**	.711**	.650**	.661**	.720**	.761**	.743**	.908**	1			
11. PACC	.698**	.711**	.694**	.670**	.674**	.708**	.749**	.720**	.788**	.794**	1		
12. PAFA	.728**	.734**	.714**	.695**	.690**	.720**	.769**	.732**	.787**	.791**	.958**	1	
13. PADI	.803**	.812**	.799**	.765**	.762**	.693**	.734**	.730**	.765**	.758**	.827**	.861**	1

**Note:** \*\* statistically significant at the 0.01 level.

#### 4.7 Testing of Structural Equation Modelling

The structural equation relationship was analyzed by LISREL 8.72 to assess the goodness of fit between empirical data and the structural equation modelling as determined by the theory. Subsequently, hypothesis testing was performed to evaluate the model. The results indicate the following.



**Figure 4.1** Structural Equation Modelling of the Effects of Understandings towards the Philosophy of Sufficiency Economy, the Application of the Philosophy of Sufficiency Economy, and the Management of Personal Finance on the Outcomes of the Philosophy of Sufficiency Economy

**Note:** all causal relationship lines are statistically significant at the 0.01 level.

Acronym of latent variables and observed variables

Under	Understanding toward the philosophy of sufficiency economy
Compose1	Knowledge and understanding in practice
Compose2	Knowledge and understanding of basic principles, conceptual framework
Compose3	Knowledge and Understanding of various perspectives

Compose4	Knowledge and understanding in the application
Compose5	Knowledge and understanding in the philosophy of sufficiency economy, new theories
APP	Application of the philosophy of sufficiency economy
APM	Moderateness
APR	Reasonableness
APS	Self-immunity
APK	Knowledge
APMO	Integrity
SUFECO	Outcomes from applying the philosophy of sufficiency economy
PACC	Incomes and expenses accounts
PAFA	Financial planning
PADI	Financial discipline

**Table 4.26** Results of Goodness of Fit of the Structural Equation Modelling of the Effects of Understandings towards the Philosophy of Sufficiency Economy, the Application of the Philosophy of Sufficiency Economy, and the Management of Personal Finance on the Outcomes of the Philosophy of Sufficiency Economy

Chi-Square (x2)	df	(x2/df)	p-value	GFI	CFI	RMR	RMSEA
16.196	11	1.472	0.134	0.998	1.00	0.00174	0.0173

Findings from table 4.26 show that the values of Chi-Square and degree of freedom are 16.196 with the p-value of 0.134. Goodness of Fit Index (GFI) was 0.998. Comparative Fit Index (CFI) was 1.000. The value of root mean square residual (RMR) was 0.00174 and root mean square error of approximation was (RMSEA) 0.0173. When those statistical values are compared against the criteria, the value of Chi-Square and degree of freedom should be less than 2. The p-value should not have statistical significance. Goodness of Fit Index (GFI) and Comparative Fit Index (CFI) should be greater than 0.9. Moreover, the values of root mean square residual (RMS) and root mean square error of approximation (RSMEA) should be less than 0.05. The

results reveals that the structural equation modelling perfectly fit the theoretical model (Tabachnick & Fidell, 2007). Therefore, those statistical values are consistent with the criteria, thereby resulting in the goodness of fit of the theoretical model.

#### 4.8 Hypothesis Testing

In this part, the hypotheses are tested by t-value, including the directions of relationship among the variables and the influence values of the variables derived from coefficient values of regression. The predictors are understandings towards the philosophy of sufficiency economy and the application of the philosophy of sufficiency economy. On the contrary, the dependent variable was the outcomes from applying the philosophy of sufficiency economy. The results are shown in table 4.27

**Table 4.27** Direct and Indirect Effects of Predictors and Dependent Variable

Predictors	Effects	Dependent variables	
		Application of the philosophy of sufficiency economy ( $R^2 = 0.706$ )	The outcomes of financial management based on the philosophy of sufficiency economy ( $R^2 = 0.951$ )
Understanding toward the philosophy of sufficiency economy	DE	0.840**	0.161
	IE	-	0.703**
	TE	0.840**	0.703**
Application of the philosophy of sufficiency economy to the management of personal finance	DE	-	0.863**
	IE	-	-
	TE	-	0.863**

**Note:** DE = Direct Effects, IE = Indirect Effects, TE = Total Effects \*\*  $p < .01$

#### 4.8.1 Results of Hypothesis Testing

Table 4.27 When considering the direct and indirect influences that affect the outcome variables of financial management according to the sufficiency economy philosophy (SUFEKO). It was found that these variables were direct influenced by the application of the sufficiency economy philosophy to the management of personal finance (APP) with the direct influence of 0.863, which has statistically significant influence at the level of 0.01 and direct influenced by the understandings towards the philosophy of sufficiency economy ( UNDER) of 0.161 which has statistically significant influence at the level of 0.01. In addition, the result of financial management in accordance with the sufficiency economy philosophy (SUFEKO) indirect influenced from the understandings towards the philosophy of sufficiency economy (UNDER) of 0.703 which has statistically significant influence at the level of 0.01 and the understandings towards the philosophy of sufficiency economy (UNDER) has total influenced with the outcome variables of financial management according to the sufficiency economy philosophy (SUFEKO) of 0.864 which has statistically significant influence at the level of 0.01.

In addition, the direct and indirect influences that affect the outcome variables of financial management according to the sufficiency economy philosophy (SUFEKO). There are still other variables which is directly influenced were application of the sufficiency economy philosophy in personal money management (APP) influenced by the understandings towards the philosophy of sufficiency economy (UNDER) of 0.840 which has statistically significant influence at the level of 0.01.

Therefore, can be summarized as follows:

- 1) Understandings towards the philosophy of sufficiency economy (UNDER) had positive direct effects on the application of the philosophy of sufficiency economy to the management of personal finance (APP) by the regression coefficient values of 0.840 with the 0.01 statistical value.

- 2) The application of the philosophy of sufficiency economy to the management of personal finance (APP) had positive direct effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy

(SUFEKO) by the regression coefficient values of 0.863 with the 0.01 statistical value. 0.01

3) Understandings towards the philosophy of sufficiency economy (UNDER) had positive direct effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy (SUFEKO) by the regression coefficient values of 0.161 with the 0.01 statistical value.

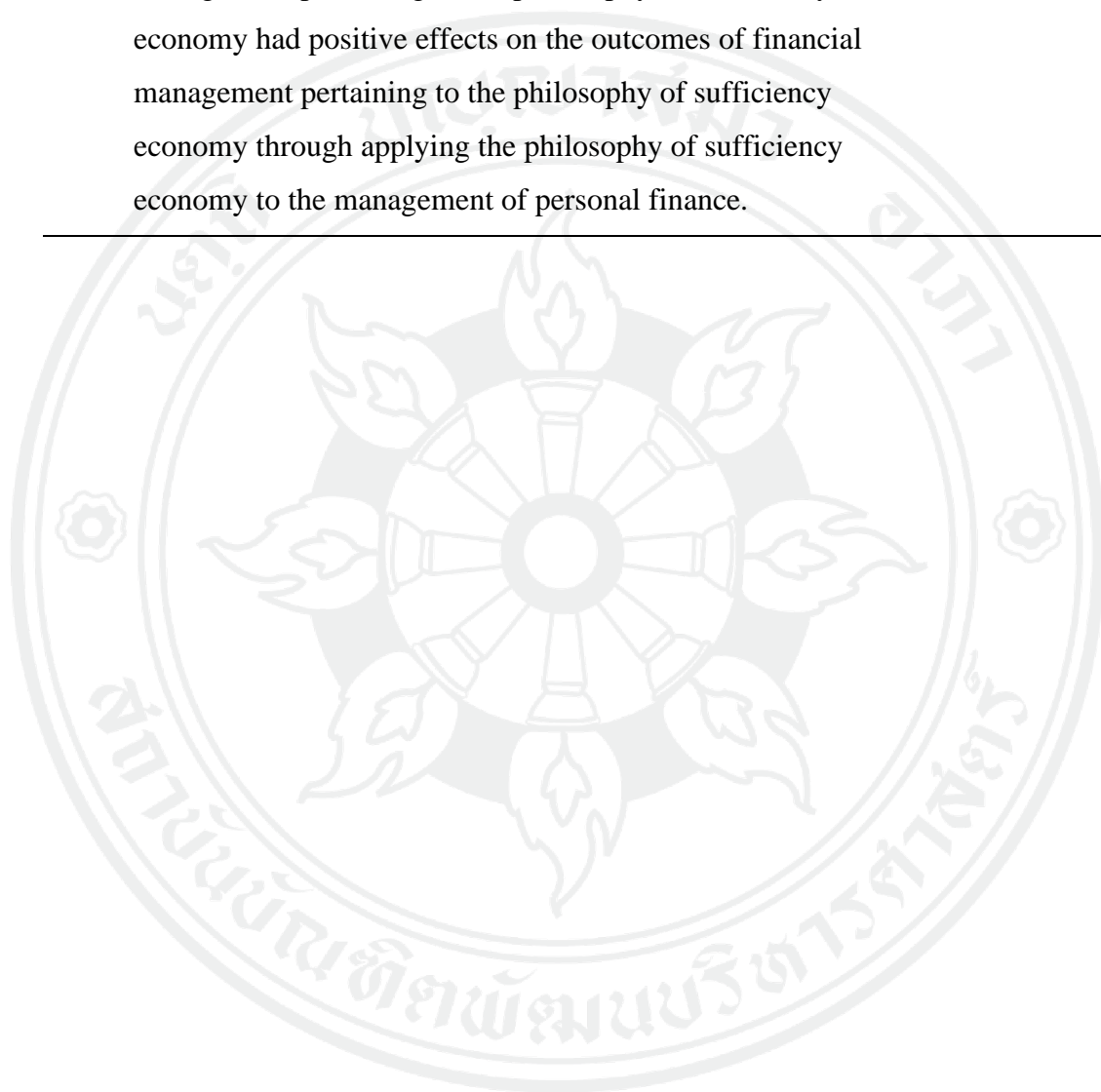
4) Understanding of the Philosophy of Sufficiency Economy (UNDER) had total influenced on the variables of financial management pertaining to the philosophy of sufficiency economy (SUFEKO) with a total influence of 0.864 which the 0.01 statistical value.

5) Understandings towards the philosophy of sufficiency economy (UNDER) had indirect effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy (SUFEKO) by the regression coefficient values of 0.703 with the 0.01 statistical value.

**Table 4.28** The Results of the Hypothesis Test

No.	Hypothesis	Results of the hypothesis test
1	The understanding toward the philosophy of sufficiency economy had positive direct effects on the application of the philosophy of sufficiency economy to the management of personal finance.	Accepted
2	Application of the philosophy of sufficiency economy to the management of personal finance had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy.	Accepted
3	The understanding toward the philosophy of sufficiency economy had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy.	Accepted

No.	Hypothesis	Results of the hypothesis test
4	The understanding toward the philosophy of sufficiency economy had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy through applying the philosophy of sufficiency economy to the management of personal finance.	Accepted



## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

The current study entitled, “Knowledge and Understanding of the Philosophy of the Sufficiency Economy, by application of the philosophy of sufficiency economy in personal finance management and the results of personal financial management of non-agricultural people.” analyzes the data collected by means of documents and questionnaires. The population of this study are people whose domiciles are among the poorest provinces in each region of Thailand. The expected samples from the poorest provinces of each region was 400 respondents, with a total of 1,600 respondents. The provinces include Amnat Charoen, Mae Hong Son, Chainat, and Pattani.

The statistics used for data analysis are frequency, percentage, minimum (max), mean (mean) and standard deviation (S.D.) and the structural equation model, the causal factor of knowledge and understanding in the sufficiency economy philosophy. The application of the sufficiency economy philosophy in personal financial management and personal money management results utilised the LISREL program to examine the harmonization of the research model with empirical data consisting of value indexes Chi-Square,  $\chi^2/df$ , GFI, CFI, NFI and RMSEA .

#### 5.1 Conclusions

The results of the analysis of data collected from 1,600 samples by the questionnaires demonstrate that most respondents were male aged between 20 – 55 years old holding a bachelor’s degree. They were employed by private companies with less than 10-years work experience. Their average salary ranged between 15,000 baht and 25,000 baht, which was not enough to cover all expenses.

In terms of their understanding toward the philosophy of sufficiency economy, most respondents had a moderate level of agreement. The items of the philosophy of

sufficiency economy that the respondents had the highest level of agreement were, the “The philosophy of sufficiency economy was consistent with the principle of sustainable development.”, followed by “The philosophy of sufficiency economy could be applied to all walks of life in the society, including individual, community, and state levels”. However, the item that the respondents had the lowest level of agreement was “Production for exports conflicted the philosophy of sufficiency economy”.

For the application of the philosophy of sufficiency economy to personal finance management, the study finds that the respondents applied the philosophy to their personal finance management in the area of moral conditions, followed by self-immunity. Knowledge and reasonableness were the variables that the respondents applied the philosophy to the least.

The study finds from the analysis of the outcomes of personal finance management, that most respondents adopted accounting incomes and expenses, followed by financial planning. The area that the respondents least adopted was the practice of financial discipline.

### **5.1.1 Hypothesis Testing**

Based on the results of the structural equation modelling, the study finds that the empirical model fit perfectly with the theories. The results from hypothesis testing are as follows:

Hypothesis 1: The understandings toward the philosophy of sufficiency economy has directly positive effects on the application of the philosophy of sufficiency economy to management of personal finance. Results from the analysis of the structural equation modelling reveal that the understanding toward the philosophy of sufficiency economy has directly positive effects on the application of the philosophy of sufficiency economy to management of personal finance. Therefore, hypothesis 1 is accepted.

Hypothesis 2: Application of the philosophy of sufficiency economy to the management of personal finance had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy. Results of the structural equation modelling indicate that that it has indirectly positive effects on the

outcomes of financial management pertaining to the philosophy of sufficiency economy. Thus, hypothesis 2 is accepted.

Hypothesis 3: The understanding toward the philosophy of sufficiency economy had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy. The results from the analysis of the structural equation modelling indicate that it has directly positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy. Therefore, hypothesis 3 is accepted.

Hypothesis 4: The understanding toward the philosophy of sufficiency economy had positive effects on the outcomes of financial management pertaining to the philosophy of sufficiency economy through applying the philosophy of sufficiency economy to the management of personal finance. Thus, hypothesis 4 is accepted.

## **5.2 Discussion**

According to the results of testing hypothesis 1, results find that the understandings toward the philosophy of sufficiency economy has directly positive effects on the application of the philosophy of sufficiency economy to management of personal finance, consistent with a study by Wilaiphon Worachittanon (2008) which examines the understandings and behavior of students that follow the philosophy of sufficiency economy: a case of King Mongkut's Institute of Technology Ladkrabang students in the Faculty of Industrial Education. The results show that King Mongkut's Institute of Technology Ladkrabang students in the Faculty of Industrial Education majoring in all fields had moderate levels of agreement on their understandings toward the philosophy of sufficiency economy. Their behavior in conforming to the philosophy of sufficiency economy was found to be at a fair level. Their understanding toward the philosophy of sufficiency economy was associated with their behavior in conforming to the philosophy of sufficiency economy at the statistical significance of 0.01. Moreover, a previous study corresponded to the study by Phuripanya Kerd Sri (2010) that explores the key success factors of applying the philosophy of sufficiency economy to land reform: a case study of Nikhom Kraseow

District, Amphoe Danchang, Suphanburi province, found that understandings toward the philosophy of sufficiency economy, leadership, cooperation among the farmers in exchange of their experiences, coordination, and supportive government agencies were key success factors in applying the philosophy of sufficiency economy with statistical significance. This is in line with the study by Phakaphan In-champa (2011) which investigates the practices based on the philosophy of sufficiency economy by the families of employees working for private hospitals in Bangkok, knowledge and access to the news and information about the philosophy of sufficiency economy has a relationship with the practices based on the philosophy of sufficiency economy by the family.

The results of the current study correspond to the research by Anek Chitkaset and Phannut Chaipinchana (2011) that examine at the integrative management of expenses and generations of more incomes pertaining to the philosophy of sufficiency economy: a case study of Thatum District in Amphoe Pasang, Lamphun province which found that the key success factors of integrative management of expenses and generation of more incomes are personal characteristics of understandings of life based on the concepts of sufficiency, group process of the community, and strong leaders. These findings are also consistent with the study by Watchara Pinthong and Suraphon Setthabut (2013) which explore key success factors of life pertaining to the philosophy of sufficiency economy among farmers living in nearby Huay Sai Development Center of Royal Project Initiatives in Petchaburi province. The findings demonstrate that water is the main factor that affects the achievements of farmers applying the philosophy of sufficiency economy to their living. Different understandings toward the philosophy of sufficiency economy influence decision making in joining the royal project of the farmers living nearby the Huay Sai Development Center of Royal Project Initiatives in Petchaburi province and affects the way farmers live their life based on the philosophy of sufficiency economy. In addition, these findings correspond to research by Suphanut Trinet (2014) who studies the model of the development of sufficiency economy village: a case study of Wangsangtai village in Wangsang subdistrict, Amphoe Chonnabot, Khon Kaen province, which found that the sufficiency economy village was developed with the following aspects; learning. Local wisdom is applied to the daily life, including an

exchange of knowledge about the philosophy of sufficiency economy in everyday life. The second aspect was generosity. The poor and handicapped were provided with assistance through the establishment of social welfare. The third aspect was a reduction in expenses. Households were encouraged to plant homegrown vegetables and keep livestock. The surplus from household consumption would be sold. People in the community reduce, discontinue and stop their habits that cause ruin to their lives. The fourth aspect was generating additional incomes. People in the community sought a part-time job. The fifth aspect was saving. People in the community were encouraged to make savings with the community savings group. They accounted for household incomes and expenses. The last aspect was the protection of natural resources and environment in a sustainable manner. This is also in-line with the study by Thatsanai Sunthornwiphat (2015) which discovered that knowledge of sufficiency economy can predict a positive attitude toward spending habits that follow the philosophy of sufficiency economy among the university students in Bangkok. These findings correspond to research by Anucha Phimainok and Phakhawan Lunsamlong (2015) that examines the key success factors of the development of village based on the philosophy of sufficiency economy in Ban Sapnam village, Wangnamkheo subdistrict, Amphoe Wangnamkheo, Nakhon Ratchasima province. The results indicate that the variables that allow the achievement of the development of village based on the philosophy of sufficiency economy in Ban Sapnam village were external factors of the village, such as supportive government agencies in providing knowledge of the philosophy of sufficiency economy, supported budget, and supplying the markets for community products. The results also show that people in the village had an understanding toward the philosophy of sufficiency economy at a high level. They successfully applied the philosophy of sufficiency economy to the development of community and people at a high level. At an individual and family level, the philosophy was also adopted, enabling them to consume sufficiently, not causing any trouble to themselves or others. Savings were promoted by establishing savings groups.

Such findings are consistent with the study by Kritsada Lakmueang, Apinya Ratanachai, and Panuphan Phapatigul (2016) who examines the factors influencing the application of the philosophy of sufficiency economy to the daily life among

farmers that cultivate paddy in Songkhla province. The results show that types of media that convey information about the sufficiency economy, educational levels, numbers of farmers joining the group and farmers' organizations, average household income, and rice cultivation experience were positively associated with the application of the philosophy of sufficiency economy to farmers daily lives. Therefore, it is recommended that the capabilities of community leaders be continuously developed to have better understandings and positive attitudes toward the philosophy of sufficiency economy. The community should be able to transfer the way to apply the philosophy to daily life for the people in the community. This is in line with the research by Nisa Pumirak (2016); Warangrat Tannawan and Wannakit Wannasin (2018) whose results reveal that the understandings toward the philosophy of sufficiency economy influence the application to the daily life. This also corresponds to the study by Withun Kaewsuwan, Kasamchart Naressene, and Bunreang Sriharun (2016) that investigate community development based on the philosophy of sufficiency economy in the lower part of central region of Thailand. This research found that community development based on the philosophy of sufficiency economy in the lower part of central region of Thailand had a moderate level. The items that received the highest level of understanding toward the philosophy of sufficiency economy were an exchange of knowledge with successful local philosophers and an achievement of development in all aspects that adopted the philosophy of sufficiency economy. Thus, participating in community development which follows the philosophy of sufficiency economy in the lower part of central region of Thailand provided the opportunity for the villagers to develop their capabilities for managing and fixing problems based on the philosophy of sufficiency economy. This is in line with the research conducted by Saowanat Leklersin (2017) that studied the understanding and the application of the philosophy of sufficiency economy to the local economic development in Bangyai subdistrict, Amphoe Bangyai, Nonthaburi province. The results showed that people had an understanding toward the philosophy of sufficiency economy by 72.45 percent. The respondents applied the philosophy of sufficiency economy in a high level, overall. Moderateness was mostly applied, followed by self-immunity and moderateness, respectively. This is consistent with the research by Thanathep Buabut (2017) that studied the adoption

of the philosophy of sufficiency economy as an approach to develop the quality of life among non-commissioned manpower of 1st Field Artillery Battalion (King's Guard). The results indicate that demographic factors did not influence the behavior in line with the philosophy of sufficiency economy. Only duration of state employment affected their behavior. Furthermore, different levels of understanding influenced the living behavior that adopted the philosophy of sufficiency economy. It was in line with the study by Benjawan Thanormchayathawat and Rattayanaphit Ratchathawan (2018) examining the development of forms of knowledge management pertaining to the philosophy of sufficiency economy among the students of the nursing science of Boromarajonani College of Nursing, Nakhon Si Thammarat who found that most students had an understanding toward the philosophy of sufficiency economy in their living at a high level of 80.92 percent. In terms of their lifestyle, the study finds that most respondents had their lifestyle following the philosophy of sufficiency economy at a high level.

According to the results of testing hypothesis 2, the study finds that applying the philosophy of sufficiency economy to personal finance management had direct positive effects on the outcomes of personal finance management pertaining to the philosophy of sufficiency economy. The results were consistent with the research conducted by Kamonman Virutsetazin and Thada Wimonwatwatee (2010) who study the development of savings forms by adopting the philosophy of sufficiency economy to the livelihood of Srinakharinwirot University students majoring in physical education. The study finds that the students had positive attitude toward savings money and good habit of savings money. It was a result of knowledge gained from the lecture, namely, "Savings: The Philosophy of Sufficiency Economy". The core leader students extracted the lessons of savings from the activity of friends helping friend and Sufficiency Mor Sor Wor income-expense accounts. Overall, the students improved their attitude and habit after the experiments, which was in line with the study by Rujee Charupash et al. (2010) who examine the application of the philosophy of sufficiency economy to personal financial planning: an action research in class at Sirindhorn College of Public Health Khon Kaen. Its research objectives were that the students should be able to apply the philosophy of sufficiency economy to personal financial planning to achieve a better spending and savings. They were

provided with knowledge of personal financial planning and the philosophy of sufficiency economy. The students were asked to set their 4-month objectives and create a financial plan. The students were required to estimate their incomes and expenses which were supervised by their teachers. They must record their income on the accounts, applying the philosophy of sufficiency economy to manage their income to cover the expenses. Meanwhile, the teachers would check their financial management situations and spending in every two weeks. Then, the teachers would document the process of the students' financial management. At this stage, the students would have an increased amount of savings since they were reasonably spending. The philosophy of sufficiency economy could be applied to personal financial planning, as the students had knowledge about planning and managing their expenses. As a result, they would have more money that could be planned. Moreover, they students could tell their reasons for spending. They did not make any overspending satisfy their needs and agree with the philosophy as it could contribute to their success in their future.

This corresponds to research carried out by Khwankamon Donkhwa (2013) which finds that self-immunity has direct, positive effects on financial and accounting management, consistent with the study by Ukrit Sridaromon et al. (2013) who examines economic management in Thai households based on the philosophy of sufficiency economy. The study finds that the elements of the philosophy of sufficiency economy influencing economic management in Thai household were thinking system and understanding, participation of all family members, age, sex, financial planning, frugality, savings, risk management and control that would occur in household, and reduction in expenses and generation of incomes. The data were collected from leaders of Thai household. It was corresponded to the research by Suthep Sribunpheng (2014) which explored the application of the philosophy of sufficiency economy to business operation by Chaicharoen and Rice Seed Company in Donkamyan subdistrict, Amphoe Mueang, Suphanburi province. The results show that the company applied the philosophy of sufficiency economy to its business operation in the area of investment moderateness and recruitment of employees that matched the business status. It was in line with the study by Savitree Rangsihaht and Apinut Sangtriphethkra (2014) which investigates the application of the philosophy of

sufficiency economy to self-development and family among Kasetsart University students majoring in agriculture. The results indicate that application of the philosophy of sufficiency economy to family development was through giving love, creating unity, and making household accounting. Such applications were useful and showed self-reliance, which corresponded to the research conducted by Kriengkrai Sinlaparatsami (2015) who studies the factors promoting household accounting: a case study of rubber farmers in Bangkhan subdistrict, Amphoe Bangkhan, Nakhon Si Thammarat province. The study finds that there were five factors that promoted household accounting: life security, preparedness, development, living the life with mindfulness, and creation of basic livelihood. Moreover, there were four factors promoted financial management in family: a system of fixing the problems and reducing debt, financial planning system, predictive system of the demand for money, and cooperation and debt prevention. It was consistent with the research conducted by Phichitra Nutnum and Phithak Siriwong (2015) which examines the meaning and its background of savings process and problems of savings based on the philosophy of sufficiency economy among government employees of Kanchanaburi Provincial Administrative Organization. The study finds that savings was defined as the difference between incomes and expenses to be kept. Its meaning also was that some part of money was kept being used when necessary and little by little savings. The meaning includes frugality and savings. Its meanings came from the nurture of savings habit from the family and educational institutions since the childhood. The samples were government employees with fixed incomes and financial discipline. They could make a financial planning with the adoption of the philosophy of sufficiency economy as a guide for savings. There were four steps of savings: setting the goals in life, making household accounting, savings in different forms, and review of spending plan. The problems of savings were social environment and value, rising cost of living, unexpected expenses, personal spending habit.

Which is in line with the study by Pairut Kanjanakaroorn et al. (2015) who examines the achievements of microfinance services provided to local people and community following the philosophy of sufficiency economy: a case study of eight provinces in the north of Thailand. The results of the study showed that the strong community financial organizations applied the philosophy of sufficiency economy to

different aspects greater than those of the weak community financial organizations. In terms of moderateness, the strong community financial organizations had more members who made savings. They made frequent savings. For self-immunity, the strong community financial organizations had higher number of members who made household accounting and income-expense accounting with financial discipline and better financial management. It was in line with the research conducted by Suphamat Angsuchot and Kanchani Kangwanphonsiri (2015) which examines the approach and measures promoting savings among the elderly based on the philosophy of sufficiency economy: a case of Nonthaburi province. The study finds that the elderly applied the knowledge gained from the training to different aspects of their savings. For example, they were more careful about their spending, generating additional incomes. The elderly also made their income-expense accounting and household. They showed financial discipline and their savings were invested based on moderateness. They increased their savings. It was corresponded to the study by Chamrerat Chitchirachan (2016) which investigates the development of application forms of the philosophy of sufficiency economy to self-development. Its samples were university students in the northeast of Thailand. The results indicate that the application to the self-development was expressed in the form of morality and ethics such as discipline, responsibility, honesty, sacrifice, and role model. It was practiced at a high level, which is consistent with the study by Nopphon Chantharanamchu (2016), whose study examines the application of the philosophy of sufficiency economy to personal finance management among the teachers in Nakhon Pathom province. The results indicate that reasonableness, self-immunity, knowledge, and integrity were the elements of the philosophy of sufficiency economy applied to their personal finance management at a high level. On the contrary, moderateness was applied at a neutral level. The approach to applying the philosophy of sufficiency economy to personal finance management included income planning with reasonableness, and savings planning for creating self-immunity, which were consistent with the research by Natchaphon Suriyaseni et al. (2017) whose explores the elements of organizational management forms pertaining to the philosophy of sufficiency economy in the production sector: a case of the award winner of the philosophy of sufficiency economy. The study finds that the organizations possessed the elements of

organizational management forms based on the philosophy of sufficiency economy as the following. For learning and growth, the organizations must develop their employees' capability and aid in different aspects such as stable compensation and benefits and savings and income-expense accounting following the philosophy of sufficiency economy. In the financial aspect, the organizations must have the ability to see in the long run for management. The business should be expanded little by little. They should make loans at the level that the organizations could repay. The organizations must focus on low-risk management; that is, they should have reserved money, financial immunity, and transparent accounting.

This is in line with the study by Niphon Sasithonsaowapha (2018), which examines way of life by means of the philosophy of sufficiency economy. The results demonstrated that applying the philosophy of sufficiency economy to the livelihood affected the quality of life of villagers in terms of reasonableness and self-immunity. Nonetheless, it had effects on moderateness at the low level since a level of moderateness of each family varied, depending on their financial status. It was recommended that household accounting be made to make the family known their level of moderateness by themselves, which corresponded to the research conducted by Parichart Maneemai et al. (2018). The research examined accounting practices based on the philosophy of sufficiency economy: a case study of farmers in the project promoting a larger agricultural plot of land in Nakhaosia subdistrict, Amphoe Nayongm Trang province. The research objective was to survey accounting practices based on the philosophy of sufficiency economy. It was also aimed at utilizing the accounting data, including the identification of problems that hindered the accounting practices by the farmers. It was a qualitative research. The findings indicated that a few farmers made accounting and applied the accounting data to making a financial planning based on the philosophy of sufficiency economy. The problems that had been identified were that the farmers had little knowledge ability to make accounting. In addition, they did not realize the importance of the benefits of accounting. Thus, the knowledge of accounting should be extended to the farmers' children and grandchildren so that they could do accounting for family.

According to the results of testing hypothesis 3, the study finds that Understanding of the philosophy of sufficiency economy is positively related to

outcomes of personal financial management. Such results were in line with the research conducted by Waripin Mongkolsamai (2009) who studied the knowledge management of accounting to develop community enterprises for golden dried longan at Muangkwak village, Muang district, Lumpoon Province. The findings demonstrate that the farmers of Muangkwak village have an understanding of the philosophy of the sufficiency economy from television and newspapers. Most of them had moderate level of knowledge. Farmers are well informed about the cost accounting from the philosophy of the sufficiency economy. The farmers has a good attitude that the family records income and expenditure will make children has discipline in spending. This is in line with the research by Krit Peethong (2017) who studied ways to manages debt by application of the sufficiency economy philosophy of civil servants Royal Thai Armed Forces Headquarters. The findings demonstrate that there are some of civil servants has good knowledge of sufficiency economy philosophy can be used to manage debt, by creating income and expense information in their family. The civil servant able to maintain their spending level from debt and not spend more than necessary. This is in line with the research by Prapapit Srisawangwong (2019) who studied the guideline for conducting household accounting for developing the accounting wisdom under the sufficiency economy philosophy of community Enterprises in Maha Sarakham province. The findings demonstrate that the knowledge of the sufficiency economy philosophy has a positive impact on the guidelines for household accounting of community enterprises, Mahasarakham province with statistical significance at the level of 0.05. This is in line with the research by Arthit Sutjasen et al. (2019) who studied a study of relationship between the cognition about royal initiative of the philosophy of sufficiency economy and household accounting record of people in Khanom District, Nakhonsrithammarat province. The findings demonstrate that the population has knowledge and understanding in the sufficiency economy philosophy in moderate level and found that household accounting was recorded in accordance with the philosophy of the sufficiency economy from time to time. The population has more systematic in spending and less debt. This is in line with the research by Pavinee Thanaanawat (2013) who studied household accounts in accordance with the sufficiency economy guidelines for a sufficient life. The findings demonstrate that the sample group of

community leader who is the village headman has knowledge in the philosophy of sufficiency economy and the management of household account at high level. Most of the heads of household had moderate level of knowledge in the philosophy of sufficiency economy and have an attitude regarding to household account that household accounting makes the most of your savings plan in the future. This is in line with the research by Supamas Angsuchoti and Kanjanee Kangwanpornsi (2015) who studied approaches and measures in promoting elder saving in accordance with philosophy of the sufficiency economic: A case study of Nonthaburi province. The findings demonstrate that participants in money management according to the philosophy of sufficiency economy applied knowledge from the training to be careful in spending, accounting for income and expenses. Participants used savings money for investment and increasing savings.

According to the results of testing hypothesis 4, the study finds that understandings toward the philosophy of sufficiency economy had indirect positive effects on the outcomes of financial management pertaining to the philosophy through the application to personal finance management. It meant that the understanding toward the philosophy of sufficiency economy indirectly influenced the outcomes of the application to financial management through applying it to personal finance management. For moderateness, the items that received a high level of agreement was an allocation of income to meet the expenses, spending as planned, purchase planning of assets with the savings money rather than with borrowed money, and borrowing money to buy necessary stuff. In terms of reasonableness, accounting incomes and expenses in a systematic manner was encouraged. Unnecessary expenses were cut off, allowing individuals to make a savings planning. Borrowing based on academic knowledge and appropriateness was made. Earning a living was done with not-too risky way. A correct borrowing planning was made. For self-immunity, the items that received a high level of agreement were “avoidance of earning incomes by ways that one was not specialized in, savings money for retirement, discipline of systematic debt repayment, and maintenance of spending by accounting daily incomes and expenses”. For knowledge, accounting incomes and expenses was usually made systematically, creating the expertise of accounting activities. Savings discipline did not affect daily expenses and financial situation was known. Also, individuals lived

their life under their income level. For integrity, making income and expense accounts were usually made. Financial planning was created based on the objectives. Financial discipline of daily spending was demonstrated and being honest when making money. Such results were in line with the research conducted by Kamonman Virutsetazin and Thada Wimonwatwatee (2010) which examines the development of savings forms by adopting the philosophy of sufficiency economy to their living among Srinakharinwirot University students majoring in physical education. According the results, two groups of respondents were lectured on savings that followed the philosophy of sufficiency economy. They were also given the chance to exchange experience of savings money with the lecturers from Siam Commercial Foundation. They joined in the activities to help friends which included accounting incomes and expenses. Those practices allowed both groups of the respondents to know themselves when they saw their spending habits. It was a learning experience and organized their readiness of thoughts and feelings toward saving. This was considered internal communication of the respondents. The samples had a chance to see their values from the achievement of Mor So Wo sufficiency income-expense accounts. In terms of savings habit, the respondents had better outcomes of saving in week 5 than in week 1 at statistical significance of the 0.05 level. Accounting incomes and expenses was a tool that reminded of spending with carefulness. When the respondents saw their spending habit, they became more reasonable to spend their money more carefully. This is in line with the research by Savitree Rangsihaht and Apinut Sangtriphetchkra (2014) who study the application of the philosophy of sufficiency economy to self-development and their families among Kasetsart University students. The study finds that the philosophy of sufficiency economy could be applied to self-development in the area of creating self-moderateness psychologically, socially, economically, environmentally, and technologically. Moreover, the philosophy of sufficiency economy could be applied to the development of family by giving love, unity, and making household accounts. Those household accounts were utilized, creating self-reliance. It was corresponded to the study by Pairut Kanjanakaroorn et al. (2015) which investigates microfinance to find methods to manage the system. Microfinance was offered at the microeconomic level in the community. It adopted the philosophy of sufficiency economy. The study was conducted in eight provinces in the north of

Thailand. The results showed that the community financial organizations operated their activities based on the philosophy of sufficiency economy in terms of moderateness. The strong community financial organizations gave out the loans for investment to their members. The loans would be made based on the level of savings money. For reasonableness, the strong community financial organizations created work plan and activities in response to visions and missions. For self-immunity, when making a loan, the borrowers were required to provide two guarantors and the spouse must sign on the loan contract. For knowledge, teaching and training of accounting were provided. The members were promoted to learn about adopting the philosophy of sufficiency economy to their daily life. For integrity, the strong community financial organizations should adhere to the principles of integrity for management. It was consistent with the research conducted by Natthaphat Khamsingwong and Suphaphon Phuangchomphu (2015) who studied debt repayment planning of small-holder farmers by their household accounts. After they were trained about accounting incomes and expenses based on the philosophy of sufficiency economy, the study finds that most small-holder farmers recorded their income and expenses on the income-expense household accounts by themselves. They made only big transactions. The frequency of recoding their incomes and expenses was 2-3 times a day. After their records, the total of incomes and expenses of each month was summarized. The farmers could separate necessary and unnecessary transactions. It was corresponded to the study by Phikul Phumkhokrak (2018) which explores life patterns based on the philosophy of sufficiency economy among Nakhon Ratchasima Rajabhat University students. The results reveal that the students obtained the knowledge of the philosophy of sufficiency economy through lectures. They lived their life following the philosophy of sufficiency economy by buying clothes with reasonable prices, fixing the electric appliances by themselves, always switching off the electric appliances, and not leaving the water tap, including saving the electricity. This is in line with the research by Anyariya Lakhonkhwa and Wilaiwat Kritsanaphuti (2018) which examines the development of part-time jobs pertaining to the philosophy of sufficiency economy: a case study of gardenia plantation by the municipality employees in Sila village, Sila subdistrict, Amphoe Mueang Khon Kaen, Khon Kaen province. The results demonstrate that the municipality employees applied

moderateness, sufficiency, and perseverance which were the elements of the philosophy of sufficiency. In terms of budget, the municipality employees made income-expense accounts with good savings money. It was, moreover, in line with the study conducted by Niphon Sasithonsaowapha (2018) which explores the livelihood that followed the philosophy of sufficiency economy. The study finds that integrity and knowledge conditions of the philosophy of sufficiency economy influenced quality of life of villagers in the area of reasonableness and self-immunity. However, it had little effects on moderateness since a level of moderateness of each family varied, depending on their levels of incomes. Therefore, it was recommended that household accounting be promoted to make them known their level of moderateness. It was consistent with the research by Wichuta Chusriwat (2018) who studies sufficiency economy villages in Ban Huan Aow, Thachang subdistrict, Amphoe Samphran, Nakhon Pathom province. The results demonstrated that the members did many activities to increase their incomes. The members established occupation group, cutting unnecessary expenses. Their savings were in a high level. Since the members in the community created expense planning and nurtured savings money habit for their future, it was corresponded to the research by Phonphraphrom Thammanittayakul and Uthanrat Mueangsan (2018) who studied the model development of personal finance management among the Royal Thai Navy employees. The results revealed that the causal factors were social and demographic characteristics, basic financial knowledge based on the philosophy of sufficiency economy, attitude toward personal finance, and the application of the philosophy of sufficiency economy to financial management. All causal factors had direct positive effects on the habit of personal finance management and had indirect positive effects on successfully creating financial stability among the Royal Thai Navy employees at the statistical significance of the 0.01 level.

### **5.3 Recommendations**

The study finds that most respondents have a moderate level of knowledge about the philosophy, meaning that people in non-agricultural sector did not possibly receive correct and in-depth knowledge. Based on this analysis, the government sector

should formulate policies that promote people in non-agricultural sector to develop correct and in-depth knowledge in terms of theory and practices. Both public and private organizations should be promoted to provide activities and training. The philosophy of sufficiency economy should be included in these activities and training. Additionally, an evaluation of knowledge and comprehension of the philosophy should be conducted.

The application of the philosophy of sufficiency economy to personal finance management finds that people in the non-agricultural sector apply moderateness and reasonableness, followed by self-immunity, respectively. The elements of the philosophy of sufficiency economy that were least applied include knowledge and integrity. Therefore, public and private sectors should promote people in the non-agricultural sector to develop better understandings toward the application of the philosophy of sufficiency economy to personal finance management. This should be promoted through personal income-expense accounting, financial planning with moderateness and reasonableness, and financially self-immunity. People in the non-agricultural sector must be promoted with integrity and morality of personal finance management.

The outcomes of personal finance management following the philosophy of sufficiency economy, show that financial planning is practiced by most respondents at the highest level, followed by financial discipline. On the contrary, income-expense accounting was least practiced by the samples. Thus, public and private organizations should promote knowledge about personal income-expense accounting with a focus on people in non-agricultural sector which aims to promote correct knowledge and comprehension with a positive attitude toward personal income-expense accounting. Moreover, such knowledge could be applied to their daily lives to make them more financially sustainable. For example, publicity and campaigns should be created to raise awareness among people in the non-agricultural sector to conduct income-expense accounting.

Results from the structural equation modelling find that the empirical model perfectly fit the theoretical model. Based on the results of 1st hypothesis testing, the study finds that the understanding toward the philosophy of sufficiency economy has direct, positive effects on the application of the philosophy of sufficiency economy to

personal finance management. Thus, public and private sectors must promote the correct understanding of the philosophy of sufficiency economy. Allowing people in non-agricultural sector to have a better knowledge and comprehension of the philosophy of sufficiency economy extended tacit knowledge. Also, correct knowledge and comprehension could be used as the principle of daily life. Based on the results of 2<sup>nd</sup> hypothesis testing, the study finds that the understanding toward the philosophy of sufficiency economy has direct, positive effects on financial management based on the philosophy of sufficiency economy through the application of the philosophy of sufficiency economy to personal finance management. Such results could be explained that if people in non-agricultural sector did not have correct and in-depth knowledge about the philosophy of sufficiency economy, they could not apply it to their personal finance management correctly and effectively. Public and private sectors should promote the knowledge and comprehension of the philosophy of sufficiency economy and its application to personal finance management through the activities that demonstrated the better understanding toward the philosophy of sufficiency economy applied to personal finance management. For instance, earning additional incomes from part-time jobs should be promoted along with the activities related to spending and borrowing, personal income-expense accounting, and balanced financial planning. Based on the results of 3<sup>rd</sup> hypothesis testing, the study finds that application of the philosophy of sufficiency economy to personal finance management has direct, positive effects on the outcomes of financial management based on the philosophy of sufficiency economy. Therefore, public and private sectors should organize the activities of financial management based on the philosophy of sufficiency economy in different aspects. Those activities should be concrete and serve as a role model. They should be applicable with good evaluation forms. The results of the evaluation could be used to develop the activities that matched people in all levels.

### **5.3.1 Policy Recommendations**

- 1) The government agencies responsible for the policy implementation of the philosophy of sufficiency economy must formulate the strategy of the country's development. The philosophy of sufficiency economy would serve as

a mechanism that could drive the strategy of the country's development in all aspects, including individuals, organizations, knowledge, and budgets. In addition, a sense of integrity, ethics, goodness, and role model should be instilled.

2) The government sector responsible for the policy implementation of the philosophy of sufficiency economy which must include the philosophy in education at the fundamental level to promote and instill the correct knowledge about the philosophy of sufficiency economy. Good moral traits should be cultivated among the youth.

3) The government sector responsible for the policy implementation of the philosophy of sufficiency economy must organize activities to create the patterns and empirical learning about self-following of the philosophy of sufficiency economy to the young generation and people in general in the non-agricultural sector. Self-following of the philosophy of sufficiency economy should be campaigned through a wide variety of activities such as workshops, training, and various practices.

4) The government sector responsible for the policy implementation of the philosophy of sufficiency economy must apply it to the government agencies. They should be governed and evaluated by their management performance based on the philosophy of sufficiency economy, correctly and effectively.

### **5.3.2 Practical Recommendations**

1) Personnel with a correct understanding of the philosophy of sufficiency economy should be sought to provide training and knowledge and make the public understand the philosophy, in addition to dissemination of the right knowledge of the philosophy.

2) The meeting of organizations' executives – in all related sectors – should be held to determine the measures to apply the philosophy of sufficiency economy to livelihoods in an appropriate manner.

3) The media and information that present knowledge about the philosophy of sufficiency economy should be more diverse to accessible all groups of people, serving as media examples that people in urban and rural communities can understand and apply to their livelihoods.

4) The learning center of the philosophy of sufficiency economy should be modern. Concrete examples must be sought. Subsequently, they should be provided and demonstrated to the public so that the examples can be applied to people's own lives.

5) Personal income-expense accounting should be promoted to let individuals know their financial situation. Moreover, they could be financially self-reliant and reduce their dependence on the government agencies. It is an important tool for the promotion and support of personal finance management.

6) The activities related to financial management based on the philosophy of sufficiency economy should be concrete and understandable. The evaluation must be embraced to develop the forms of activity suitable for people in all levels.

7) The application of personal finance management based on the philosophy of sufficiency economy should be created as a channel of communication that allows all people to access sources of information with ease.

8) The government sector should strictly exercise legal measures to control informal financial institutions that give out loans. Alternatively, they should define appropriate interest rates.

9) Financial institutions should design and produce financial products with attractive returns to encourage target markets to inject their savings into financial systems at higher levels.

### **5.3.3 Future Research Recommendations**

1) Comparative studies on the achievements of applying the philosophy of sufficiency economy to other dimensions should be conducted with the population employed in the agricultural and non-agricultural sectors, including at the household level.

2) Comparative studies on the achievements of applying the philosophy of sufficiency economy to personal finance management among people employed in the non-agricultural sector of both public and private organizations should be conducted.

3) Other kinds of research should be adopted, such as experimental research and in-depth qualitative research to better understand the processes of applying the philosophy of sufficiency economy. It should aim at making the application useful for practitioners at the organizational level.



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### BACKGROUND

Bachelor of Liberal Arts (Hotel and Tourism), Kasam Bundit University, Bangkok, Thailand in 2008, Master of Public Administration (Public and Private Management), National Institute of Development Administration, Bangkok, Thailand in 2012 and Doctor of Public Administration (Public Policy), National Institute of Development Administration, Bangkok, Thailand in 2020

### EXPERIENCES

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Flight Attendant

Thai Airways International Public Company Limited

2012- Present

Flight Instructor

Flight Instructor Training Program

Thai Flight Training Company Limited

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ISO 9001:2008 Internal Auditor

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