

Sufficiency Economy: A Reasonable Approach for Thailand's Future

*Navarat Sachayansrisakul**

ABSTRACT

Thailand has enjoyed both positive and negative development outcomes during the globalization era. Thailand was one of the few countries with the fastest rate of economic growth in the 1980s but was also the first to suffer from a severe economic crisis in 1997. Nevertheless, Thailand never really learned its hard lessons. The country is still severely facing ongoing problems of political chaos and corruption. This paper aims critically to address the chronic issues prevailing in Thailand, interpret the philosophy of the 'Sufficiency Economy' and finally, encourage the practice of 'Sufficiency Economy' at all levels in different sectors of Thai economy. The paper recommends that if Thailand seriously implemented this economic philosophy, the current problems of political instability, poverty, and socioeconomic conflicts would be alleviated and the well-being of the Thai people as a whole would be improved.

Keywords: *Sufficiency Economy, Thailand, Economy*

* Y 3-46 City West Campus University of South Australia Adelaide SA 5000

Email: navarat.sachayansrisakul@unisa.edu.au

บทคัดย่อ

ประเทศไทยได้รับทั้งประโยชน์และโทษจากยุคโลกาภิวัตน์ นับตั้งแต่ปี พ.ศ. 2523 เศรษฐกิจภายในประเทศได้พัฒนาอย่างก้าวกระโดดและต่อเนื่อง จนกระทั่งวิกฤติเศรษฐกิจในปี พ.ศ. 2540 ได้นำพาประเทศเข้าสู่ภาวะชะงักงัน เหตุการณ์ที่เกิดขึ้นเป็นสิ่งที่ต้องจดจำและใช้เป็นบทเรียนในการดำเนินนโยบายพัฒนาเศรษฐกิจ แต่ดูเหมือนว่าในปัจจุบันการดำเนินนโยบายของภาครัฐนั้นมิได้สะท้อนถึงบทเรียนที่ผ่านมา ปัญหาทางการเมือง การฉ้อโกง และ ความยากจน ยังคงเป็นปัญหาที่ยากจะแก้ไขได้ในสังคมไทย บทความนี้มีจุดประสงค์เพื่อสนับสนุนให้มีการนำปรัชญาเศรษฐกิจพอเพียงมาปฏิบัติใช้เพื่อพัฒนาเศรษฐกิจและสังคมให้มีความเจริญก้าวหน้าอย่างยั่งยืน

คำสำคัญ เศรษฐกิจพอเพียง ประเทศไทย เศรษฐกิจ

INTRODUCTION

Most of us enjoy being a part of 'globalisation'. We enjoy cheap products manufactured in China and advanced information communication technology services provided by India. Globalisation has brought many benefits along with it, including cheaper communication, modern infrastructure, and multinational urban corporations. Thailand is one of many countries that have enjoyed being a part of the global economy. In the past decades, Thailand has experienced a mixture of positive and negative development outcomes (Sathirathai & Piboolsravut, 2004).

During the 1990s, Thailand claimed to be the next possible ‘Asian tiger,’ along with South Korea, Taiwan, Hong Kong and Singapore, due to its high economic growth and increasing purchasing power. Thailand was one of the few countries in Asia with the fastest rate of economic growth (Tinsulanonda, 2001). Income per head significantly increased, from less than US\$ 700 in 1980 to US\$ 3,000 in 1996. However, in 1997, Thailand was the first country in Asia to suffer a severe financial and economic crisis due to overspending by consumers and overborrowing by businesses. The impacts were beyond the Thai people’s imagination—many of the Thai people ended up being bankrupt and those without any backup to protect themselves against any financial contingency, such as the unemployed, the poor, small businesses and marginal farmers, were severely affected (Suphapong, 1999; Tinsulanonda, 2001).

Although the Thai economy slowly recovered from the crisis and at present, it is still aiming to stabilise its political and economic standing, Thailand never really learned its hard lesson. Thai people live beyond their means and even after the recovery, the country is still facing ongoing problems of political chaos and corruption (Tinsulanonda, 2001). According to Tinsulanonda (2001), it is apparent that being referred to as a ‘tiger economy’ or a ‘newly-industrialised country’ had hardly any substantial meaning for the well being and/or the sustainable economic development of Thailand. His Majesty the King once said:

‘To be a tiger is not important. The important thing for us is to have a self-supporting economy ...this does not mean that there should not be progress, but we should progress moderately. If we move too fast, run up the mountain...falling down and take others down with us, then that is trouble for everyone’ (Quoted from Israngkul & Pootrakul, 2008: 10).

The King also said on his birthday in 1974 that it was not important whether Thailand would be accused of being old-fashioned as long as it has enough to eat and live on. This would also complement the fact that the world is now experiencing a food supply shortage. If every country, including Thailand, had followed the idea of a Sufficiency Economy whilst becoming a global player, the country might not be suffering from a food crisis.

This paper suggests that Thailand has been concentrating too much on becoming an active global player but has failed to realise that globalisation is bringing about negative impacts as well. For instance, the global economy is now suffering from inferior climate quality, rising oil prices, and inadequate food supply. These problems are inevitable for any country in the world. But Thailand has severely suffered, as it has failed to restructure its own economic and political fundamentals. It is believed that ideally, if a country has well-built basics in its political economy, it would deal with emergencies more effectively. In other words, if an economy wishes to become a global player, it should have its basics right. Having said that, this paper does not suggest that Thailand remain detached from the rest of the world until it solves all of its problems and becomes a developed country. So what is the approach for Thailand's future so that it will remain an active player in the global economy while not jeopardising its own economy even further? This paper proposes that the concept of the 'Sufficiency Economy,' initiated by His Majesty the King of Thailand, King Bhumibol Adulyadej, could be the answer.

The concept of the 'Sufficiency Economy' was initially articulated in the Royal Speech of December 1974. This philosophy attracted attention once again during the 1997 crisis, as the King advised the country to adopt such an economic principle in order to maintain stability and to quickly recover (UNESCAP 2006). Note should be taken that the King's words are highly valued by the Thais, not simply because the Thai people revere their King, but also because His Majesty the King has been committed to life-long learning and continuous development for the Thai people and their well-being (Curry & Sura 2007). Therefore, in order to understand

economic development in Thailand, it is important to consider the special relationship between the Thai people and their monarch. The King has earned abiding love and profound respect from his people through his caring leadership (Krongkaew, 2003; Piboolsravut, 2004). His thinking has inspired the establishment of the country's development strategy and his words are not merely believed because of his position; he is equipped with experience and knowledge. The King of Thailand was educated in Switzerland and received a certificate from the Public Health Program of Harvard University. He has been committed to the best interest of the Thai people and the country (Curry & Sura 2007; Israngkul & Pootrakool, 2008). He has provided economic development initiatives, educated the farmers on how efficiently to grow agricultural products, suggested land planning and development ideas to minimise the effects of flooding in urban areas, including Bangkok, all for the purpose of ensuring that his people have enough to live on. The idea of 'Sufficiency Economy' is one of his other initiatives which he urges Thai people to practise to the greatest extent possible (Krongkaew, 2003).

The Philosophy of the 'Sufficiency Economy' is not only well-regarded by Thai people, but also in the international arena. At the tenth UN Conference on Trade & Development (UNCTAD) in February 2000, the Sufficiency Economy was acclaimed and His Majesty the King Bhumibol Adulyadej was recognised as the 'Developer King.'

It is an objective of this paper to address critically the chronic issues prevailing in Thailand and to interpret the philosophy of the 'Sufficiency Economy'. Finally, it also aims to encourage the practice of the 'Sufficiency Economy' at all levels and in all sectors. The paper recommends that if Thailand seriously practises this economic philosophy, the current problems of political instability, poverty and socioeconomic conflicts will be alleviated.

ISSUES IN THE THAI ECONOMY

Thailand is a constitutional monarchy, having the King as the Head of State and the Prime Minister as the leader of the government. The society and politics of Thailand have been formed by religion, the monarchy and the military. Buddhism is a national religion, and Thailand has always been an independent nation. Agriculture was the prominent contributor to Thai economy until the 1980s. Later, this open, liberal and emerging economy shifted to the industrial and services sectors. The economy grew rapidly until the 1997 Asian financial crisis. Stock and property prices dropped significantly, dragging down the currency and leading to bankruptcies, recession and unemployment. The economy took a few years to recover from the crisis. From 2002 until now, the GDP growth rate has been stable at approximately 4-5% per annum. Foreign direct investment is also growing steadily in Thailand across business sectors, especially in the automobile industry.

National elections were held in Thailand on 23 December 2007 and the Thai parliament convened on 21 January 2008. The elections marked the return of parliamentary democracy to Thailand following a military coup in September 2006, and adoption of a new constitution by referendum on 19 August 2007. The result of the election on December 23, however, was not what everyone wanted. The arrangement was criticised by the media and the public as unqualified, unsuitable and tainted by allegations of corruption since Samak and his People Power Party (PPP) are closely associated with former Prime Minister Thaksin Shinawatra who was ousted by the army in September 2006. In May 2007, Thaksin's Thai Rak Thai (TRT) party was formally dissolved and 110 senior members, along with the ex-prime minister, were banned from political activity for five years. After only four months for the former Prime Minister Samak and his government, Thai politics has once again seen the protesters' return to Bangkok's streets demonstrating for the same reasons as the ones two years ago - they demand Thaksin Shinawatra to return to Thailand and jailed for his corruption as well as get rid of his

alliance such as his brother-in-law, Somchai Wongsawat, who is also the current Prime Minister. In December 2008, the ruling party has been dissolved by the order of the Thai Supreme Court based on their corruption during the previous election. Nevertheless, the party has reformed another party including Thaksin Shinawatra's nominees and they will again rule the country. The author expects to see another round of street protests to remove Thaksin's allies from the power. The Thai tradition of street protests has long been a symbol of a relaxed society. The current protests, coming so soon after the election of a new government, illustrate the country's inefficiency in dealing with the political deadlock in the past few years (Fuller 2008). As such, the root cause problems of Thai politics have not been solved before and will not be solved in the near future and it is an objective of this paper to emphasize the importance of Sufficiency Economy Philosophy to be adopted by Thailand to overcome the chaos it is in now.

International Relationship: Thailand attaches primacy to its immediate region, notably mainland South-East Asia and ASEAN, in the formulation of its foreign policies. Beyond this, Thailand accords importance to its relations with China and other major powers, including the USA and Japan, as well as the Republic of Korea, India and the EU. Thailand has placed increasing emphasis on its regional dialogue with Japan, China and the Republic of Korea in recent years. Thailand has been a member of the Non-Aligned Movement (NAM) since 1993. Following the September 2006 military coup, the interim government stated that it would continue the directions of the existing foreign policy.

Thailand has bilateral security and commercial agreements and a long-standing defence relationship with the United States. The United States is Thailand's major trading partner, although Japan is the single largest investor in Thailand. Thailand's major export earners have been machinery and electrical appliances.

All these summed up the key concerns of Thailand—severe problems of corruption, and poverty and religious disputes against the Muslim minority. Its economic outlook has also soared due to the current political uncertainty, declining foreign business confidence, a significant drop in foreign direct investment, and the prospect of lower demand for Thai exports. Household consumption has been an important growth driver, but has slowed recently. Avian influenza and its impact on Thailand's export-focused poultry sector remains a key risk factor. Thailand's improved trade performance in recent years was a key contributor to GDP growth, although the appreciation of the baht has affected its competitiveness.

Thailand continues to maintain restrictions on foreign entry in key service areas, including air transport services, ports and telecommunications. Relaxing these would enhance competition and investment, reduce costs and raise income in the services sector. In the long term, measures to support productivity, competitiveness and corporate governance will be needed to sustain growth. The most significant constraints on Thailand improving its competitiveness are a shortage of skilled labour, a stalled education reform program, outdated technology, and an opaque regulatory environment.

At present, it can be said that Thailand is at a declining stage. According to Transparency International (2007), Thailand ranked 84th, at the bottom of the upper half of the list. However, its transparency is assumed to be slowly declining in Thailand, as can be observed by the declining transparency index, from 3.8 in 2005 to 3.6 in 2006 and 3.3 in 2007. Also, the Income Equality scene in Thailand is considered to be bad, where it scored only 42 in 2006. Also, Thailand was ranked 78th out of 177 countries in terms of inequality in income or expenditure, with a GINI index of 0.42 out of 1.00.

GDP (PPP) (Millions of USD, 2007 IMF)	GDP per capita (USD, 2007 IMF)	GDP per capita (PPP) (USD, 2007 IMF)	Income equality (GINI) 2006	Human Development Index (2007)	List of countries by GDP (real) growth rate	List of countries by GDP (real) growth rate per capita
519,362	3,736	7,900	42	0.781 (medium)	4.40	3.93

Sources: Various (IMF, CIA's The World Factbook; and Human Development Report), 2008

According to Suphamong (1999), labour costs in Thailand are not cheaper than in the neighbouring countries. Also, Thailand imports more raw materials than it exports. This has turned foreign investors away to other countries. In the future, it is anticipated that if Thailand does not correct its economic and political stances immediately, it will suffer from severe economic, political and social problems.

Consequently, in order to stop the Thai economy from going downhill while pushing the economy upward, this paper suggests that the country seriously practise the philosophy of the 'Sufficiency Economy,' as initiated and proposed by the Thai King, His Majesty the King Bhumibol Adulyadej. Although there have been initiatives by the Thai public sector to adopt and practise the 'Sufficiency Economy', it is considered that the philosophy has been implemented only at a conceptual level and that efforts have not been put into practice across different levels in different sectors.

INTERPRETATION OF THE SUFFICIENCY ECONOMY

It is a common goal for all countries to achieve not only economic growth but also sustainable development (Israngkul & Pootrakool 2008). Israngkul & Pootrakool have also suggested that in order to achieve sustainable development, developing countries are urged to adopt liberal market-oriented approaches, and since World War II, Thailand has followed this path. The success of economic growth and social development that Thailand enjoyed until the economic crisis was a consequence of the cooperation among four important institutions, namely: the Ministry of Finance, the Budget Bureau, the Bank of Thailand, and the National Economic and Social Development Board. Despite such success, Thailand encountered many problems after 1997. One of its major ongoing problems is poverty. The income disparity indicated by the GINI coefficient has also remained stagnant over the past few years.

As a result of the Asian Financial Crisis, in 1998, His Majesty the King re-emphasised the importance of the Sufficiency Economy during his speech on his birthday that year. The Sufficiency Economy can be defined as:

'A philosophy that stresses the middle path as the overriding principle for appropriate conduct and way of life by the populace at all levels. This applies to conduct and way of life at the levels of the individual, family, and community, while providing a choice of a balanced development strategy for the nation so as to develop in line with the forces of globalisation, and shielding against inevitable shocks and excesses that may arise. 'Sufficiency' means moderation and due consideration in all modes of conduct, together with the need for sufficient protection from internal and external shocks. To achieve this, the application of knowledge with prudence is essential' (cited in the unofficial translation from remarks made by His Majesty the King on various occasions, Sufficiency Economy Organisation 1999: 10).

The King also elaborated on the meaning of ‘self-sufficiency’ as:

‘Having enough to live on and to live for means self-sufficiency. If everybody has enough to live on and to live for, that is good. And if the whole nation reaches that status, that is even better... Formerly, Thailand had enough to live on and to live for...Self-Sufficiency, in English, means that whatever we produce, we have enough for our own use. We do not have to borrow from other people. We can rely on ourselves; as people say, we can stand on our own legs. But self-sufficiency carries a broader meaning. It means having enough and being satisfied with the situation. If people are satisfied with their needs, they will be less greedy. With less greed, they will cause less trouble to other people...If any country values this idea—the idea of doing just to have enough, which means being satisfied at a moderate level, being honest and not being greedy, its people will be happy...Being self-sufficient does not restrict people from having a lot, or possessing luxurious items, but it implies that one must not take advantage of others. Everything must be within limits. Saying what necessary, acting just as needed is and working adequately...Therefore, self-sufficiency here means within proper bounds and reasons.’ (Cited in The Chaipattana Foundation Journal 1999: 1-2)

The Sufficiency Economy promotes gradual development on the *basis of* self-reliance and having enough to live and to eat, and the three main components of this philosophy include Moderation, Reasonableness, and Self-Immunity (Piboolsravut 2004; Senanarong 2004; Israngkul & Pootrakool 2008). The principle of self-reliance has five aspects, as quoted from UNESCAP (2006: 1):

1. ***State of Mind:*** *One should be strong, self-reliant, compassionate and flexible.*
2. ***Social Affairs:*** *People should help one another, strengthen the community, maintain unity and develop a learning process that stems from a stable foundation.*
3. ***Natural Resource and Environmental Management:*** *the country's resources need to be used efficiently and carefully to create sustainable benefits to develop the nation's stability progressively.*
4. ***Technology:*** *technological development should be used appropriately while encouraging new developments to come from the villagers' local wisdom.*
5. ***Economic Affairs:*** *one needs to increase earnings, reduce expenses, and pursue a decent life.*

To achieve a Sufficiency Economy, there must be two underlying conditions: knowledge and morality. The Sufficiency Economy requires carefulness when applying knowledge. The Sufficiency Economy can:

- ***Alleviate poverty and reduce the economic vulnerability of the poor:*** through 'Moderation' (modesty in consumption), 'Self-Immunity' (minimisation of borrowing to the amount where the borrowers can for certain pay back the loans), and 'Reasonableness' (reasoning prior to consumption and borrowing).
- ***Drive community empowerment and community strength to be foundations of the local economy:*** through a collective goal shared by communities could jointly steer for the best production. For instance, the King has initiated the Sufficiency Economy program in many local communities to do farming and agricultural products whereby a village produces what it is good at and trades with its neighbours.

- *Be vital for improving governance standards in public administration:* less greed by the government officials would take away corruption in the public administration.
- *Guide macro-economic policy making to immunise a country against shocks and to plan strategies for more equitable and sustainable growth:* Self-Immunity would minimise the side-effects of adversity.

(cited in Keyes, Hart & Ruangtorsak 2007: 1)

Further, Thailand is one of the many countries facing severe problems of natural resource depletion, environmental degradation, and global warming as a result of economic development (Sathirathai & Piboolsravut 2004). The Sufficiency Economy promotes the symbiosis and harmony between people and their natural environment through Reasonableness, Moderation and Self-Immunity.

Economic problems arise because people want more than they have (Peter & Bade 2007 cited in Calkins 2008). One prevalent criticism is against the prevailing Anglo/U.S. capitalist ideology, claiming that it promotes a short-term, share-holder approach and arguably neither does it lead to sustained business success nor to improved life quality of individuals and societies (Kantabutra 2006; Calkins 2008; Kantabutra 2008). The Sufficiency philosophy was then brought to the attention of the public by the King. Nevertheless, there was a false assumption that the Sufficiency Economy is against capitalism, which is not good for the economy as a whole. Some scholars were misled into thinking that the Sufficiency Economy promotes isolationism, and this belief should be disregarded outright (Krongkaew 2003). Krongkaew (2003) has stated that in a self-reliance system, a country is completely reliant on itself and/or its people to produce all its needs without any dependence on others. Some also refer to the Sufficiency Economy as a 'Gandhian Economy,' where the economy is traditionally based on

the family and on small-scale level enterprises. This would have been practical in India during the middle of the twentieth century due to limited technology but it is no longer feasible nowadays, where there are modern needs and modern technology. The Sufficiency Economy has taken the concepts of advanced technologies and globalisation into consideration.

As such, this paper also proposes that the Sufficiency Economy could complement capitalism. The Sufficiency Economy is an economy fundamentally conditioned by basic needs, not greed or a consciousness to reduce consumption (Krongkaew 2003; Calkins 2008), although luxuries are allowed within each individual's means.

According to Susangkarn (1999, as cited in the National Economic and Social Development Board 2000), the Sufficiency Economy is in line with neo-classical economics, as he compared *moderation* with diminishing marginal utility and *reasonableness* with rationality. Further, the Sufficiency Economy is consistent with capitalism. The fundamental principle of capitalism is that consumers supply labour and use their income and returns from savings to finance their spending. They can choose to consume or save, and they can spend more than their lifetime earnings, although they are allowed to borrow in the short-run. Savings are used to finance investment or capital accumulation in the economy and there is not enough capital accumulation if everyone consumes his or her income. Economic growth rests on the capital return, not borrowing. Japanese citizens saved a lot and their savings were channelled to their country's productive economic sectors from the 1950s to the 1970s; and the buyers of their products are foreigners. In case there is an immediate need for the country's economic development, the 'Sufficiency Economy' allows borrowing to a certain limit where the borrowers are certain of their capability of repaying their debts as long as the debts create further capital gains and not unreasonable over-borrowing. This supports the 'Reasonableness' component of the Sufficiency Economy.

The Sufficiency Economy also promotes a more efficient and successful integration of the Thai economy into the extensive and unstable globalisation process (Tinsulanonda 2001). It supports the inevitable process of increasing global interdependence as well as the dependence of people on their natural environment through modest consumption (Sathirathai & Piboolsravut 2004). The two frameworks of the Sufficiency Economy include the unavoidability of being a part of the globalised world, guided by economic efficiency and competition, as well as the need for economic security and the capacity to protect oneself from external shock and instability (Krongkaew 2003).

The King once said during his speech on his birthday in 1997 that:

‘Sufficiency Economy does not mean that every household must produce their own food and clothing—that is too extreme. But the village should have sufficiency in adequately producing at least one commodity more than the demand (of that commodity) so that the commodity can be sold to the neighbouring villages while saving on the transportation costs’ (Translated from the Sufficiency Economy Organisation 1999).

ANALYSIS OF SELF-SUFFICIENCY ECONOMY

This new economic philosophy aims to generate ties among different people from all sectors and to enhance positive strength in order to create unity, balanced and sustainable development, as well as readiness to cope appropriately with critical challenges occurring as a result of globalisation. It also aspires to strengthen the symbiosis and harmony between man and nature (Tinsulanonda 2001; Piboolsravut 2004). Therefore, it can be said that the Sufficiency Economy is good capitalism. Bad capitalism is where production is higher than demand, consumption is higher than earnings, and the environment is destroyed more than it is repaired. As mentioned earlier, the Sufficiency Economy promotes everything opposite the ‘bad’ capitalism, where one should earn more than his expenditures, save more in order to invest, and live within one’s means.

It is often misunderstood that the philosophy of the ‘Sufficiency Economy’ is applicable only to the agricultural sector, given the fact that Thailand is predominantly engaged in the agricultural sector, with more than 60% of its population located in the rural area. In fact, it is important for Thailand to remain competitive in sectors other than the agricultural sector, including manufacturing, services, and other non-agricultural economic activities, so that the country can be an active player in the global economy. The Sufficiency Economy promotes taking a balanced approach to life as the finest route for personal conduct (Krongkaew 2003). It is meant to be followed by people at all levels and in every sector of the Thai economy.

Piboolsravut (2004: 4) has elaborated on the Sufficiency Economy as a guide for living with universal domain applicability as well as a foundation that governs everything from motivation, criteria, behaviour and systems while addressing all issues within a dynamic setting.

Individual Level: At this micro level, the philosophy encourages individuals to have conscience in leading a happy and moderate life. An individual should pursue a proper career, whilst refraining from taking advantage of others.

Community Level: At this level, people should be co-operative in decision making processes in the community, promote ongoing education initiatives, and appropriately apply uncomplicated technology in social development (Senanarong 2004).

Organisational Level: Firms are encouraged to establish a strong foundation in order to grow effectively and efficiently. They should create a niche, quality improvement and control, and at the same time maintain competitive costs (Israngkul & Pootrakool 2008). Based on the concept of self-immunity, businesses are not advised to grow too fast by over-borrowing because unforeseen events may unfold, just as with the Asian Financial & Economic crisis. This crisis was caused by over-borrowing and over confidence on the part of investors. At the end, the economic activities as a whole were overvalued.

At the same time, it has been common for farmers in Thailand to be overwhelmed with debts as once they spend all their money, they ask for loans. If a business owner or a farmer wishes to expand his or her business, he or she can do so gradually by, for example, obtaining a reasonable loan and so be able to manage liability without going bankrupt (The Chaipattana Foundation Journal, 1999).

National Level: Ideally, the country should aim to have careful planning while keeping pace with the rest of the world. The plan should also take into consideration natural resource conservation. For instance, despite foreign direct investors bringing about better technologies and competition, Thailand should remain conservative in certain industry sectors, especially in dealing with natural environment and natural resources. These sectors should be conserved for the next generation of Thai people as well as for Thai industries, unless the country is guaranteed having sufficient quantity for its own use for the future and for exports. At the same time, social and human capital should be developed, especially in terms of the education system. Once the education system is improved, innovation and technology will follow and this will reduce imports and reliance on other countries' initiatives. The Sufficiency Economy is in line with The 10th National Economic and Social Development Plan (2007-2011). The objective of this plan is to encourage people-centred development: balancing the three capitals, including economic, social, and natural resources and the environment, and seeking to have Green and Happiness Society (National Economic and Social Development Board, 2007).

CONCLUSION

Thailand has enjoyed being a part of the global economy. In the past decades, Thailand has experienced a variety of development results. Thailand was one of the few countries with the fastest rate of economic growth that has suffered from a severe economic crisis. However, it never really learned its hard lesson. His Majesty the King of Thailand has proposed the

philosophy of the ‘Sufficiency Economy’ and has urged the Thai people to follow it to the greatest extent possible. This paper discussed the ‘Sufficiency Economy’ philosophy, explained why it is a good approach to adopt, and how it may solve some of the chronic issues prevailing in the economy, including political chaos.

The idea of Sufficiency Economy takes the concepts of advanced technologies and globalisation into consideration. It is an economy fundamentally conditioned by basic needs, not greed. The Sufficiency Economy also promotes a more efficient and successful integration of Thai the economy into the extensive and unstable globalisation process. It aims to enable Thailand to pursue a balanced and sustainable development in the country, especially during this era of globalisation.

The King has emphasised the importance of sufficiency, saying that if everyone moderately consumes products/services and is not greedy, the people and their country will prosper. Nor would there be political chaos or corruption. The Sufficiency Economy aims to enable Thailand to pursue a balanced and sustainable development of the country, especially during the globalization period. It anticipates the development of firm fundamentals of the Thai society whilst being able to adapt to any unforeseen events, whether an economic crisis, a natural disaster, or a social dilemma. Ultimately, by putting the Sufficiency Economy into practice, the well-being of the Thai people as a whole will be improved.

This paper suggests a systematic approach toward implementing the Sufficiency Economy in practice. The suggested approach is similar to common change management techniques, as implementing the Sufficiency Economy also involves a lot of changes, especially changes in attitudes and in the mindset of the Thai people and organizations.

Although Thai people and the public are aware of the 'Sufficiency Economy, not all Thai people truly understand its functions and applicability. Therefore, it is essential for the steering institution and educating body, known as the 'Sufficiency Economy Organisation,' to educate the public and correct their understanding—that the Sufficiency Economy is not merely a philosophical concept. Indeed, it is an achievable approach, as can be seen by the King's projects in the agricultural sector in the rural areas run by the Chaipattana Foundation in Thailand. Thereafter, organisation should implement the approach as samples in different sectors at different levels, especially in the non-agricultural sectors, to prove the outcome of this philosophy. Objectives of the program should be set and implemented in selected industries or companies. Assessment and control should also be conducted to ensure that the outcomes are achieved and measured against the objectives. Once the project is accomplished, the results should be promoted and advertised through different campaigns.

There are still many areas to be further explored in order to complete the existing knowledge and applicability of the Sufficiency Economy, especially in terms of the measurement of its outcomes. Further research could involve comparisons between Keynesian economic theory and the Sufficiency Economy philosophy. This paper suggests further research studies on the Sufficiency Economy, especially in terms of its practicality and feasibility, so that the philosophy will be practised more widely and better recognised in Thailand, as well as in other countries. The Sufficiency Economy could possibly become a role model for other neighbouring countries that share a context similar to Thailand's.

REFERENCES

- Calkins, P. 2008. **The sufficiency economy at the edges of capitalism**. Faculty of Economics, Chiang Mai University, Chiang Mai. Available at <http://www.sufficiencyeconomy.org/en/files/25.pdf> (accessed 13 June 2008).
- Curry, RL. And Sura, K. 2007. Human Resource Development (HRD) theory and Thailand's Sufficiency Economy concept and its 'OTP' program. **Journal of Third World Studies**. vol. 24. no. 2: 86-94.
- Fuller, T. 2008. Politics in Thailand returns to the streets. **International Herald Tribune**. 2/6/2008.
- Israngkul, C. and Pootrakool, K. 2008. **Sustainable economic development through the Sufficiency Economy philosophy**. 1-14, Available at <http://www.sufficiencyeconomy.org/en/files/3.pdf> (accessed 13 June 2008).
- Kantabutra, S. 2008. **Development of the Sufficiency Economy philosophy in the Thai business sector: evidence, future, research & policy implication**. Sufficiency Economy.Org, Available at <http://www.sufficiencyeconomy.org/en/files/26.pdf> (accessed 13 June 2008).
- Kantabutra, S. 2006. 'Relating vision-based leadership to sustainable business performance: a Thai perspective'. **Leadership Review**. vol. 6. no. Spring: 37-53.
- Keyes, N., Hart, C. and Ruangtorsak, P. 2007. Thailand's Sufficiency Economy in action. Press Release - United Nations Development Programme.

- Krongkaew, M. 2003. **The philosophy of Sufficiency Economy**. Available at <http://www.reflectedknowledge.com/clients/GSB/sufficiency/sufficiency.htm> (accessed 29 April 2008).
- National Economic and Social Development Board. 2000. **Sufficiency Economy**. National Economic and Social Development Board, Bangkok, Thailand.
- National Economic and Social Development Board. 2007. Thailand's economic and social development: current agenda, paper presented at the NESDB, Bangkok, Thailand.
- Piboolsravut, P. 2004. Sufficiency Economy. **ASEAN Economic Bulletin**. vol. 21, no. 1: 127-134.
- Sathirathai, S. and Piboolsravut, P. 2004. **Sufficiency Economy and a Healthy Community**. Bangkok, Thailand.
- Senanarong, A. 2004. **His Majesty's philosophy of Sufficiency Economy and the Royal Development Study Centres**. Ministry of Foreign Affairs, Bangkok, Thailand.
- Sufficiency Economy Organisation. 1999. **What is Sufficiency Economy?** 1-30. Available at <http://www.sufficiencyeconomy.org/detail.swf> (accessed 16 June 2008).
- Suphapong, S. 1999. Asian economic crisis: step back for moving forward: Self Sufficient Economy. vol. 109. no. 8, 29/4/2008.
- The Chaipattana Foundation Journal. 1999. **Self-sufficient Economy**. Bangkok, Thailand, Available at <http://www.chaipat.or.th/chaipat/journal/aug99/edg/self.html> (accessed 29 April 2008).

Tinsulanonda, P. 2001. **Sufficiency Economy: His Majesty's philosophy for development.**

Bangkok, Thailand. Available at <http://www.generalprem.com/Speech5.html>

(accessed 30 April 2008).

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). 2006.

Self Sufficiency Economy in Thailand.