

**Lesson from Thailand
Development:
The Sufficiency Economy**

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Presentation Outline

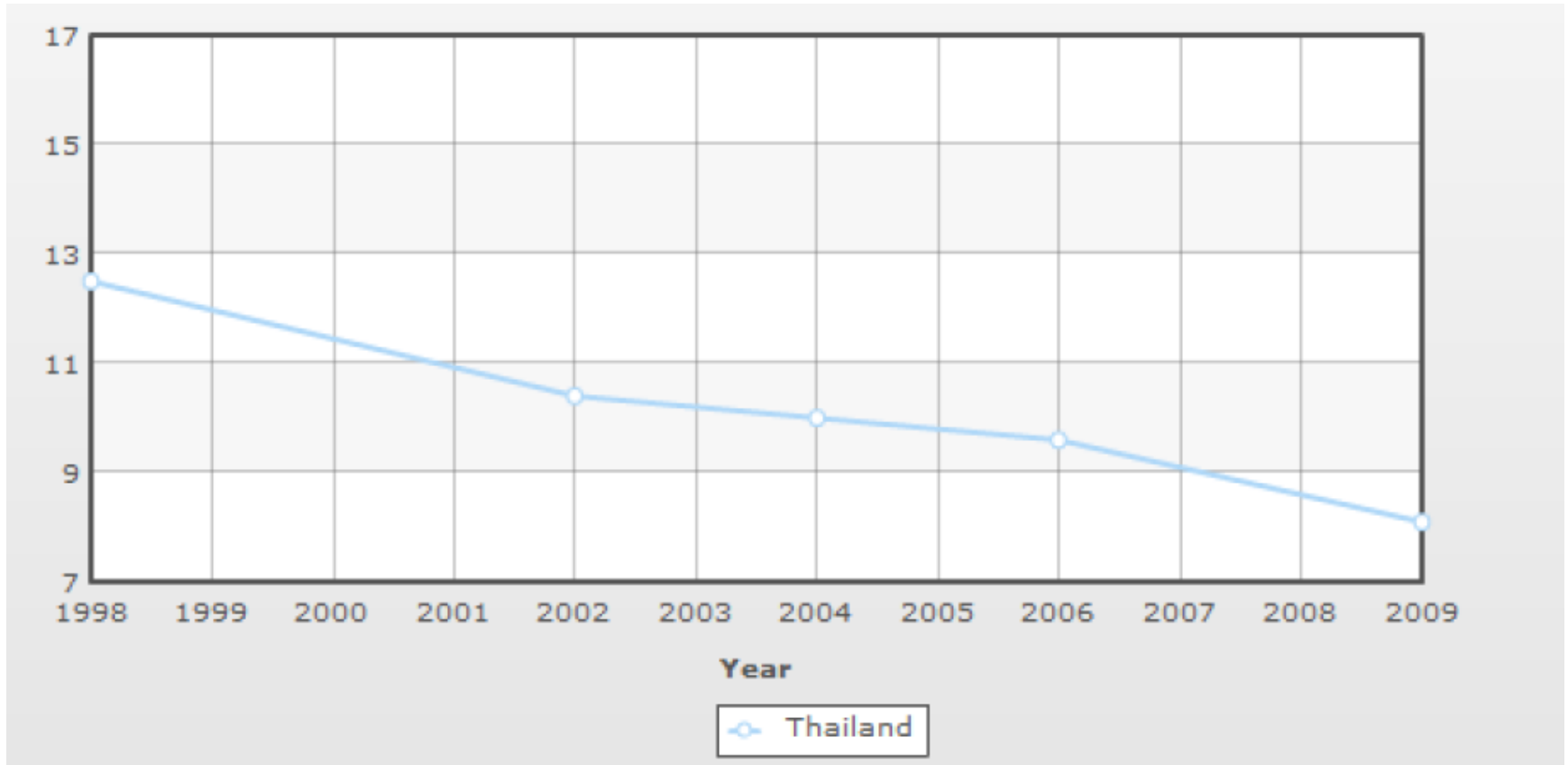
- **Thailand Economy Overview**
- **Sufficient Economy Philosophy (SEP):
Overview**
- **Main Components of Sufficiency Economy**
- **Right Understanding about SEP**
- **Application of SEP to Agricultural and
Community Development**
- **Case Study**



Thailand : General Information

- Population : 67,091,089 (July 2012 est.)
- GDP (PPP) : \$609.8 billion (2011 est.) (Rank 25)
- GDP per capita (PPP) : \$9,500 (2011 est.)
- GDP by Sector
 - agriculture: 13.3%
 - industry: 43%
 - services: 43.7% (2011 est.)
- Labor force by Sector
 - agriculture: 40.7%
 - industry: 13.2%
 - services: 46.1% (2011 est.)
- Gini Index : 53.6 (2009)

Population below poverty line (%)



Source: Indexmundi

Sufficient Economy Philosophy (SEP): Overview

- **Developed by His Majesty, the King of Thailand**
- **Started SEP in all Royal Projects in Thailand (Since 1974)**
- **SEP is a model for achieving Sustainable Development**
- **SEP is the overarching principle in the 9th, 10th and current (11st) Thailand National Economic and Social Development Plans, 2001-2006 ,2007-2012, 2013-2018**

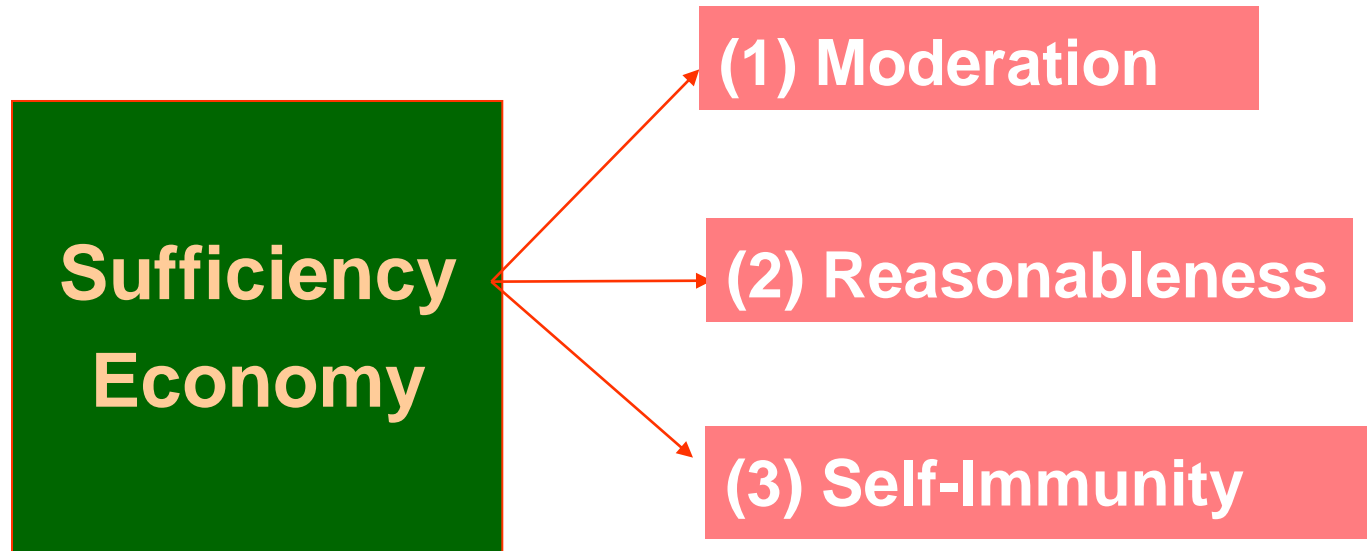
Philosophy of “Sufficiency Economy”

- “Sufficiency Economy” is a philosophy that stresses the **middle path** as an overriding principle for appropriate conduct at all levels of society - **individuals, households, community, organizations or government**

“Although His Majesty has been talking about sufficiency economy since 1974, it was only in 1997 at the height of the financial crisis that HM began to use the term “Sufficiency Economy”

... due in part to the application of SEP, Thailand had recovered relatively fast...

Main Components of Sufficiency Economy



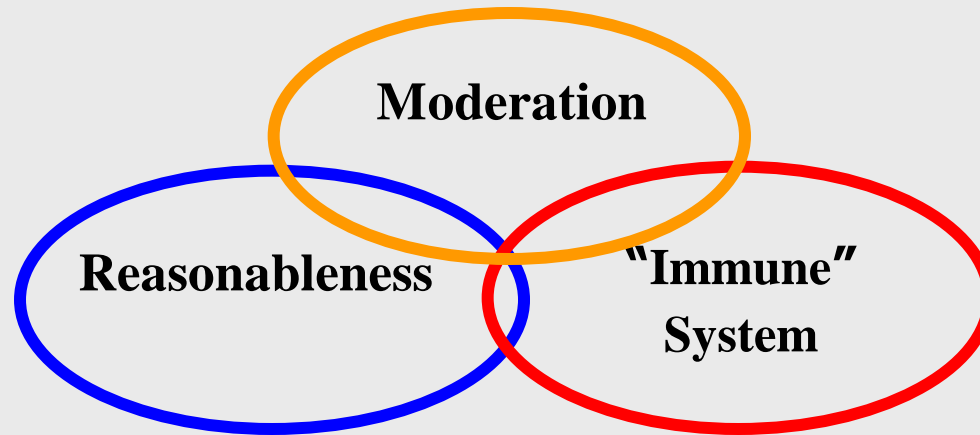
Conditions: SEP Will work best if there is

(1) Application of appropriate knowledge and prudence

(2) Adherence to morality

HM King's Philosophy of "Sufficiency Economy"

The Middle Path



Wisdom Condition
(an application of knowledge
with due consideration and
prudence)

Moral Condition
(honesty, integrity, diligence,
patience, perseverance)

Leading to

Life / Economic / Social

Balance / Stable / Sustainable

Right Understanding about SEP

- Sufficiency Economy is not just about self-sufficiency
- Sufficiency Economy is not anti-globalization and does not leads to the closing-up of the economy
- Sufficiency Economy does not refers to the conventional concept of 'Economics', but encompasses the triple bottom line – Economics, Social & Way of Life, and Environmental.
- Sufficiency Economy is only not applicable in the agricultural sector and rural areas, but also all sectors of economy

Applications of Sufficiency Economy Philosophy

Sufficiency Economy

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graph TD; A[Sufficiency Economy] --> B[1. Daily life]; A --> C[2. Economic Development];
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1. Daily life

- Moderation
- Reasonableness
- Self-immunity

2. Economic Development

- Agricultural/Community Development
- Business Practices
- Government Policies

Spiritual Dimension of SEP

- *“If one is moderate in one’s desires, one will have less craving. If one has less craving, one will take less advantage of others. ...Sufficiency means to have enough to live on. Sufficiency means to lead a reasonably comfortable life, without excess, or overindulgence in luxury, but enough....” (Royal Speech, given at Dusit Palace, 4 December 1998)*

Application of SEP to Agricultural and Community Development

Main Problems of Thai agriculture in the recent past

- **Problems from Monoculture**
- **Problems from Supply/Demand Adjustment**
- **Weather**
- **Debt Problem**
- **Migration and weakness of the villages**



New Theory of Agriculture

- Emphasizes **diversified farming techniques** and the need to develop the **communities**, stage by stage, by laying down a firm foundation first.

New Theory for Agriculture

1. First step The aim is to let the farmers be able to support themselves (self-sufficiency) especially concerning rice. If the main problem is water then they should dig a pond in their land to make sure that they have enough water for farming and household usages which they might need support from the government or private sector in digging the pond. (30% water, 30% rice, 30% vegetables/fruits/livestock, and 10% house of the total area)



การแบ่งพื้นที่ทำกินตามหลักเกษตรทฤษฎีใหม่

เฉลี่ยพื้นที่ถือครอง 15 ไร่

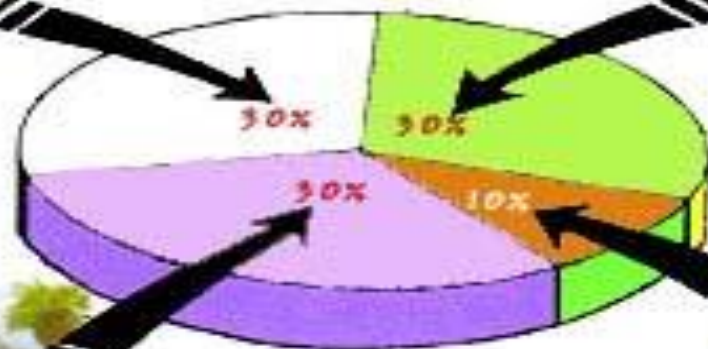
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แหล่งน้ำ 30% = 3.6 ไร่



พืชสวนพืชไร่ 30% = 3.6 ไร่



มาั่ว 30% = 3.6 ไร่



มาั่ว 10% = 1.2 ไร่

New Theory

2. Second step Farmers should work together and create a cooperative to reduce the cost of production and for saving purposes as well as social security and together they will also have more negotiating power in selling their products to the markets.

New Theory

3. Third step For developed communities, further expansion of the production process and commerce such as cooperative stores or rice milling factories can rely further from the cooperation from commercial banks in improving their livelihood.

Procedure of the New Theory

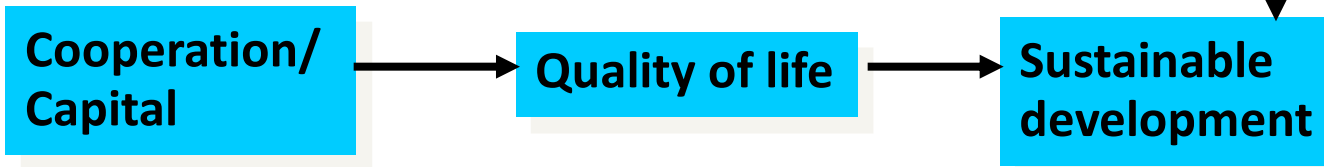
1st phase: Implementation / Production



2nd phase: Expansion / Marketing



3rd phase: Advancement / Processing / Adding Value



Support from outside



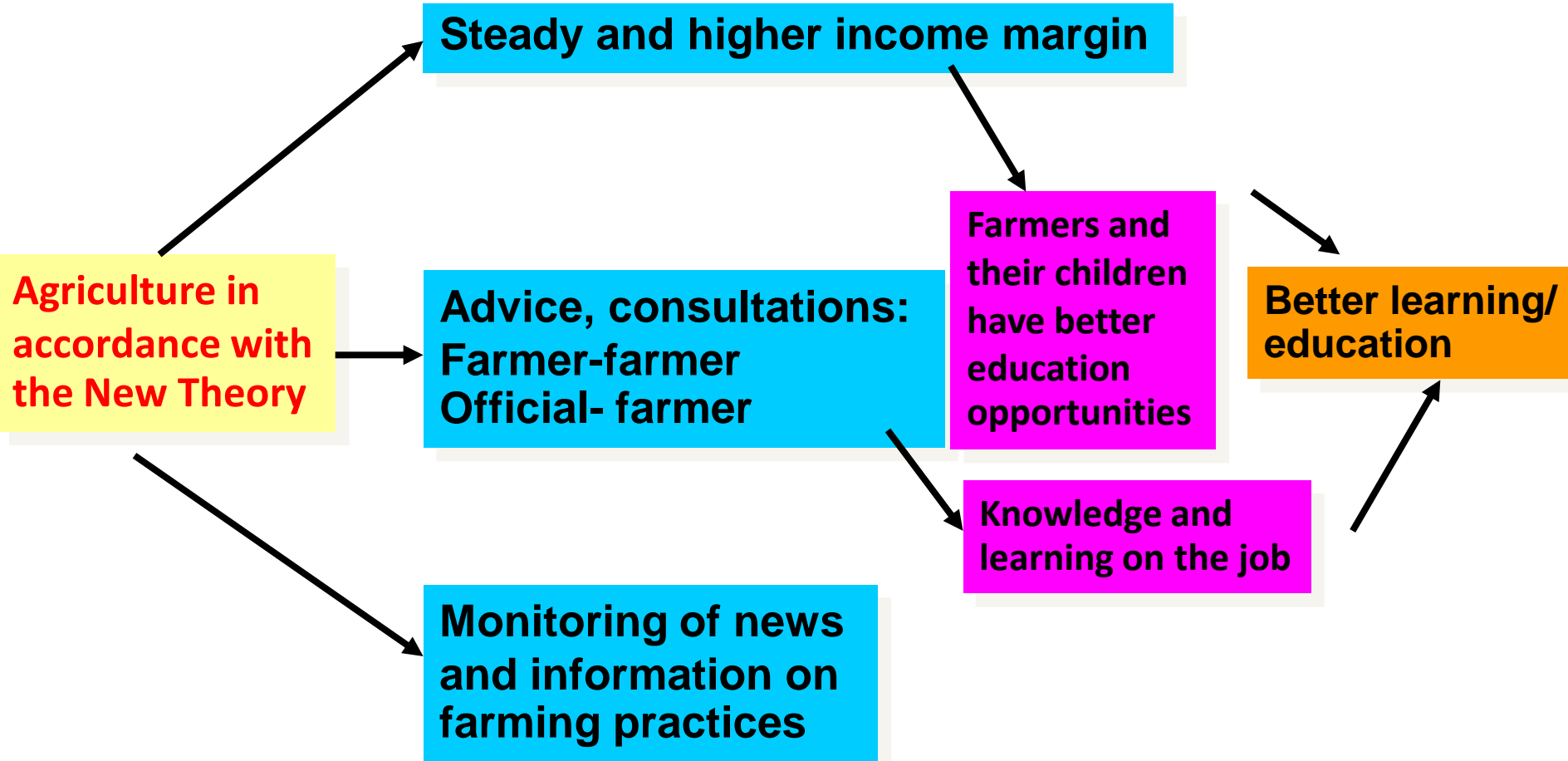
Support from outside



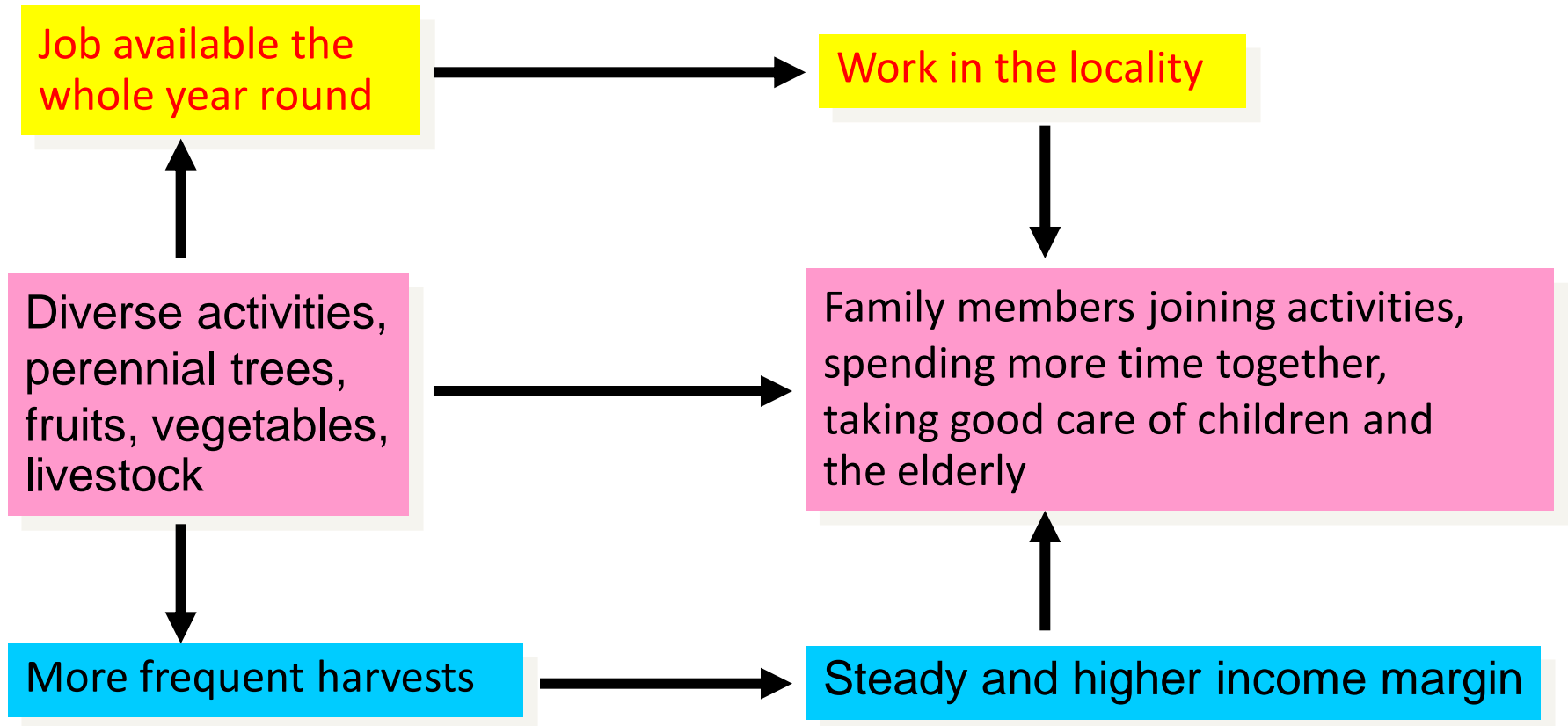
Support from outside



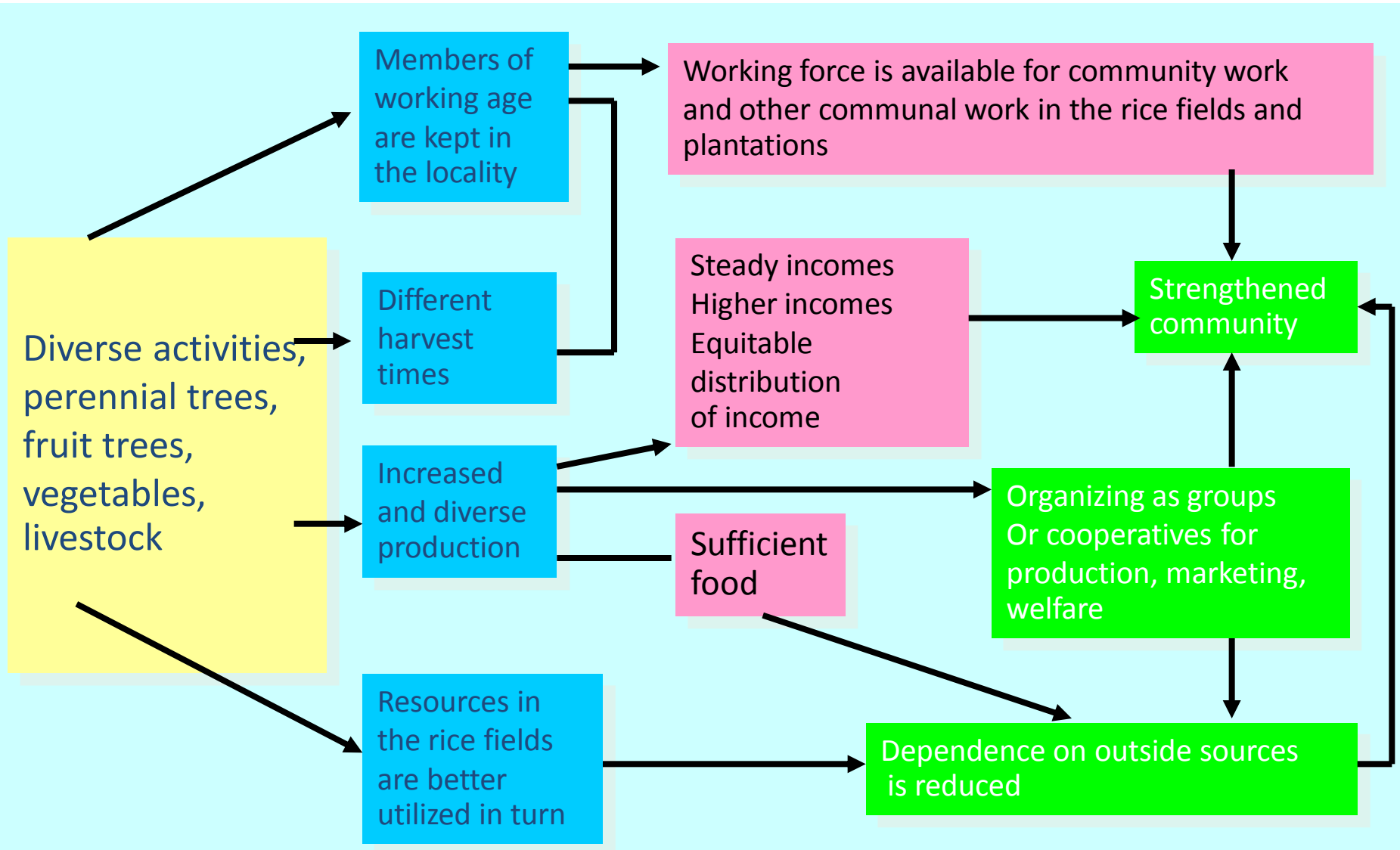
Benefits of the New Theory



Farm Families and Communities: Socio-economic Impact



Strengthened Community



Case Study : Ban Jum Rung community

- Ban Jum Rung community have 44 group activities.
- Activities which lead them be a best practice community is drive through sufficiency approach.
- Ban Jum Rung community revealed benefits of sufficiency in community development through their activities as follows;
 - sufficiency movements in term of community financial problems solving.
 - Applying Sufficiency Economy Philosophy into community development; they start from reduce expenditure, saving money as a community fund group, launce community shop and enterprise to have a stable income and debt repay.
 - They created a new way of selling agriculture product which is controllable price by grouping together as a network of agriculturist.
 - Moreover, they have community immunity system by support additional occupation, launce community saving group for occupation, education and welfare.
 - Way of doing under Sufficiency Economy Philosophy is *“Consume what we produces and produces what we consume”* in order to reduce expenditure.
 - Nowadays, they have stable income from agriculture product which is traditional and environmental friendly and have additional income from green tourism activities. Those activities are launches through basic idea of self-reliance and self-immunity which is one of key components of Sufficiency Economy Philosophy.



<http://www.banjumrung.org/>

Reference

- www.banjumrung.org/
- www.indexmundi.com
- www.sufficiencyeconomy.org