



# **Sufficiency Economy Implications and Applications**

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## **Sufficiency Economy Implications and Applications**

*“...Some people still do not understand that a big undertaking like the construction of the Pasak Dam fits perfectly with the Philosophy of Sufficiency Economy. They tend to perceive it as something belonging to modern economic ideas, something so unrelated to Sufficiency Economy. In fact, the Pasak Dam serves the concept of Sufficiency Economy as well...”*

*H.M. The King's Address delivered  
on the Occasion of His Birthday Anniversary  
on 23 December 2001*

# Forward



Office of the National Economic and Social Development Board (NESDB) has initiated the process of Sufficiency Economy movement for disseminating its concepts and applications in various aspects, and also created momentum of enhancing knowledge and understanding. These movements would lead to insight, acceptance and applications of all social sectors.

NESDB has published “Sufficiency Economy Implications and Applications” with cooperation of the Secretariat of the Prime Minister for drafting the guidance of implications and applications by levels and occupation groups. It consists of two parts:

**The first part** is the principle of the Philosophy of Sufficiency Economy, which His Majesty's Principal Private Secretary has bestowed to NESDB to disseminate to people at all levels in all sectors.

**The second part** is the guidance of Sufficiency Economy applications for people in each level and various occupation groups.

NESDB hopes that this publication would be useful, jointly enhance knowledge and understanding of the Philosophy of Sufficiency Economy and be the guidance of applications for all social sectors.

Office of the National Economic and Social Development Board

September 2014

*“...Sufficiency Economy is the foundation of life, the stability of the nation – the way pilings support houses and buildings. Buildings can stand firmly because of the pilings. But pilings cannot be seen and so people tend to forget about them...”*

*H.M. The King's Speech  
Taken from Chaipattana Journal  
August 1999 Issue*

The strength of Thai Nation has been nurtured and developed by His Majesty King Bhumibol Adulyadej, who is considered to be the soul of the nation. Through his caring leadership, His Majesty has earned the abiding love and profound respect of his people.

Since the beginning of reign, His Majesty has been trying to enhance the livelihood of disadvantaged Thais throughout the country. Royally-initiated activities include economic development and protection of critical natural resources.

At numerous points during his reign, His Majesty has propounded his philosophy of “Sufficiency Economy” and urged all Thais to practice it to the greatest extent possible. Sufficiency Economy advocates taking the middle path in life and the optimal route for conduct at all levels such as individuals, families and communities.



# The Philosophy of Sufficiency Economy



Sufficiency Economy is a philosophy bestowed by His Majesty King Bhumibol Adulyadej to the people of Thailand. Through royal remarks on many occasions over the past three decades, His Majesty has provided guidance on appropriate conduct covering numerous aspects of life. After the economic crisis, His Majesty reiterated and expanded on his “Philosophy of Sufficiency Economy” in remarks made in December 1997 and 1998. The philosophy points the way for a recovery that will lead to a more resilient and sustainable economy that is better able to meet emerging challenges such as globalization.

Sufficiency Economy stresses the middle path as an overriding principle for appropriate conduct by Thai people at all levels, from family to community to country. It calls for national development and administration to modernize in line with the forces of globalization. “Sufficiency” means moderation, reasonableness, and the need of self-immunity for sufficient protection from impact arising from internal and external changes. To achieve this, the application of knowledge with due consideration and prudence is essential. In particular, great care is needed at every step in the utilization of theories and methodologies for planning and implementation. At the same time, it is necessary to strengthen the moral fiber of the nation, so that everyone,

particularly public officials, academics, and businessmen, adhere first and foremost to the principle of honesty and integrity. In addition, a way of life based on patience, perseverance, diligence, wisdom and prudence is indispensable to create balance and be able to cope appropriately with critical challenges, arising from extensive and rapid socioeconomic, environmental, and cultural changes in the world.

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*Unofficial translation. A working definition compiled from remarks made by His Majesty the King on various occasions and approved by His Majesty and sent by His Majesty's Principal Private Secretary to NESDB on 29 November 1999*

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# Sufficiency Economy Philosophy

Economy/society/environment/culture  
in a balanced, stable and sustainable way

Immunity to materialism and  
social/environmental/cultural changes

Lead to

The Middle Path

Moderate

Sufficiency

Reasonableness

Self  
Immunity

Knowledge Condition  
(Prudent and  
appropriate  
knowledge)

Integrity Condition  
(honesty, diligence,  
wisdom, sharing,  
perseverance)

*“...The definition of the term ‘Sufficiency Economy’ cannot yet be found in any economics textbook. That is no surprise since it is a new theory – so new and innovative it has not been included in textbooks. Economic experts and those who are interested, however, can use it, modify it or apply its principles in an effort to improve the country’s economy as well as that of the world...”*

*H.M. The King’s Address delivered  
on the Occasion of His Birthday Anniversary  
on 23 December 1999*

# SUFFICIENCY ECONOMY

## Implications and Applications by Levels and Groups

### **Level**

- Individual / Family
- Community
- Nation

### **Group**

- Farmer
- Businessman
- Politician
- Government Officer
- Educator

# Application of Sufficiency Economy at Individual and Family Levels



Application of Sufficiency Economy by individuals and families starts when one acquires the essential knowledge and necessary skills to appropriately cope with critical challenges arising from extensive and rapid socioeconomic, environmental and cultural changes in the world.

At the same time, it is essential for every human being to realize how important it is to live harmoniously in society and to coexist with nature. This means that one should adhere to morality; maintain honesty and integrity; share with others; be self-disciplined, patient and

prudent in making decisions and taking actions; and persevere in improving oneself.

All of these virtues will lead to self-immunity or sufficient protection for individuals and families from the impact arising from internal and external changes. This will enable one to be moderate and reasonable in life, according to one's roles and responsibilities, so that one can efficiently rely upon oneself and be capable of helping others and contribute to society.



# Application of Sufficiency Economy at the Community Level



A “Sufficient Community” consists of individuals and families who have a degree of self-reliance that is based on their own knowledge and moral strength but strive for sustainable progress.

These members of a sufficient community cooperate by sharing their efforts and exchanging their ideas, knowledge, skills and experiences. They use community resources and develop community activities in ways that are appropriate to their geo-social circumstances in order to

realize the utmost benefits and happiness of community members.

Community activities are carried out and improved continuously, based on morality: honesty, patience, perseverance, generosity and sympathy, which lead to social harmony and create a community that has immunity from the impacts arising from change. Eventually sufficient communities of sufficient individuals create a network with other communities.

## Application of Sufficiency Economy at the National Level



Sufficiency Economy at the national level starts with a national administrative and development plan that encourages and enables people to live their own lives and to cooperate with others in development based on the Philosophy of Sufficiency Economy, while prudently implementing the plan step by step.

Application of Sufficiency Economy at the national level should begin by laying foundations that enable the majority of people to have the basic necessities to live sufficiently and to



support themselves adequately through the use of knowledge and morality in their lives. People should also be encouraged to expand their vision through the creation of learning networks among various socioeconomic backgrounds and professions, which eventually will lead to harmony and solidarity in society.

# Application of Sufficiency Economy for Farmers



His Majesty's "New Theory" for agriculture offers the opportunity for farmers to use and apply their wisdom and skills to support themselves in ways, which are consistent with their respective environment. Royal initiatives also stimulate and support collaboration and integration using community resources to develop strong social and business networks, while encouraging members to abide by morality and wisdom in their decisions and actions. Strong foundations should be created using self-reliance

before building up more market reliance in the advanced stage.

The “New Theory” Agriculture has three phases :

**The First Phase** is to manage agricultural land and resources at the household level in a way that provides enough return to live appropriately and with self-reliance, according to one's conditions.

**The Second Phase** is the formation of groups in the form of cooperatives to collaboratively produce goods, organize markets, and develop community welfare to increase social solidarity and prepare communities to keep pace with the outside world.

**The Third Phase** is to build contacts and partnerships with outside institutions such as banks, businesses, government and non-government organizations, to obtain the financial, knowledge and technical support necessary for further development.



## Application of Sufficiency Economy for Businessmen



Businessmen adhering to Sufficiency Economy demonstrate the following characteristics:

- They are more concerned on sustainable and stable long-term profits than short-term results. They are well-informed about business-related knowledge, eager to learn new information in order to cope with changes, and be prudent in decision-making.
- They conduct business ethics, with honesty and integrity. They display perseverance and diligence by continuously developing their



businesses through improvements in production efficiency and product quality, based on changing technologies and market needs.

- They are socially responsible and concerned about the environment at every step, while balancing profit-sharing among all stakeholders such as consumers, staff / workers, business partners, and shareholders.

# Application of Sufficiency Economy for Politicians



A politician whose conduct is based on Sufficiency Economy can set an example of leadership and moral discipline, by being afraid and ashamed of misconduct even on small issues, since any decision or action of even one politician tends to have widely impact on society.

In addition, politicians at every level have to truly understand local conditions in the communities that they represent. Such politicians must also understand the political system, laws and regulations, social values and traditional

culture, while being well-informed about domestic and international development crises.

These politicians will play their roles in such a way as to create a balanced progress for people to live sufficiently, be able to support themselves, and be harmoniously united.

Making policies and laws, based on Sufficiency Economy, not only conserves good customs, social values, wisdom, and environment, but also undoes the damage from any improper behavior that has led to imbalance or unsustainable development. In addition, leaders should encourage the development and adoption of new practices,



knowledge, or technologies for enhancing common benefits. Importantly, the leader should strongly realize the potential and conditions of the community and nation so that people can be more self-reliant.

# Application of Sufficiency Economy for Government Officers



Government officers and staffs should first apply Sufficiency Economy in their own lives; starting with realizing their roles and responsibilities as social-service providers enhancing a social environment so that people can live in harmony within society and in balance with ecology.

Each officer should be morally conscious and honest, leading lives with perseverance and prudence, knowing the causes and effects of their actions, being moderate in his or her life, and

having prepared oneself for impact from internal and external change.

An officer should prepare and implement policies, plans, and projects pertinent to Sufficiency Economy with emphasis on the balanced development of economy, society, environment and culture, so that eventually people and the community as a whole can depend on themselves and appropriately cope with challenges in the world.

Government officers should be careful not too much impose their own ideas but to encourage people to think by themselves. Also, they should remember the principle of “helping people to help themselves.”

# Application of Sufficiency Economy for Educators



A teacher or lecturer should be a role model for students by living a life based on Sufficiency Economy, so that they can teach by example and be able to guide students to a better understanding of Sufficiency Economy through classroom curriculum and student activities.

To live one's life, based on Sufficiency Economy, it is essential for human beings to live harmoniously in society and also to coexist with

nature. One should reflect on and practice sufficiency economy until one believes that the principles will lead to progress in one's own life and to peace and harmony in society. In practice, one should adhere to morality; honesty and integrity; generosity; self-discipline, patience and prudence in making decisions and taking action; and perseverance in continuously improving oneself. These will lead to self-immunity from changes, and enable one to be moderate and reasonable in life, so that one can efficiently rely upon oneself and be capable enough to help others and contribute to society.





As knowledge and reasonableness are very significant, educators have the vital role on these matters. Such knowledge must be prudent, careful and appropriate for each socio-geographic conditions.

*“...The development of the country must be fostered in stages. It must start with the construction of infrastructure, that is, the provision of food and basic necessities for the people by methods, which are economic, cautious and conforming with principles. Once the foundation is firmly established, progress can be continually, carefully and economically promoted. This approach will prevent incurring mistakes and failures, and lead to the certain and complete achievement of the objectives...”*

*H. M. The King's Address delivered  
on Kasetsart University Commencement Ceremony  
on 19 July 1974*

# Sufficiency Economy Benefits



The Sufficiency approach originated in the context of rural development, but is not limited to that realm. The principles can be applied in many different contexts to avoid unbalanced growth, to advance human development, and to guard against the treats and dangers of globalization.

Admittedly, application of Sufficiency Economy in Thailand leads to six conclusions of key action points for Thailand today.

1. The Sufficiency Economy is central to alleviating poverty and reducing the economic vulnerability of the poor.

2. The Sufficiency Economy is central to community empowerment and the strengthening of communities as foundations of the national economy.

3. The Sufficiency Economy takes corporate responsibility to a new level by raising the strength of commitment to practices conducive to long-term profitability in a competitive environment.

4. Sufficiency principles are vital for improving standards of governance in public administration.

5. The Sufficiency Economy can guide national policy to immunize a country against shocks, to craft better policies and to plan strategies for more equitable and sustainable growth.

6. Sufficiency thinking demands a transformation of values and a revolution in the mindset, both necessary for the advancement of human development.

# United Nations Development Programme (UNDP)

26th May, 2006

**Your Majesty,**

The United Nations is honoured to present to Your Majesty the United Nations Development Programme's First Human Development Lifetime Achievement Award. We do this on the Auspicious Occasion of the Sixtieth Anniversary of Your Majesty's Accession to the Throne.



Your Majesty has made an extraordinary contribution to human development. As the world's **“Development King”**, Your Majesty has reached out to the poorest and the most vulnerable people of Thailand-regardless of their status, ethnicity or religion-listened to their problems, and empowered them to take their lives in their own hands.

Your Majesty's countless rural development projects have been at the forefront of innovation and benefitted millions of people across Thailand.

They have promoted small-scale agriculture, appropriate farming technologies, sustainable use of water resources, conservation, and flood and drought mitigation.

As a visionary thinker, Your Majesty has played an invaluable role in shaping the global development dialogue, Your Majesty's "**Sufficiency Economy**" philosophy-emphasizing moderation, responsible consumption, and resilience to external shocks-is of great relevance worldwide during these times of rapid globalization. It reinforces the United Nation's efforts to promote a peoplecentred and sustainable path of development.

With this Award, we hope to further promote the invaluable experiences and lessons learnt from Your Majesty's development endeavours, and help draw attention to Your Majesty's visionary thinking beyond the borders of the Kingdom of Thailand. It is our greatest honour and privilege to present to Your Majesty this Lifetime Human Development Award.

Source : A Collection of Citations Honouring His Majesty King Bhumibol Adulyadej of Thailand by Foreign Institutions and Organizations (December 1959-July 2007) The Office of His Majesty's Principal Private Secretary

*“...If we are happy with however little we have, we will be less greedy and will exploit others less. If all countries observe this idea - not only in an economic sense, but to try to keep the middle ground - being sufficient and not extreme, not greedy, then we can live happily...”*

H.M. The King's Address delivered  
on His Birthday Anniversary  
on 4 December 1998



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