

HIS MAJESTY'S PHILOSOPHY OF SUFFICIENCY ECONOMY: AN ALTERNATIVE FOR THE SUSTAINABLE DEVELOPMENT OF THAILAND

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Abstract

The extreme application of capitalism and consumerism has lead to a destruction of natural resources and has corrupted the foundation of the country's development system. This paper examines the theory of sustainable economy developed by His Majesty King Bhumibol Adulyadej. It 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 level of individual, family and community, while providing a choice of balanced development strategy for the nation so as to develop in line with the forces of globalization, and shielding against inevitable shocks and excesses that may arise.

"This sufficiency means to have enough to live on. Sufficiency means to lead a reasonably comfortable life, without excess, or overindulgence in luxury, but enough... The word to have enough is sufficient; sufficiency is moderation. 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. If all nations hold this concept – I don't mean sufficiency economy – this concept of moderation, without being extreme or insatiable in one's desire, the world will be a happier place."

*His Majesty King Bhumibol Adulyadej
4 December 1998*

A decade ago, Thai people followed and relied on the western world's model of economy, aiming specifically for growth and wealth, without considering the solid foundation of the country and without understanding if that model would fit our economic and social system. In retrospect, the money we were spending for the nation was hardly ours, we still had to borrow from others, as well as use foreign technology. This extends even to human resources; we borrowed the skills of foreigners (who ultimately created instability in our system), without thinking of expanding our own intellectual capital.

Without a solid foundation, the unstable system collapsed. In 1997, the economic crisis hit Thailand severely. It started with the flotation of its currency, and brought great negative impacts to the Thai society and Thai people at large. A large number of people went bankrupt and lost their jobs, their homes and their pride. The crisis made Thai people, both in private and public sectors, aware of the vulnerability of the country's economic foundation and the problems of heavy reliance on foreign investment, technology, and markets. The catastrophe left a scar in Thai economic history that is still remembered by most Thais today.

Consumerism

Not only was the system corrupted, but also the Thai's also developed habits of over consumption, which led them to bankruptcy and the country to crisis.

Consumerism interrupts the world function by replacing the normal common sense of desire for an adequate supply of life's necessities with an unnatural ongoing search for unnecessary things. As a result, people tend to hasten the replacement of the old. Those who try to push consumerism instill us with the idea that the economy and quality of life would improve if people buy more things and spend excessively. Financial resources which should be spent on fundamentals such as nourishment,

housing, education, or other public service activities, unfortunately, are spent on products of little value and little social return.

Consumerism is a cyclical system in which the consumer develops a false sense of need to purchase more products to accommodate previously purchased items, further benefiting the producers' income. As more things are forced upon consumers, the amount of waste and other undesirable products increases extensively.

Each year we consume more oil, energy and valuable natural resources that will be most valuable in the future. As a result of this over consumption, we face an oil crisis. Even as the oil price continues to rise, a number of Thai people are still buying new cars. A lot of them are unable to afford luxury ones, so they pay by installment. Like other unnecessary items, they are paying by credit cards.

This growing consumption leads to continuing wars for valuable natural resources, such as oil, diamonds, gold and other limited resources; resources which ultimately are not vital for our survival. Maybe in the future, people will fight for water or even the air that we breathe!

Are we depending on others too much? Are there any ways out? Is it about time that we need to stand on our own feet and become more self-reliant?

Sufficiency Economy: an Alternative to the World Crisis

The heart of “development” has always been the improvement of livelihood of the people in general. However, to improve does not necessarily mean to increase GDP or to increase the markets or consumers, it should rather mean the empowerment of sustainable happiness and individuals become self-reliant to raise their quality of life.

Fortunately, the livelihood of the Thai people and strength of the Thai nation have been nurtured and developed by His Majesty King Bhumibol Adulyadej. Through his caring leadership and his ingenious thinking, His Majesty has earned love and profound respect of his people. While laying the foundations for his country's development strategy, His

Majesty's philosophy of "Sufficiency Economy" lies at the heart of Thailand's development, and it can truly serve as guidance for the country's economic and social developments.

Over the past three decades, His Majesty has graciously reminded Thai people through his royal remarks on many occasions of a step-by-step and balanced approach to development, which is now known as the philosophy of Sufficiency Economy. The philosophy provides guidance on appropriate conduct through numerous aspects of life. The following is one example of an excerpt from His royal speech in 1974:

"Economic development must be done step by step. It should begin with the strengthening of our economic foundation, by assuring that the majority of our population has enough to live on... Once reasonable progress has been achieved, we should then embark on the next steps, by pursuing more advanced levels of economic development. Here, if one focuses only on rapid economic expansion without making sure that such plan is appropriate for our people and the condition of our country, it will inevitably result in various imbalances and eventually end up as failure or crisis as found in other countries."

Since the crisis, His Majesty has reiterated and expanded on the Sufficiency Economy concept in his remarks made in December 1997 and the following years. The concept points the way for recovery that will lead to more flexible, balanced and sustainable development, better able to meet the challenges arising from globalization and other worldly changes.

Definition of the Sufficiency Economy Philosophy

"Sufficiency Economy" is a philosophy bestowed by H.M. King Bhumibol Adulyadej of Thailand 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 level of individual, family and community, while providing a choice of balanced development

strategy for the nation so as to develop in line with *the forces of globalization, 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. In particular, great care is needed in the application of theories and technical know-how and methodologies for planning and implementation. At the same time, it is essential to strengthen the moral fiber of the nation, so that everyone, particularly public officials, academics or theoreticians, businessmen and financiers, adheres first and foremost to the principles of honesty and integrity. In addition, a balanced approach combining patience, perseverance, diligence, wisdom and prudence is indispensable to cope appropriately with critical challenges arising from extensive and rapid socioeconomic, environmental, and cultural changes occurring as a result of globalization.

Therefore, the Sufficiency Economy Philosophy involves the three following principles:

1. **Rationality:** We have to use our own judgment and rationality to choose our own way of conduct, our own path of living without following blindly the irrational globalization trend, such as overly extravagant life style and over consumption. You can choose your own suitable model of living for your own life with your own rational judgment.

2. **Moderation:** Judgment is also used for considering our limitations. How much do we have in our savings? Can we spend without going bankrupt? We have to learn about our own limitations, capacities and potentialities, such as human capital, financial capital and availability of resources, and start there. Only a balanced conduct of living will be in harmony with others.

3. **Risk Management:** This stage is to prepare ourselves to accept and face the impacts and other changes which are expected to likely happen in the future, both interior and exterior. We have to create our own savings, national savings, and to become self reliant without always depending on foreign countries.

Some might think that this philosophy of sufficiency economy is outdated, old fashioned and cannot lead the country to prosperity.

The New Systems to Measure a Better Living

In the past, we normally used “wealth” as a criterion to measure a better living, and Gross Domestic Product or GDP was the most useful figure. This system measures the quantity of products and services that a country produces. At that time, most people believed that crime usually went down when GDP went up and when GDP rose, quality of health and life just simply got better. However in the 1970s, researchers and social policy experts weakened that belief. When subtracted from GDP, the cost of crime, unemployment, malnutrition, environmental deterioration, etc., it was found that for the last 30 years, a better living does not essentially depend on increasing incomes and economic figures. In fact, the number of people suffering from depression in industrialized countries had escalated tenfold in 50 years.

The word “**wealth**” in fact came from the word “**well-being**”. So “wealth” in its origin does not really mean just economic prosperity, but something much broader than that. **Now that we believe that GDP is no longer the most useful figure to measure a better living, he Human Development Index or HDI**, which was issued annually by the United Nations, is an alternative to that. All countries around the world are ranked according to their people’s *life expectancy, educational attainment, and adjusted real income* rather than by the nation’s economic figures.

Another new trend that is now becoming more popular for measuring a better living is the **Gross Domestic Happiness (GDH)** or **Gross National Happiness (GNH)**, invented by His Majesty King Jigme Singye Wangchuck of Bhutan. This country is one example that concerns about what globalization may bring and wants to preserve its unique culture and social values by holding on to a new term, **GNH**, through His Majesty King Jigme Singye Wangchuck’s 1972 declaration: “**Gross National Happiness is more important than Gross National Product.**” This system has been applied since 1972, using “Four Pillars of Happiness”—

sustainable economic development, conservation of the environment, promotion of national culture and good governance.

Benefits and Happiness

His Majesty King Bhumibol Adulyadej also pays great attention to the well-being and happiness of the Thai people. Unlike His Majesty King Jigme Singye Wangchuck, the Thai King did not invent a new system to measure happiness for his nation; instead he created a new term “Benefits and Happiness”, which he stated in many occasions because he believes that “Benefits have to go along with Happiness”. Benefits without happiness will create an unbalanced approach to well-being. If the life of the individuals is not balanced and they do not care to invite sufficiency into their life, only personal material value will hold significance. When material accumulation reaches its peak, things will just break down and will have to start everything from zero again. Economic growth alone normally benefits less people, but balance of income distribution benefits people as a whole. Economic development and income distribution must develop together to generate a greater profit for the country at large.

The extreme application of capitalism and consumerism leads to total destruction of natural resources and corrupts the foundation of the country’s development system, whereas the Sufficiency Economy leads towards a more balanced approach to better living. The world is now in chaos. If we do not stop our habits of over consumption, the sustainable state will never happen. The natural resources will be depleted and our descendants will suffer deprivation. I believe that to follow the King’s idea of “Benefits and Happiness” can create a better living among mankind, and that the philosophy of Sufficiency Economy can build a solid foundation for the country’s development. If things are carried out on the moral and ethical basis, we can achieve progress with stability. It may take a bit longer, but it will be less risky. And ultimately, we will be able to achieve happiness and sustainable growth.

Source: UNDP

