

SUSTAINABILITY AND THE LAW: THAILAND'S SUFFICIENCY ECONOMY IN PERSPECTIVE

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Abstract

The intention of this paper is to draw attention to the conceptual and practical instruments presented in the Sufficiency Economy. The idea was first mooted by King Bhumibol Adulyadej of Thailand. He observed that Thailand had a very large population with millions of poor people who face environmental obstacles and economic challenges daily. But his Kingdom also possesses immense natural resources but and suggested the Sufficiency Economy for people to supplement their income and improve their quality of life. This paper examines the philosophy and applications of the Sufficiency Economy and its validity today in terms of its ecological and political dimensions. It questions the basis and motivations of those who seek to criticize and undermine this economic strategy. The Sufficiency Economy provides for a rigorous program of human and ecological sustainability and with the proper application of the law, Thailand will be better able to avert environmental disasters of the future.

Key words: Ecological Economics; Government Policy; Sustainable Development; Sufficiency Economy.

JEL Classification: Q01, Q28, Q57

I. INTRODUCTION

There are several main laws that are important to the sustainability policy clauses implied or used in the Sufficiency Economy concepts of His Majesty the King. This is also known as the Sufficiency Economy Philosophy (SEP). Some scholars and laymen refer to it as the Sufficiency Economic Law but this is inaccurate and off-tangent.

The policy clauses within the Sufficiency Economy are also dependent on the government and military regime that is in power. However, this paper is more concerned with educating readers who are new to the notion of sustainable development in Thailand and who desire to understand some basic principles that have been applied all these decades. So what makes the Sufficiency Economy work? The following sections describe an ideal policy program but as is usually the case in all nations and states, the chances of a perfectly implemented policy is rare and the distance between the ideal and the real is wide in this case.

For the Sufficiency Economy to work it has to be understood and embraced by the majority of Thai people and foreigners working in Thailand as a philosophy of life. Based on Buddhist dogma, the Sufficiency Economy Philosophy comes out of the global literature on *green politics*. Much research has already been written and published about the Sufficiency Economy and the literature tends to fall into two main categories: (1) those who criticize for the sake of criticism; and, (2) those who blindly accept the SEP without really understanding its precepts or thinking why it is important for the Kingdom (apart from the fact that the King said so).

Six Royal Study Development Centers were established around the Kingdom to research and implement the application of the Sufficiency Economy. Between 8-10 November 2004, a ministerial level conference was held at Chulalongkorn University to discuss matters concerning these six research centers and development centers.¹ These include the Khao Hin Sorn Royal Development Study Centre (Changwat Chachoengsao), the Puparn Royal Development Study Centre (Changwat Sakon Nakhon), Huai Hong Khrai Royal Development Study Centre (Changwat Chiang Mai), the Huai Sai Royal Development Study Centre (Changwat Phetchaburi), the Kung Krabaen Bay Royal Development Study Centre (Changwat Chanthaburi), and the Pikun Thong Royal Development Study Centre (Changwat Narathiwat). Each center is tasked to evaluate the implementation of Sufficiency Economy activities and to measure income, quality of life, occupation and employment.

The Thai sufficiency economy is an ideal as well as a practical solution to the problem of overpopulation and limited economic resources. When it was first mooted in the early 1990s, there was resistance from Opposition politicians as well as those who are perennially against the rule of His Majesty the King. Nevertheless, the Sufficiency Economy was developed by several government agencies in coordination with the

¹ A Ministerial level meeting is a very high level meeting equivalent to that of a US cabinet secretary.

Palace. The strategy was to deploy successful models of agricultural and irrigation systems throughout the Kingdom to serve as excellent business examples in self-sufficiency. The King had developed this concept and the philosophy behind it because he feared that Thailand would be unable to cope with the increasing pressures of globalization and international trade. The unique feature of the Sufficiency Economy is the guidance directly from the monarch as a means of self-satisfaction and the attainment of happiness for all Thai people. While no one can live as modestly as His Majesty, it is also plausible that many can emulate his gracious and humble mannerisms. The middle path that the Buddha took was for people to live their lives conservatively by neither taking extreme measures such as living extravagantly or living in deliberate and absolute poverty.

II. PROBLEMS AND SOLUTIONS

There are many problems arising from the natural environment in Thailand. One example that has plagued farmers for many centuries is irrigation. The overwhelming volume of surface run-off during the annual flooding of the Menam Chao Phraya, for example, led to billions of baht of destruction to property, lives and livestock. The Kingdom has not recovered from the destruction to businesses and properties. Had all parties devoted their respective resources to the concept of the Sufficiency Economy, Thailand would have averted those devastating floods. Mass urbanization and industrialization have shifted the weather and drainage patterns of the country's geology and more disasters are likely to hit the country over the next fifty years.

The Sufficiency Economy is a probable solution that encourages Thai people to consume what they need without destroying the planet or the environment. His Majesty the King believes that it is important for us to develop and modernize with the pressures of globalization and industrialization but without damaging the world around us. Therefore the Sufficiency Economy helps adapt the country to rapid economic changes without destroying social values and old traditions so that beneficent outcomes will be generated for all to enjoy with happiness. One example of the application of the complexity of the Sufficiency Economy to combat the annual flooding problems was the mega Sam Muen Highland Development Project that had managed to control and divert flood waters in the Northern Changwat so that Bangkok and the other lower lying regions would not be overtly affected. However, the recent 2012 floods that hit Bangkok show that the SMHDP was necessary but not sufficient to solve these environmental problems. The local changes made within Bangkok and on the outskirts of Bangkok *ex post facto* will not prevent or forestall future problems with the annual flooding. More work has to be done with the civil society associations such as Project for Ecological Recovery of Krung Thep; The Northern Development Sustainable Organization; The Association for the Ecological Development of Chiang Mai and Chiang Rai; the Alternative Agricultural Network Systems and various Christian and Buddhist Associations.

Had all the people embraced the Sufficiency Economy wholeheartedly in the early 1990s, Thailand would not have suffered the consequences of the Asian Financial Crisis of 1997. His Majesty the King had anticipated the dangers that were arriving but the people did not always listen to him. He never wanted empty adoration or a cult of personality but instead desired that people live good, happy, healthy and modest lives. In the immediate years following the 1997 Asian Financial Crisis, His Majesty the King explained again why the Sufficiency Economy would assist to balance the economic debt. But because the main owners of the large Thai MNCs who continue to take advantage of His Majesty the King's kindness and tolerance, were greedy for more profits rather than following the central way or the Middle Path to economic recovery. The notion of the Sufficiency Economy has a highly Buddhist orientation, but it is not the intention of this paper to develop or expound on that dimension.

There are three stages in the Sufficiency Economy in terms of policy implementation. Stage I involves *Muban* efficiency; Stage II is efficiency at the *Tambon* and *Changwat* levels; and Stage III is efficiency at the National Level.

III. THE STAGES OF SUFFICIENCY ECONOMY

Stage I Muban Sufficiency

The Village (*Muban*) is at the heart of the SEP. *Muban* Sufficiency or 10-15 rai with 1/3 to rice, 1/3 to vegetables, and 1/3 to irrigation systems such as wells, canals and ponds.² 1 rai for a house is about sufficient to sustain for a family of four adults or two parents and three children. If each *Muban* can cultivate 3-5 rai of land for rice, their personal consumption is virtually guaranteed for two years for the entire *Muban*. The average

² See A. L. Rappa, ed. *The Architectonics of the Village in Late Modernity* (Singapore: Ethos Books and Singapore Management University Press, forthcoming).

Muban has about 145 households, 36 houses or about 650 villagers. The *Muban* is critical for the survival of the nation because it is the basic housing structure or unit in Thailand. If the *Muban* is destroyed or weakened, the entire nation suffers, as *Muban* efficiency falls. There are also political policies that impact the survival of the *Muban* such as rice subsidies and special loans for farm machinery. Failure to adhere and deliver public policies at the *Muban* level results in serious political damage as seen in the case of former Prime Minister Yingluck Shinawatra who was removed from power by a coup led by General Prayudth Chan-o-Cha because she failed to ensure that the rice subsidies reached the farmers. Farmers are very simple, modest people. Many have a peasant mentality that prevents them from enlarging their share of wealth and they often appear satisfied to maintain the status quo. Their political affiliations move with the wind and they tend to support which ever political candidate pays the highest.

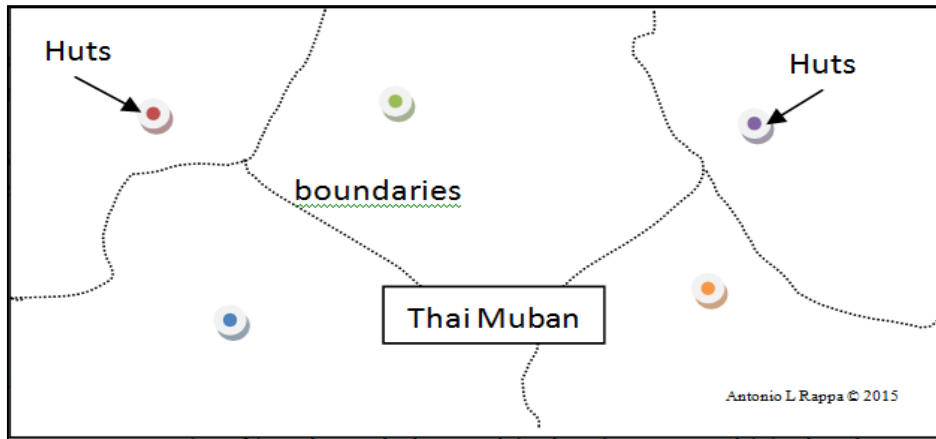


Figure 1: The Structure of a Typical *Muban*

At the last Thai General Election in 2012, the average amount paid to each eligible *Muban* voter ranged between 400 and 650 baht. For the *Muban* to maintain its level of efficiency, the village headman must coordinate many activities that support the *Muban*. This includes planning for harvests, the annual flooding, repair and maintenance of *Muban* infrastructure (Yewsriwong, 2000) as well as anticipating political and policy issues that must be raised at the monthly *Tambon* meetings.

Stage 2 Tambon and Changwat Sufficiency

But the villagers and the *Muban* are deeply intertwined with the large *Tambon* (sub-District). The confusing networks of *Tambon* were finally resolved during Chuan Leekpai’s post-administration. All the Thai sub-Districts were legally updated and legitimized with the *Tambon Council and Tambon Administrative Authority Act* (1994).

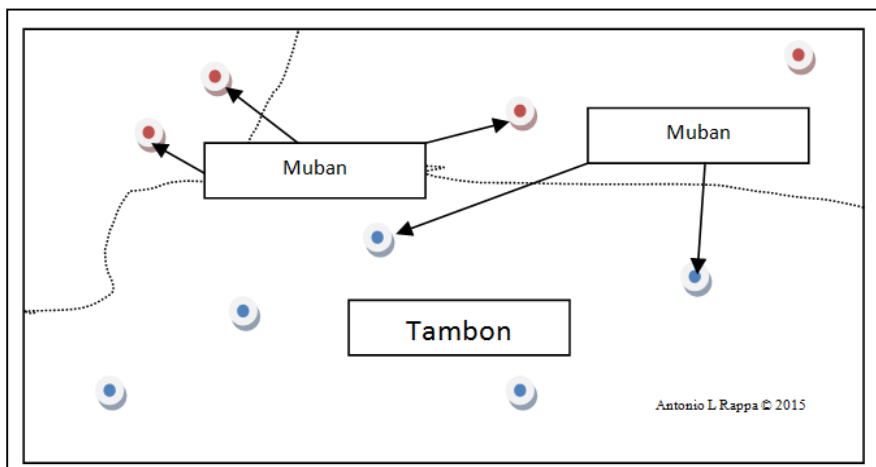


Figure 2A: The Structure of the *Tambon*

The *Tambon* structure also reveals the extent to which complicated networks would have emerged for the Tambon that genuinely embraced the Sufficiency Economy along with the One *Tambon*, One Product (OTOP) program dovetails with the SEP would have resulted in positive and symbiotic policy outcomes. This is illustrated in Figure 2B.

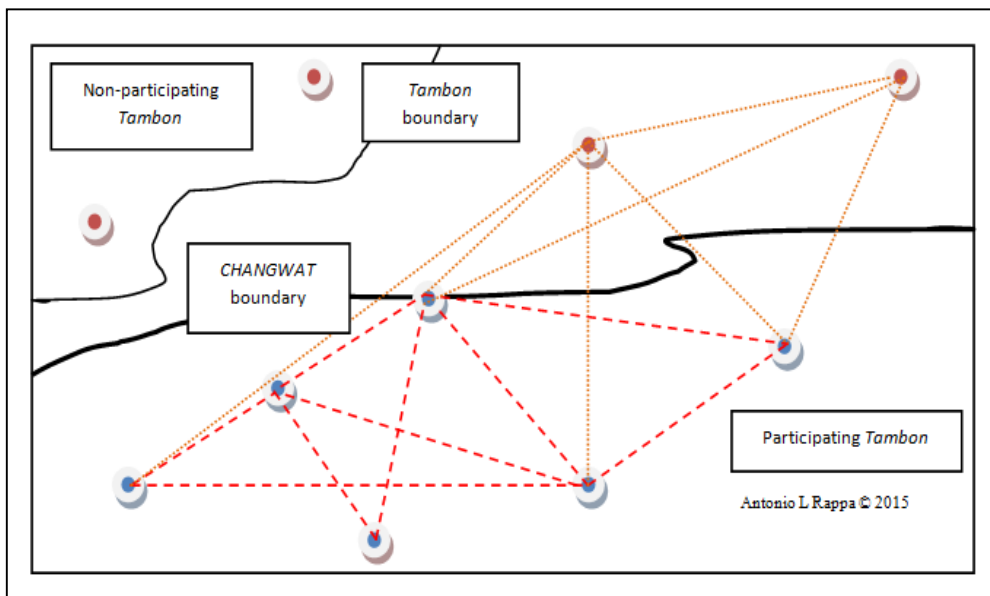


Figure 2B: Tambon Structure with Sufficiency Economy Networks

The *Tambon* structure with Sufficiency Economy networks are critical in maintaining different levels of networks and resources within and across participating *Tambon* and hence, *Muban*. Not all *Tambon* are part of the Sufficiency Economy and the lack of active participation by most of the *Tambon* has resulted in political stagnation of this national policy. The passive, lip service paid to the Sufficiency Economy policy has created areas of uneven development across the Kingdom.

There are other expectations of these structures that reveal the relatively micro-managed nature of the policy. The *Tambon* and *Changwat* (Province) must distribute seed, fertilizers and educate the farmers every quarter. New knowledge and technologies ought to be disseminated quickly and accurately. But of course this is the ideal, and the reality is that it is not efficient. Efficiency falls the higher one moves along the structures of the Sufficiency Economy despite there being economies of scale at the higher levels. This stage allows for economies of scale when all the productive resources at the *Muban* and *Tambon* levels are combined.

Surplus rice and food as well as animal and poultry produce will gain modest profits that can be used to educate farmers as well as to partially pay for seed, fertilizer and living essentials. This is the cooperative finance stage, which also involves farmers' markets and other conveniences for the entire *Changwat*. This is not about sharing of excess resources because all resources are pooled towards cooperative endeavours. The presence of excess resources such as too much machinery or too much labor is a sign of inefficient allocation. Sometimes, due to natural causes such as drought or flooding, resources and food supplies as well as granary levels are affected.

The proper keeping of excess staple rice and condiments for famine or natural disasters are therefore critical at this stage of the Sufficiency Economy. In fact it was the lack of foresight on the part of the political leaders that worsened the Thai situation during the Asian Financial Crisis of 1997-8. As His Majesty the King had mentioned several times during his birthday speeches since the early 1970s, "there is no point in having much received wisdom or information if one keeps it on the bookshelf on under a bowl" (*Royal Speech*, 1994).

Stage 3 National Efficiency

There are now 76 *Changwat* in Thailand including Bangkok which is considered a special municipality on its own. The 76 *Changwat* house over 64 million people across thousands of *Muban*. The *Changwat* or provinces are relatively new and these structures were only implemented about a decade after Siam was formally renamed Thailand, the Land of the Free. Under the old *Monthon* System that dates back to the turn of the 19th century, the provinces were organized around Townships known as *Mueang* (เมือง).

However with rapid population increase, the Kingdom had to be reorganized into the *Changwat* system for better and more efficient administration. When his Majesty said that there is no point keeping wisdom on a

bookshelf, he meant that for the people to benefit from knowledge of the Sufficiency Economy, the latter had to be properly and accurately disseminated to the *Muban* through the *Tambon* and *Changwat*. An estimate of the Thai GDP per capita based on the sale and purchase under the One Tambon, One Product (OTOP) Program with (and without) the Sufficiency Economy. The graphs in Table 1 show the actual versus projected (Sufficiency Economy) performance based on data collected between 1997 and 2015.

Table 1 illustrates that the Sufficiency Economy would have helped catalyzed the economic performance of the Thai economy during the Asian Financial Crisis had it been widely accepted and in a genuine manner. However the lack of political will, the frequent changes in government and the tendency for protests and coups to occur has weakened the fledgling saplings of the Sufficiency Economy from taking deep root.

The third stage aims to create sufficiency at the *Changwat* level and fosters coordination based on cross-Provincial cooperative activities based on sharing excess resources of each Tambon. The Sufficiency Economy emphasizes the importance of accepting and refining global information and technological improvement as a counterweight to the pressures of a rapidly globalizing world.

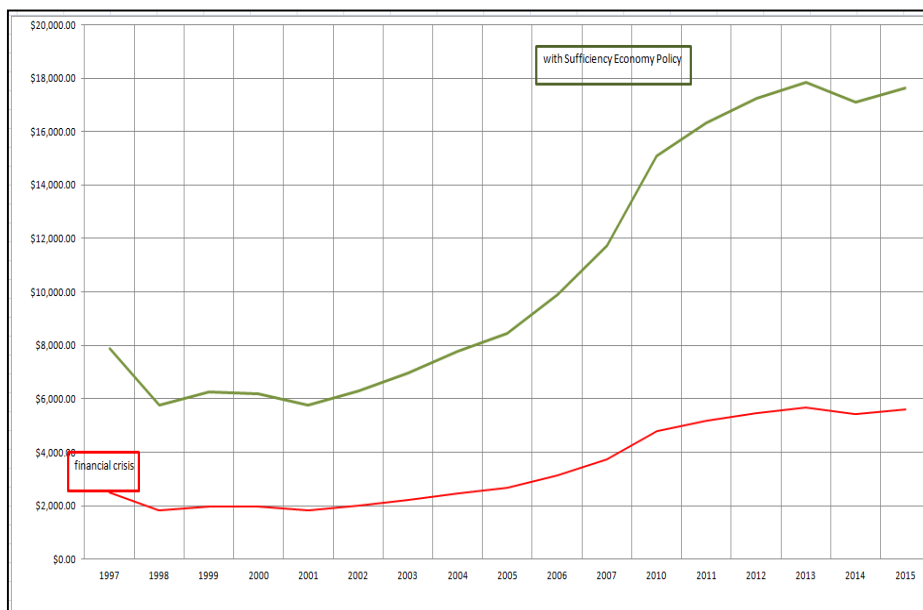
IV. CRITICISMS OF THE SUFFICIENCY ECONOMY

There are many institutes and centers that are devoted to the study, maintenance and application of the Sufficiency Economy policy and many Thai economists and political scientists have contributed to the widening pool of research work on the interpretation of the philosophy of the Sufficiency Economy.

These include such pro-State proponents as well as some critics of the Sufficiency Economy as Panthasein, Piboolsravut, Puapongsakorn, Samutvanich, Senanarong, Songerd, Sumet Tantivejkul, Susangkarn, Ungpakorn, Wasi, and Wibulsawasdi. Many of them believe that His Majesty the King’s Sufficiency Economy is about political propaganda that has been designed to foster a sense of self-reliance rather than dependence on the State. In a sense, self-reliance is a positive trait and builds confidence as well as motivates others to do likewise. It is true that the various marketing strategies and advertisements taken out or produced by various government ministries – some in cartoon form, others in comedy – do appear like propaganda.

This is acceptable since all states make use of political propaganda whether they are Democratic, Socialist or Communist. These critics of the Kingdom disagree with the Royalists, the Democrat Party, the Military and the Chinese business elite as well as the Yellow Shirts. Many Thai scholars who are in self-imposed exile overseas also strongly believe that the only way that the Kingdom can continue to suppress dissent and to retain its power over the people is through programs of political propaganda.

Table 1 Actual versus Projected (Sufficiency Economy) Performance OTOP



There is therefore a need for such political propaganda in order to ensure that the economic interests of the wealthy remain in the hands of the economic elite. Most people however seem to disagree with these radical views. The Thai people always say that they love their King and will do anything for him. But when he introduced the Sufficiency Economy it did not and still is not popular with the wealthiest people who only pay

lip service to it. This is because the Sufficiency Economy is designed to help all Thai people and not make a few wealthy capitalists even wealthier. Perhaps another main criticism of the Sufficiency Economy is the fact that the Program requires people to be happy to maintain the *status quo* in terms of not expanding their own homesteads or level of disposable income. Within a capitalist economy, when the motivation to seek greater profits is removed, then the capitalist is no longer driven to excel and may exit the market and eventually the industry as a whole. A fairly balanced record of the Sufficiency Economy is provided by Apichai Puntasen, Chanyapate and Bamford, Ruangwicha, Kamnuansilpa, Supawattanakorn and Napisa Waitoolkiat.

V. CONCLUSION

Beginning with the National Economic and Social Development Plans (NESDP) that extends itself every few years or so, the Sufficiency Economy has had a patchy history of application since the mid-1990s. Table 1 illustrates that the Sufficiency Economy would have helped catalyzed the economic performance of the Thai economy during the Asian Financial Crisis had it been widely accepted and in a genuine manner. However the lack of political will, the frequent changes in government and the tendency for protests and coups to occur has weakened the fledgling saplings of the Sufficiency Economy from taking deep root. The level of corruption, nepotism and greed inside and outside the civil service has also created the context for weakening the adoption of the Sufficiency Economy Policy. Sustainable development discourse is also not sufficiently used in Thai academic circles.

Many academics specializing on Thailand tend to look down on sustainable development research on one hand, or politely avoid discussing it at all. Part of the reason is that there is a real fear among Thai academics, both *farang* and local, who work in Thailand. The fear is that someone will inform on them if they say “bad things” or “wrong things” about the King or anyone associated with the Palace. Even mild criticism is frowned upon. Many *farang* and local editors in Thailand have refused to publish my work, including those on sustainable development in Thailand even when replete with fact, because of the fear of Article 112 on the *Lèse Majesté* Law that is an Anti-Sedition law. Nevertheless, international conferences with a focus on sustainable development in Bangkok are as polemical as they are endearing. Half the conference participants become violent supporters of the King while the foreign participants – who see themselves as the primary global campaigners and advocates of the Green Machine – became vocal critics of the system that the Thai bureaucrats were trying to advocate. Nevertheless, the entire discourse is rooted in Buddhist philosophy, spiritualism and animism.

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