

**"BRICKS IN THE WALL"
: SUFFICIENCY ECONOMY PHILOSOPHY IN THAILAND
AND GAPS IN THE FRAMEWORK**



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ปรัชญาของเศรษฐกิจพอเพียงในประเทศไทยและช่องว่างในกรอบแนวคิด



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ลอร่า ทาเกนากะ : ปรัชญาของเศรษฐกิจพอเพียงในประเทศไทยและช่องว่างในกรอบแนวคิด. ("BRICKS IN THE WALL" : SUFFICIENCY ECONOMY PHILOSOPHY IN THAILAND AND GAPS IN THE FRAMEWORK) อ.ที่ปรึกษาหลัก : ศ. กิตติคุณ ดร.ศุภางค์ จันทวานิช, อ.ที่ปรึกษาร่วม : รศ. ดร.ณรงค์ เพ็ชรประเสริฐ

พระบาทสมเด็จพระปรมินทรมหาภูมิพลอดุลยเดช บรมนาถบพิตรทรงได้รับแรงบันดาลใจจากหนังสือเรื่อง *Small is Beautiful* ซึ่งเป็นหนังสือเกี่ยวกับหลักเศรษฐกิจที่ให้ความสำคัญกับมนุษย์และการสร้างการพัฒนาที่ให้ประโยชน์ต่อผู้ที่มีความต้องการมากที่สุด เมื่อพระบาทสมเด็จพระปรมินทรมหาภูมิพลอดุลยเดช บรมนาถบพิตรทรงทอดพระเนตรเห็นความเสียหายและผลกระทบอย่างรุนแรงที่เกิดขึ้นจากวิกฤตการณ์การเงินในเอเชีย พ.ศ. 2540 นั้น พระองค์ได้ทรงพระราชทานหลักปรัชญาเศรษฐกิจพอเพียง (Sufficiency Economy Philosophy) เพื่อชี้แนะแนวทางการดำรงชีวิตให้กับปวงชนชาวไทยได้พ้นตัวจากวิกฤตการณ์การเงินในครั้งนั้น และให้ประเทศไทยสามารถเดินหน้าไปได้อย่างมั่นคงและยั่งยืน

การวิจัยในครั้งนี้มีจุดประสงค์เพื่อตรวจสอบหลักปรัชญาเศรษฐกิจพอเพียงในเชิงลึกและหาช่องว่างของกรอบแนวคิด โดยมีวัตถุประสงค์ที่สำคัญ 3 ประการ คือ ประการแรกเพื่อชี้ให้เห็นว่ากรอบแนวคิดปัจจุบันมีช่องว่างและข้อด้อยอย่างไร ประการที่สอง เพื่อเก็บข้อมูลเชิงลึกและค้นหาความเป็นจริงของการทำเกษตรทฤษฎีใหม่จากเกษตรกร และประการที่สาม เพื่อวิเคราะห์ความเป็นไปได้ในการที่ผู้ประกอบการรายใหญ่นำหลักปรัชญาเศรษฐกิจพอเพียงไปปรับใช้ในการบริการกิจการภายในอย่างแท้จริง การวิจัยในครั้งนี้มีการกำหนดตัวชี้วัดที่จำเป็นในเรื่องธุรกิจการเกษตรและธุรกิจที่ไม่ใช่การเกษตร ซึ่งเป็น “ก้อนอิฐ” แห่งตัวชี้วัดที่จำเป็น (การประยุกต์เพื่อนำไปปฏิบัติงาน) และผลการวิจัยใหม่พบว่าสามารถนำหลักปรัชญาเศรษฐกิจพอเพียงไปประยุกต์ใช้เพื่อให้เกิดการเปลี่ยนแปลงเป็นประชาธิปไตยได้ ผู้ประกอบการรายใหญ่นั้นอาจจะไม่สามารถนำหลักปรัชญาเศรษฐกิจพอเพียงไปประยุกต์ใช้เพื่อให้เกิดการเปลี่ยนแปลงเป็นประชาธิปไตยอย่างเต็มที่ได้ แต่สามารถนำหลักปรัชญาเศรษฐกิจพอเพียงไปปรับใช้ในรูปแบบของคนได้ เช่น ผู้ประกอบการรายใหญ่สามารถนำไปหลักปรัชญาเศรษฐกิจพอเพียงไปปรับใช้เพื่อสร้างประชาธิปไตยอย่างเป็นลำดับขั้นตอนและอย่างประณีตประนอม

รัฐบาลไทยทำการส่งเสริมและสนับสนุนหลักปรัชญาเศรษฐกิจพอเพียงในฐานะที่เป็นตัวขับเคลื่อนให้ประเทศไทยบรรลุเป้าหมายการพัฒนาที่ยั่งยืนขององค์การสหประชาชาติ หากรัฐบาลไทยนำหลักปรัชญาเศรษฐกิจพอเพียงไปประยุกต์ใช้ทั้งภายในประเทศและต่างประเทศ ประเทศไทยอาจบรรลุเป้าหมายการพัฒนาที่ยั่งยืนข้อที่ 1, 2, 5, และ 10 ได้

งานวิจัยนี้เป็นการวิจัยเชิงคุณภาพ (Qualitative study) มีการทบทวนวรรณกรรมที่ครอบคลุม (Literature Review) ใช้การสัมภาษณ์เชิงลึก โดยสัมภาษณ์กลุ่มตัวอย่างที่กลุ่มผู้มีส่วนได้ส่วนเสีย เช่น เกษตรกร ผู้เชี่ยวชาญ เจ้าหน้าที่รัฐ และนักวิชาการ และสังเกตการณ์ฟาร์มที่ใช้หลักปรัชญาเศรษฐกิจพอเพียงและเกษตรทฤษฎีใหม่ รวมไปถึงการสัมภาษณ์ผู้ให้ข้อมูลหลักที่สรุปความสถานการณ์ที่เกษตรกรเกษตรทฤษฎีใหม่เผชิญ มีการใช้มุมมองเชิงมหภาคในการวิจัยเพื่อศึกษากรณีศึกษาซึ่งเป็นผู้ประกอบการรายใหญ่แห่งที่ระบุว่าเป็นผู้ปฏิบัติตามหลักปรัชญาเศรษฐกิจพอเพียง นอกเหนือจากนี้ยังมีการวิเคราะห์ข้อมูล การสืบค้นข้อมูลจากอินเทอร์เน็ตอีกด้วย

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Laura Takenaka : "BRICKS IN THE WALL"
: SUFFICIENCY ECONOMY PHILOSOPHY IN THAILAND
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His Majesty King Bumibol Adulyadej was inspired by a book called *Small is Beautiful*, all about how to humanize economics and make development benefit those who need it most. When he saw the devastation after the 1997 Asian Economic Crisis, he formulated the Sufficiency Economy Philosophy (SEP) to help the Thai people recover and to make Thailand more resilient. The purpose of this thesis is to examine the philosophy in depth and find the gaps in the framework. The objectives are to pinpoint the gaps and weaknesses in the current framework, obtain farmers' insights into the realities of farming via the New Theory, and analyse the feasibility of large corporations using SEP for their internal management.

Critical indicators for agribusiness and non-agricultural based businesses are identified.

They are the 'bricks' of Indicators (operational applications) and a new finding of Democratization. For large corporations, Democratization may not be possible, but the SEP theory could be more flexible in interpretation, such as cooperation could be introduced in stages as a compromise.

The Thai Government is promoting the SEP as the vehicle to achieve the United Nations Global Goals. If the SEP is applied both domestically and internationally by the Thai Government, it could achieve the SDG's Goals 1, 2, 5, and 10.

A qualitative study comprised of a comprehensive literature review, a series of participant interviews, participant observation on SEP New Theory farms and research sites as well as speaking to key informants outlined the situation of the New Theory farmer.

A macro view of six business case studies of corporations that are said to be SEP compliant were conducted with data analysis and online research as well as email interviews between the researcher and relevant stakeholders.

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Laura Takenaka

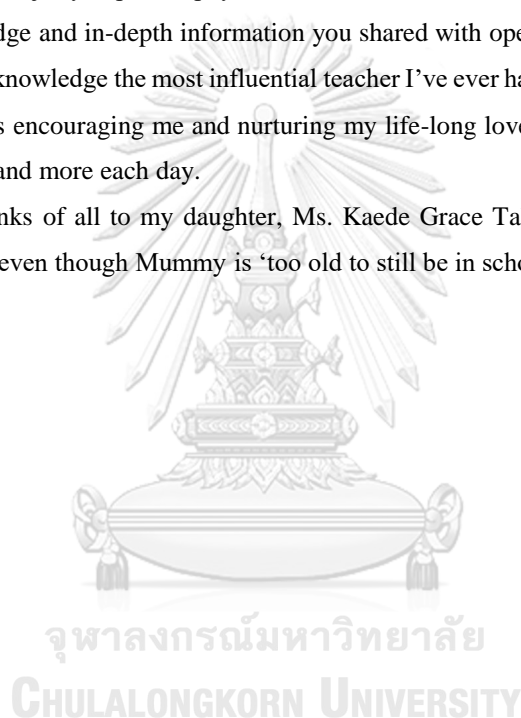


TABLE OF CONTENTS

	Page
ABSTRACT (THAI)	iii
ABSTRACT (ENGLISH).....	iv
ACKNOWLEDGEMENTS.....	v
TABLE OF CONTENTS.....	vi
CHAPTER I.....	1
INTRODUCTION	1
1.1 What Is Sufficiency Economy Philosophy?	1
1.2 Problem Statement.....	2
1.3 Background on the Sufficiency Economy Philosophy and the New Theory of Agriculture.....	3
1.4 Hypothesis	5
1.5 Objectives	5
1.6 Significance	6
1.7 Conceptual Framework – The Wall of Knowledge.....	7
1.8 Methodology.....	11
CHAPTER II.....	0
LITERATURE REVIEW	0
2.1 Philosophy of the SEP at National and International levels.....	0
2.2 Royal Projects and Criticisms, as well as Misinterpretations inside of Thailand	5
2.3 Flattering International Works.....	7
2.4 Economic Aspects of SEP	9
2.5 Challenges Identified	12
Daniel Unger, “Sufficiency Economy and the Bourgeois Virtues” (2009).....	13
CHAPTER III	15
NEW THEORY OF AGRICULTURE: CASES OF FARMERS	15
3.1 Nakon Nayok Farms	17

3.2 Chachoengsao Farms	18
3.3 Mae Sa, Chiang Mai Community	20
3.4 Analysis	22
3.5 Conclusion	25
CHAPTER IV	27
NEW THEORY OF INDUSTRY: CASES OF CORPORATIONS	27
4.1 Agribusiness and Its Contribution to New Theory	27
4.1.1 Large Thai Sugar Group: Company A	27
4.1.2 Food Company: Company B	31
4.2 Application of the Principles of Sufficiency Economy to the Business Sector	35
4.2.1 Petroleum Company: Company C	42
4.2.2 Cement Company: Company D	48
4.2.3 Power Company: Company E	51
4.2.4 A Beverage Company's Strategy for Sustainable Development: Company F	54
CHAPTER V	0
SEP IN ACTION: CONCLUSION, DISCUSSION, AND RECOMMENDATIONS	0
5.1 Conclusion	0
5.2 Discussion	1
5.3 Academic Recommendations	4
REFERENCES	7
VITA	9

CHAPTER I

INTRODUCTION

1.1 What Is Sufficiency Economy Philosophy?

Sufficiency Economy Philosophy (SEP) is a decision-making framework that can guide action in public and personal life using both knowledge and virtues. SEP is based on the practical principles of moderation, reasonableness, and prudence. It translates into appropriate ways to solve problems or take action in different situations.

SEP stresses balance in the use of material, social, environmental, and cultural capital, while underlining the importance of preparedness in dealing with changes in these four dimensions. Progress with balance promotes stability and, ultimately, provides a basis for sustainability. That can be as true for national development programs as for one's own life agenda.

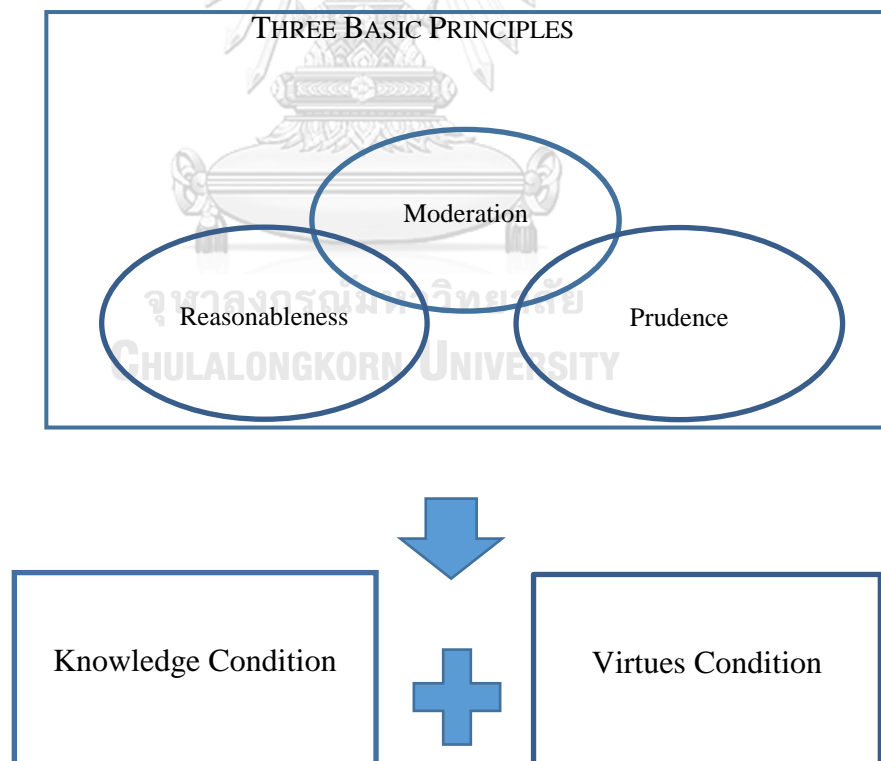


Figure 1 Visual representation of the SEP structure

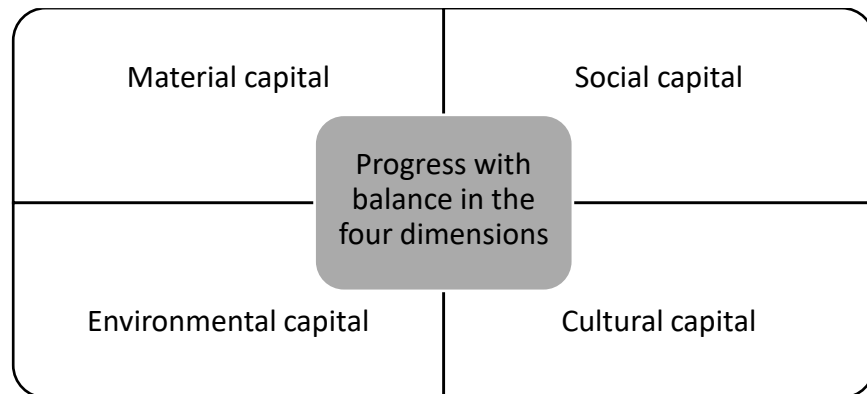


Figure 2 Diagram of 'moderation' balance for SEP for business

1.2 Problem Statement

How can Thailand adapt and apply the Sufficiency Economy Philosophy to the business sector (large corporations) in order to make it successful? Some argue that the philosophy is not compatible with big business or multinational corporations; rather, it is best suited to small-scale farms and Small-Medium Enterprises (SMEs). At its core is moderation, which runs counter to the capitalist manifesto of 'Profit is King.' However, does the philosophy offer a *different* way? A more human-centric way of doing business? As SEP has been traditionally practiced in the agricultural sector, what frameworks and benchmarks need to be established in order to measure results of its implementation? Can it even be done, or is it fundamentally incompatible with larger corporations and profit-based economics?

In order for Thailand to apply the SEP to all aspects of society, and especially the business sector, which is founded on the precepts of capitalism, adjustments must be made and a concrete framework needs to be created with measurable inputs and outputs with which to monitor and evaluate results of the implementation. This would require a comprehensive overview of current and future policies for the economy and for almost all departments of the Royal Thai Government. The main issue is that it may be impossible for the SEP and big business to truly be compatible, for large corporations to be able to completely follow the tenants of the SEP.

1.3 Background on the Sufficiency Economy Philosophy and the New Theory of Agriculture

Thailand's Sufficiency Economy Philosophy is the brainchild of Thailand's late King Bhumibol Adulayadej. As far back as the 1970s, His Majesty had the basics of the overall philosophy in hand. He was inspired by a book named *Small is Beautiful*, which was written by E.F. Schumacher, a renowned economist. His Majesty himself translated the book into Thai and often used the title 'small is beautiful' to describe many of his small-scale projects. The book was described as defining 'economics as if people mattered' (Schumacher, 1973). With the rise of the Asian Tigers not only in Southeast Asia but all across greater Asia, His Majesty was worried that Thailand would follow headlong with the unchecked growth. In his vision, Thailand should be a 'little tiger', meaning it should not rush into unbridled consumerism but strive to 'have enough' before it grasps for more: in other words, that it should 'know[...] moderation', which is the foundation of the SEP—the 'lodestone' of the whole philosophy.

'...I ask all of you to aim for moderation and peace, and work to achieve this goal. We do not have to be extremely prosperous...If we can maintain this moderation, then we can be excellent...' (His Majesty the King's statement given on 4 December 1974).

His Majesty had many such development works for his subjects, but the SEP was the one that gathered the most attention. While it had been in place and promoted years before, it was the 1997 Asian Economic Crisis that really brought the SEP into the public sphere. With many companies losing so much, and investors big and small scrambling, His Majesty seemed to have the answer. That answer was SEP.

Even though His Majesty had been forming the foundation of SEP since 1974, and although he outlaid the basics of the philosophy in a speech at Kaset University, the public awareness of SEP was not as it should be. It was not until the Asian financial crisis that the Thai public really took notice and really took the philosophy seriously.

The Sufficiency Economy Philosophy, if broken down into its basic elements, is as such. First, there are three pillars: Moderation, Prudence, and Reasonableness. The two underlying concepts that guide these three pillars are Morality (or Virtues) and Knowledge. The philosophy is meant to be applied to every part of a person's life and is a guiding concept for Thailand's development policy. The National Economic Social Development Board of Thailand has placed SEP at the heart of its development plan since 1998.

The best example of successful, correct and concrete SEP implementation is called the New Theory of Agriculture. This is an alternative farming scheme for small-scale farms that is mainly a land allocation as well as crop diversification scheme. The idea is that small family farms can divide their small plots of land into rice paddy, fruit orchard, water retention pond, livestock areas, and residential buildings. The fruit orchard, residential buildings, and areas for livestock can be small or large depending on each farming family's needs, but the basic division formula is 30:30:30:10. Farmers can grow small amounts of cash crops as well, as long as they use a crop rotation concept that does not overburden the soil. The New Theory aims to help small-scale farmers control their farms and to become self-sufficient. Then they may sell their excess crops at a local market. Ultimately, farmers would join or create a farmer's co-operative to minimize risk and share resources and buying/selling power.

'...in implementing to have appropriate and sufficient water resources, the word 'sufficient' means enough for consumption, agriculture, and industries. It should be adequate. With insufficient water, everything will be halted. No progress can be materialized without water.' (Extraction from a speech by His Majesty the King on the occasion of his birthday celebration on 4 December 1993).

Since 1998, the SEP has been both celebrated and vilified. The 2007 UNDP country report on Thailand made the nation the laughingstock of the UN system and has made any future cooperation difficult. In 2017, Thailand was made the chair of the G77 and was again keen to promote the SEP as a Thai-way or 'middle path' to development. The government is also quite keen to increase South-South cooperation through exportation of the SEP to other G77 countries. NGOs, INGOs and other observers both domestic and foreign have criticized the SEP and have called it 'too simplistic' and a way to 'keep the poor poor'.

Having put the SEP into the economic sphere and having made it a major policy initiative since 2014, the Prayuth Chan-Ocha government has placed a significant emphasis on the SEP and has promoted it as a Thai way of development. The problem with that is that there is no set framework for the SEP, and in order to

implement it in the business sector for investors and stakeholders, something a bit more concrete is needed. If Thailand wants to export the SEP, it needs to make it more comprehensive and more palatable to the outside world.

Through a comprehensive literature review and a series of interviews with the relevant stakeholders, this researcher plans to pinpoint the gaps in the current framework and determine how the framework is used in the current Thai business climate. Through these interviews and a review of the existing literature, this thesis will show just what is missing from the SEP and will hopefully make recommendations to enable the Thai Government to export the SEP to other countries and to make it more comprehensive for implementation in different sectors of Thai society.

1.4 Hypothesis

The SEP has been in effect in Thailand and a major part of its development policy for at least a decade or more. While some small moves were made in the past to bring the SEP into a more prominent place in the economic sphere, the past two years has seen the current administration really push the SEP to the forefront of the policy agenda. This researcher hypothesizes that this thesis will provide evidence that in its current state and incarnation, without any adjustment or amendment, the SEP will not succeed as an economic policy. This researcher plans to show that if the Royal Thai Government can provide a concrete framework for the SEP's implementation into the economic sphere, it can gain more acceptance from businesses and industry as well as many sectors of Thai society. This would also make the SEP a much more attractive alternative economic model to export overseas.

1.5 Objectives

1. To analyze the Sufficiency Economy Philosophy interpretation and application in the Thai and international (United Nations) context. What are the international criticisms, and how can SEP answer these?
2. To identify the challenges in the Sufficiency Economy Philosophy as it is applied to the economic sector and how it is envisioned as an alternative economic model—i.e., as an alternative to 'full' capitalism.
To investigate the attempts to amend the Sufficiency Economy Philosophy both in its wording and in its implementation, and the consequences of this.

1.6 Significance

This researcher believes that this study is important because it will add the body of work already produced on the SEP. While a large amount currently exists, there is not much literature on the aspect of the SEP's wider implementation in the Thai economy or in the business sphere. An outside analysis of the whole picture of the Thai economy and of the historical aspects of such is a valuable tool for the Royal Thai Government and for the Thai people overall, including those who agree with the implementation of the SEP and those who do not. In addition, while there are a lot of papers and studies that have been written on the SEP over the years, the majority of the academic studies are in the Thai language, as the international community has taken a skeptical, sometimes critical view of the SEP and all its facets.

There is nothing wrong with a critical view of a major government policy. Sometimes, foreign observers have not taken into account Thai sensibilities when making their although-valid critiques. On the other hand, some foreign bodies have taken an overly rosy view of the SEP and have not looked at all the angles. The United Nations 2007 Thailand Human Development Report hailed the SEP as having '...great global relevance' (United Nations Development Programme, 2007). Internationally, the UN was widely praised for the report, but internally, the organization was hailed by the Royal Thai Government, and indeed, the report is still referenced today at SEP-linked events. This has led to a reluctance on behalf of the UNDP to work with the Thai government in the area of the SEP, even though it recognizes that the SEP is the preeminent policy driver in the land.

This researcher firmly believe that a respectful, balanced, and fair analysis and study of the SEP as applied to sectors outside of the agricultural sector would be a great addition to the academic body of work that is available, not only for the academic community but for the general public. In order for Thailand to have an overarching policy that touches all sectors, a methodology, a framework, a meticulous plan needs to be developed to avoid both a failed implementation of the SEP and a possible backlash. The SEP has great potential to be a 'good-news' story for Thailand when it comes to the implementation of the policy, to counteract those more negative stories being broadcast in the international news and international bodies. The SEP is something that Thailand can rightly be proud of and should promote in the

international community. However, to apply it to many different sectors, first it must be clearly defined, a framework must be created, and benchmarks, outputs and indicators must be identified. In this way, Thailand would become an international success story and pull itself out of the middle-income trap it finds itself in as it transitions from an aid-receiving to an aid-providing country.

1.7 Conceptual Framework – The Wall of Knowledge

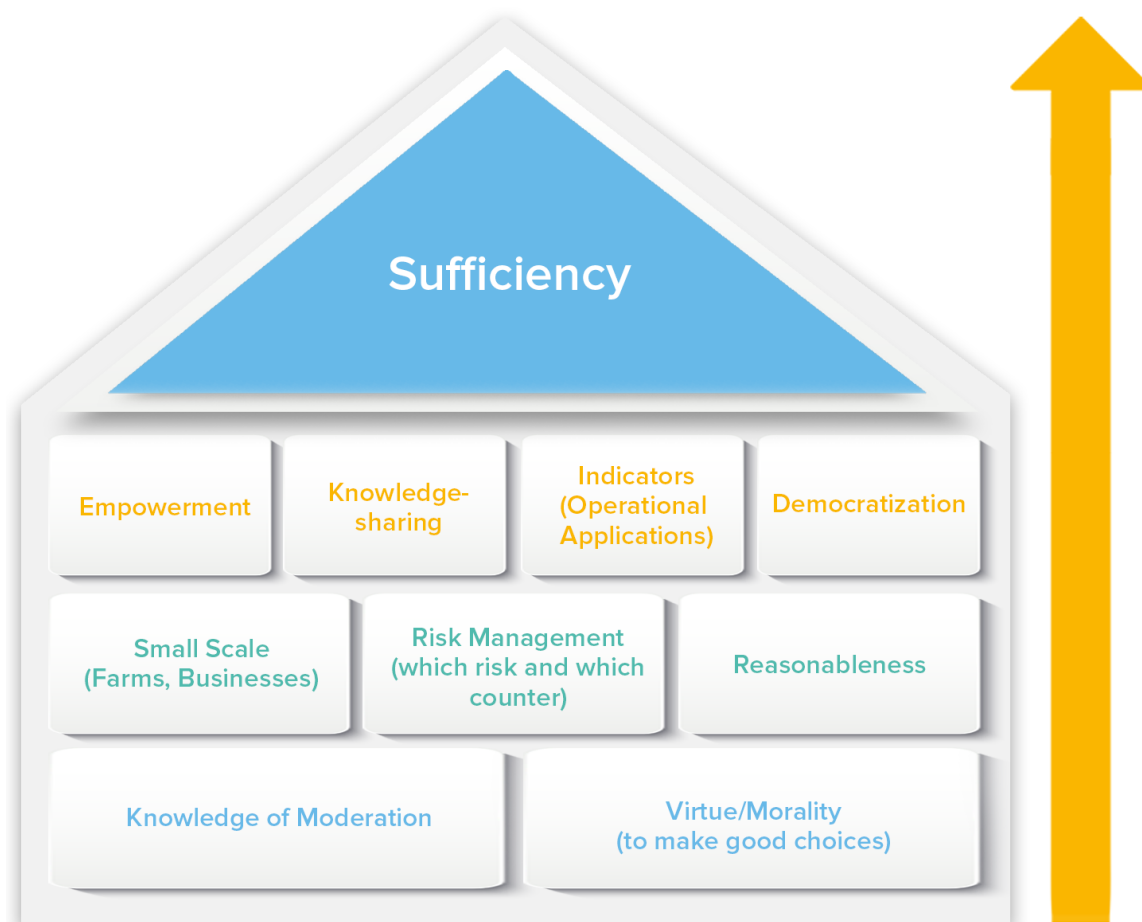


Figure 3 The 'bricks' in the wall of knowledge of the SEP.

The 'wall' of knowledge, as referenced in the title of the paper, has several components that are also in the original SEP Venn diagram. Added to the core elements of Moderation, Reasonableness, and Risk Management, the underlying foundation of Knowledge and Virtue/Morality is also present. These are necessary bricks that are needed in order to build up to all the other parts of the SEP and the wall of knowledge.

Diagram legend – what the bricks mean:

- Knowledge of Moderation – To know what moderation means, and to be able to stick to the idea of moderation. Not too much, not too little.
- Virtue/Morality – The ability to make good choices, to be an upstanding person/business.
- Small Scale (farms, businesses) – The SEP is fundamentally geared towards small-scale farming and small- to medium-sized businesses that are more family- and community-oriented than it is to large organizations that cannot practice moderation.
- Risk-management – What risks your venture faces and which ones you counter.
- Reasonableness – Does this decision/ path make sense?
- Empowerment – Of the rural farmer from the patronage system, who is reliant on money and/or handouts in order to keep his/her farm running.
- Knowledge-sharing – Farmers and small business owners can share their knowledge and lessons learned with their broader community.
- Indicators – Operational applications. How to make the SEP work and how is it quantifiable. Measuring outputs and evaluate how the SEP was successful or fell short.
- Democratization – Enabling farmers to make their own decisions about their farms without being beholden to other businesses or other interests.
- Sufficiency – The top ‘brick’ illustrated here as the roof—the ultimate meaning of the SEP—is to understand when you have ‘enough’ and what is sufficient. It will look differently for different people and is **not** meant as a tool of oppression or of ‘keeping the poor, poor’.

Another way to look at how the SEP combines many different forms of thinking is:

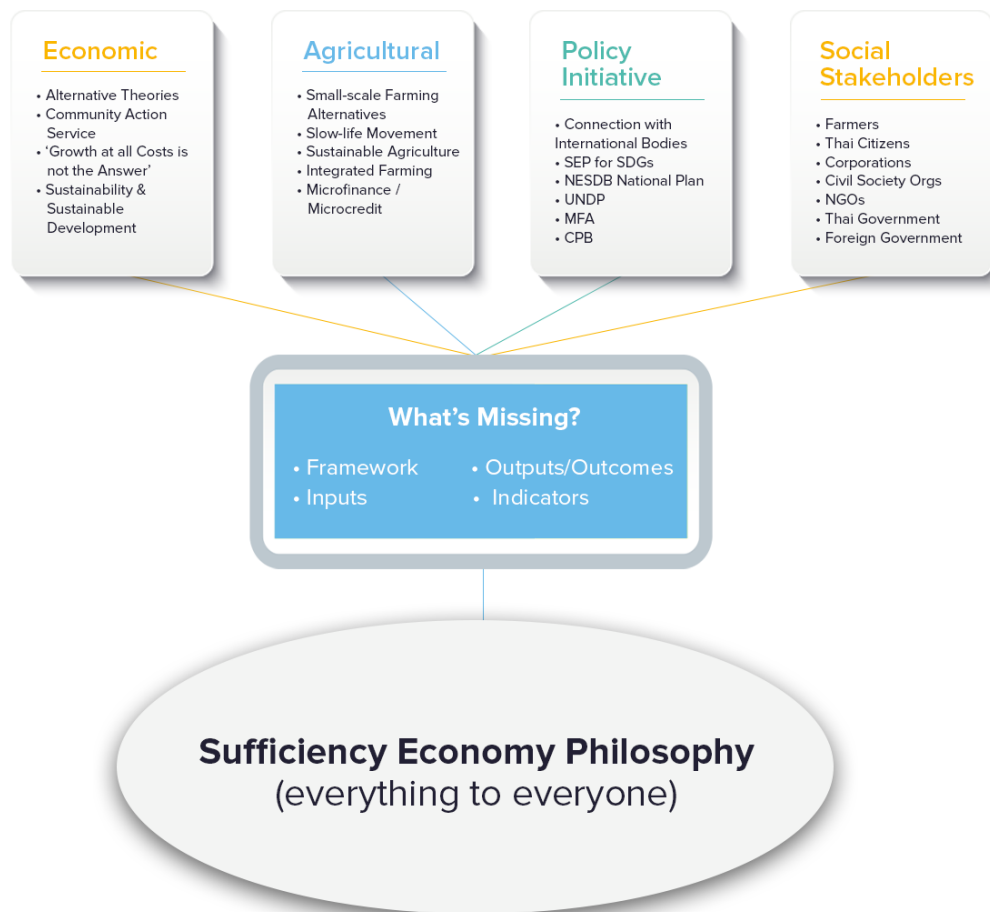


Figure 4 SEP ecosystem.

The Sufficiency Economy Philosophy's Concepts:

Economic

- Sustainable development – How to not consume all of earth's resources so that there are resources left for those who come after.
- Alternative economic theories other than capitalism, such as Buddhist economics.
- Community Action Service – Corporations giving back to their communities.

- ‘Growth at all costs is not the answer’ – From Schumacer and his alternatives to consumerism.

Agricultural

- Small-scale farming opposed to monocropping.
- Slow life movement that advocates a return to the land and organic produce.
- Sustainable agriculture and putting back into the land what you take out
- Integrated farming and alternative farming practices.
- Microfinance/microcredit programmes for farming families.

Policy Initiative

- Connection with international bodies such as the G77.
- SEP for SDGs – Thailand’s pathway to achieving the goals.
- NESDB National Plan – SEP has been a major policy driver for the last three plans.
- UNDP – United Nations Development Programme wrote the Thailand Human Development Report on the Sufficiency Economy in 2007 and has recently recognized that the UN must work together with the Thai government through the SEP. Also, to achieve the SDGs, Thailand will use the SEP.
- Ministry of Foreign Affairs (MFA) – The Thai MFA is the major ministry that promotes the SEP abroad through all its missions, consulates, and embassies around the world and at every major conference.
- Crown Property Bureau – This royal department funds many of the Royal Development Projects and SEP promotions.

Social Stakeholders

- Thai Farmers through the New Theory of Agriculture.
- Thai citizens, as they are asked to use the SEP in their daily lives and their children are taught about it in school.

- Corporations, either by adopting SEP in their daily operating practices or by practicing CSR.
- Civil Society Organizations – These groups organize in local communities to cultivate SEP gardens, for example.
- Thai Government – It is promoting the SEP at home and abroad as the route to follow for a happy and stable life.
- Foreign Governments – Either through South-South cooperation or through business dealings, foreign governments are being told of the SEP and how they should use it in Thailand or their own countries.

What's Missing

- For an economic policy or even a development policy that the Thai government wants to export overseas, this is what is needed to make the SEP a solid and attractive alternative to traditional business and policy initiatives.

Sufficiency Economy Philosophy – Everything to everyone

- Without the previous panel 'What's Missing', the SEP runs the risk of being 'everything for everyone' and far too malleable to be the rock-solid policy initiative and alternative economic model it can be.

1.8 Methodology

This thesis is qualitative in nature, since hard numbers are difficult to gather in SEP studies and would thus make a quantitative study difficult.

1.8.1 Research Sites The researcher visited 2 Royal Development Study Centres that teach the New Theory, such as Khao Hin Sorn in Chachoengsao and the Sufficiency Economy Northern Learning Centre in Mae Rim, Chiang Mai. At these centres, the researcher studied the basic tenants of the SEP in more depth and saw them put into action through demonstration workshops.

1.8.2 Participant observation - at the farms recommended by the centres was coupled with formal and informal interviews, which created

opportunities for introductions to other potential interview subjects and which has rounded out the New Theory section of this paper.

1.8.3 Business Group interviews - for four business groups.

1.9 Methods of Data Collection

1.9.1 Unit of Analysis: Learning Centre, Household (farm), Business Group

1.9.2 In-depth Interviews: Farmers, informant interview, literature review, business case studies.

1.10 Email Interviews:

1. Thai Ministry of Foreign Affairs official (via email)
2. Thailand Sustainable Development Foundation official (via email)
3. United Nations Development Programme (UNDP) Regional Country Deputy Director Martin Hart-Hansen
4. Prime Minister's Office official (via email)
5. SEP farming families
6. Royal Development Learning Centre officials - Chachaengsao and Chaing Mai
7. United Nations Development Programme Regional Hub personnel

1.10.1 Key informants:

SEP Experts

Informants: Farmers
 UNDP Staff
 TSDF
 Dr. Mike Tiyavond – Expert in government policy and Foreign Affairs.
 Phuyaibaan(s)

Six case studies of businesses that has implemented the SEP. There are two categories of businesses: agribusiness and more traditional business, some of which are semi-public and either have SEP in their core business plan or are net beneficiaries of farmers who utilize New Theory.

These methods, coupled with an extensive overview of academic literature written on the SEP and its implementation into all aspects of Thai society, as well as a

study of the historical context of the SEP in Thailand, complete a well-rounded study of how SEP is used in Thailand and its implications.

Data analysis and case comparisons of farmers show that while New Theory can help lift them out of a debt cycle and instill pride of self-sufficiency, there are still many barriers to access. In order to farm, land is needed, and many disenfranchised rural persons do not have either the access to farming land nor the funds necessary to purchase it. Also, when conducting interviews with farmers, they comment on difficulties in scaling. This is suitable for small farms, but problems arise when the balance shifts or when farmers try to move to stage 2, which is a farmer's co-operative. At that stage, the organization, logistics, and profit-sharing activities take over, and the essence of the philosophy gets lost. The Palang Pracharat government is encouraging the 'TaoBao Villages' model from China to rural Thai communities (Arunmas, 2018). While Alibaba will send training teams to a few villages, the New Theory farms are not on a scale to participate, and new waves of technology may pass them by. Forcing an e-commerce-style solution onto small-scale farms requires a mindset change as well as many online business and marketing skills. The government needs to help with any new training programmes for these farms.

CHAPTER II

LITERATURE REVIEW

The philosophical aspects of the SEP are an amalgam of different aspects such as Buddhist Economics, Buddhism, and equality. The following texts delve into the philosophy surrounding SEP (of which the New Theory is an integral part) in both Thailand and at a more international level for agricultural policy and as government policy and implementation.

2.1 Philosophy of the SEP at National and International levels.

UNDP Thailand proposes a game-changing model for supporting and engaging a confident upper middle-income country (MIC) struggling to overcome the ‘last mile’ of development challenges to catapult national development beyond the middle-income trap (MIT). This proposal embraces the joint challenge of attracting government resources to fund innovative—sometime provocative, but always pioneering—approaches that are commensurate with the economic and political confidence of the government. By jump-starting a UN Policy Support Facility (UNPSF) with policy-related work on Sufficiency Economy Philosophy, UNDP Thailand will open doors to creative thinking on a range of critical economic, social, and political policy issues while drawing important government financial and political support through the country’s flagship sustainable development approach. In other words, in supporting the government’s policy efforts related to Sufficiency Economy Philosophy, UNDP will develop the trust required to advance related development areas, such as UPR-related follow-up, inclusive governance, and expansion of the democratic space.

Thailand is a leader in Southeast Asia. Any setback in the country’s development will have significant impacts on the region—both because it serves as an engine of regional growth and also because it has historically championed democratic and rights-based approaches to governance. UNDP believes that effective and creative engagement on SEP will unlock both resources and commitments from the

government to adhere to the principles of the SDGs while serving as a model Upper MIC for its regional and global neighbours.

The following is an interview regarding a Draft Proposal for a policy centre around SEP in Thailand with then UNDP Regional Country Deputy Director Martin Hart-Hansen, 2016. The interview focusses around the rationale for such a centre and is a transcription of the interview.

1. What development challenge are you addressing and how will it help achieve the Government's sustainable development priorities?

As an Upper MIC, Thailand suffers from the MIT and is seemingly stuck with a policymaking infrastructure that is subservient to social hierarchy and tradition while at the same time eager to demonstrate regional and global leadership. The Royal Thai Government (RTG) seeks to move upward to a value-added economy while supporting the 38% of the Thai workforce still employed in the inefficient agriculture sector (itself only comprising 10% of national output) as they move into higher-paying professions in the services and digital economy.

The RTG must draw on the best and brightest the country has to offer in developing innovative policies that drive the national sustainable development agenda, the end state which has been articulated as achieving upper income status by 2036. The RTG has declared that national development will be based upon the Sufficiency Economy Philosophy (SEP) developed by His Majesty King Bhumibol Adulyadej. SEP also serves as a key intellectual commodity the government aims to share through South-South cooperation in a bid to share Thailand's good practices beyond its borders.

SEP was proposed as an economic solution for Thailand by His Majesty on 4 December 1997 during the throes of the Asian Financial Crisis:

“Sufficiency economy” is a philosophy that stresses the middle path as the overriding principle for appropriate conduct by the populace at all levels. This applies to conduct at the level of the individual, families, and communities, as well as to the choice of a balanced development strategy for the nation so as to modernize in line with the forces of globalization

while shielding against inevitable shocks and excesses that arise. “Sufficiency” means moderation and due consideration in all modes of conduct, as well as 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 utilization of untested theories and methodologies for planning and implementation. (quoted in Mongsawad, 2010, p. 127).

SEP has been described as a model in which economic drivers and decisions, processes and institutions, systems and dynamics are all grounded upon the triple intersecting imperatives of moderation, reasonableness, and immunity/resilience. (Nacaksul, 2015, p. 1) In the context of Thailand’s development, SEP has been embedded in Thailand’s Eleventh National Economic and Social Development Plan 2012–2016 and has become a pillar of development championed by previous and current governments (Office of the National Economic and Social Development Board, 2012, Prolougue b). SEP will continue to play a significant role in national strategies for years to come. The ruling military government has advocated more strongly for SEP to be ‘exported’ to other countries by leveraging its role as the Chairmanship of the G77.

2. How does the proposed intervention help solve the challenge?

The sustainable development challenge is two-fold: effectively supporting a confident Upper MIC in national development while at the same time demonstrating that it can financially support creative, insights-based approaches to development that will benefit not only people in Thailand but across the Global South, as well.

UNPSF will serve as an evidence-based, policy support think tank, initially seizing the opportunities SEP presents with a view toward expanding into other policy-relevant sectors as trust and credibility in the Facility evolves. This moves UNDP beyond the projectized approaches of development in LICs and MICs and redefines a relationship with a key Upper MIC. The Facility will offer a space for the RTG to formalize logical next steps for SEP, including but not limited to enunciating SEPs logical framework in ways translatable to other contexts among G77 countries and beyond. Drawing on new Thai talent supported by comparative global expertise,

the Facility will bolster SEP as a credible, peer-reviewed sustainable development approach through leveraging international best practices to SEP-inspired applications. The Facility will bring great minds together to incorporate diverse context and circumstances relevant to the Global South.

3. Why will the Government invest \$0.5 million or more?

The Thai government has strongly advocated for SEP to be included in its development work across the board. Along with incorporating SEP into its own national development plans, the government has recently contributed US\$520,000 to the Perez-Guerrero Trust Fund in order to promote South-South cooperation (Ministry of Foreign Affairs of Thailand, 2017, p. 99). This growing emphasis by the government to increase international adoption of SEP has positioned SEP as *the* entry point for engagement on sustainable development with the country (Ministry of Foreign Affairs of Thailand, 2016, *From Vision to Action*). There is a drive and a domestic movement within government agencies and other related entities to both fund projects to ‘export’ SEP to the Global South as well as use it as the basis for domestic sustainable development strategies.

By supporting rigorous, evidence-based approaches to SEP-inspired policy choices, UNDP will support Thailand meeting the unfinished business of the MDGs, advance achievement of the SDGs, and inspire other countries in the Global South through comparative best practices from the leading upper MIC on sustainable development.

Moreover, it is expected that given the respect Thais have for SEP, the private sector will be eager to contribute resources, expertise, and analytics to the collective efforts of the Facility.

4. What key results will be achieved?

The key result will be a new, innovative approach by UNDP to engage an upper MIC in a resource-poor environment to address critically important development issues surrounding the middle-income trap, inequality, social justice, and a range of other SDG-related agenda items. The challenge in Thailand is unlocking the space required to address core sustainable development issues—including, importantly, SDG16—through an entry point that is a core, indisputable priority of the government.

Initially, the Facility will focus on SEP through development of tools for linking it with the SDGs, unbundling it into a comprehensive and coherent framework applicable in multiple developing contexts across the Global South. The Facility will identify rising stars in development practice and policy within Thailand, combine their creativity and enthusiasm with global expertise, and showcase their collective efforts across the lifecycle of policymaking, execution and evaluation. The Facility creates the much-needed space for objectively discussing the applicability of His Majesty's SEP in an international comparative context—which would not be the case within the domestic context, as Thai officials and academics would not want to be seen as criticizing His Majesty's work and contributions to Thailand's development and modernization.

From the outset, the Facility is viewed as a new model for engaging and supporting a new cadre of upper middle-income countries where, often, economic growth is not always commensurate with social, political, and sustainable development.

5. What is the main risk and how will you manage it?

Thailand will continue to advocate for the implementation of SEP in the international community. Without a clear and objective framework for incorporating SEP into SDGs, other developing countries that adopt this concept could potentially get stuck addressing similar challenges Thailand faces, such as addressing inequality in all its forms. With this Facility, this risk can be managed with the introduction of international best practices and 'peer reviews' of published white papers or policy frameworks. Additionally, the benefits of SEP could be maximized by identifying risk factors and building a viable foundation for a successful application of SEP under the SDG framework.

6. Is the volatility and instability affect the government co-financing? Every other year there seems to be a different government. Is that a risk?

The risks of volatility and instability due to the political uncertainty of existing and future governments have the potential to affect the government co-financing strategy. This risk can be reduced by formulating the Facility into two separate phases. Initially, the Facility will focus on SEP through development of tools for linking it with the SDGs, unbundling it into a comprehensive and coherent framework

applicable in multiple developing contexts, thus reducing the timeframe for implementation to two years and a small government co-financing fund needed. The reduced implementation timeframe would coincide with the expected election in 2017. Additional coordination and exploration of private co-financing will also be explored for the second phase of the Facility. In this phase, the Facility will concentrate on the South-South cooperation, utilizing the developed SEP-inspired framework and private sector co-financing of other policy and sectorial implementation of SEP-inspired development in Thailand beyond agriculture, which utilized SEP as the basis for The New Theory of Agriculture in various Royal Projects in development.

2.2 Royal Projects and Criticisms, as well as Misinterpretations inside of Thailand

Grossman and Faulder, (2012), have a book that covers the life of Thailand's longest-serving monarch and offers a fresh perspective on his upbringing and, in later chapters, his development works and how the SEP fits into the overall development scheme in Thailand from the Royal Project point of view. It gives an overview of the Crown Property Bureau and explores His Majesty's development projects, such as the Sufficiency Economy Philosophy, and his reason for creating it.

Unfortunately, the section on His Majesty's Royal Projects, and in particular those about Sufficiency Economy Philosophy, are a bit thin. The analysis of the Royal Projects appears from pages 229-279.

The Royal Projects section does help readers understand how His Majesty's SEP and his explanation of how it works were occasionally misunderstood. At home and abroad, SEP has been criticized as out of touch and a way for the rich to maintain their socioeconomic superiority over those less fortunate, for the poor to be happy with what they have and not strive for more. The book quotes the king's speech given a year after the introduction of the SEP in order to clarify and correct the term 'sufficiency', explaining that it does not mean 'self-sufficiency':

I may add that full sufficiency is impossible. If a family or even a village wants to employ a full Sufficiency Economy, it would be like returning to the Stone Age...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. Some things may seem to be extravagant, but if it brings happiness, it is permissible as long as it is within the means of the individual...
 King Bhumibol Adulyadej (pg. 273)

This quote clearly states that SEP can be for everyone, and that His Majesty wasn't advocating against people getting ahead in life. The basic concept was to live within your means, whatever your means may be.

The discussions in the book touch on the disagreements between the government's position and the position of Buddhist Economics scholars. The latter interpret SEP as being hostile to capitalism and globalization and, as such, see it as a repudiation of capitalist competition. This is not the case at all. His Majesty understood that Thais live in an age of globalization and will therefore have to conform to the rest of the world.

The small section of the book that discusses criticism of the SEP does support this author's main argument that the theory is too complex and murky to attract mass adoption amongst business and the general public. The terminology can be dense and difficult to understand, and it may not resonate in modern times.

Nicholas Grossman, Apiradee Treerukuarkul, and Jim Aigle, *Thailand's Sustainable Development Sourcebook: Issues and Information, Ideas, and Inspiration* (2016) provides mostly statistics and articles from over 60 experts in sustainable development and offers many insights into the issue of sustainable development and how Thailand is poised to be a leader in the field. It references how SEP and sustainable development are closely related. Frequently, SEP and sustainable development are interchangeable terms used in many of the books produced inside of Thailand. Since there is no one universally accepted term of sustainable development used worldwide, this is not frowned upon. It is, however, occasionally contradictory. SEP can lead to sustainable development, or be a part and tool to achieve it, but it is not an equivalency.

At the time this book was published (2016), the military junta had been in power for two years. Thailand chaired the G77, a group of global south countries.

Prayuth Chan-o-cha, the interim Prime Minister, promised to use the SEP as Thailand's Path to Sustainability.

While the sourcebook is full of tables, charts, and illustrations, it does not include much discussion around the SEP and how it will be the path to sustainable development. Rather, it reviews the projects that are already happening as well as some large corporations' CSR programmes.

2.3 Flattering International Works

United Nations Development Programme, *Thailand Human Development Report 2007: Sufficiency Economy and Human Development (2007)*

This study, written by the UNDP in Thailand and Dr. Chris Baker, is still referred to by SEP advocates and supporters today as the seminal work on SEP and development. It provides a very interesting perspective on the background of the emergence of the SEP as well as a case study of a northeastern Thailand community's transition from monocropping to the New Theory.

This is the report that really brought SEP into the spotlight for the rest of the world outside of Thailand. While the Thai government applauded the release of the report, it was widely and sometimes viciously panned by international critics. To this day, it has made the United Nations Development Programme gun shy to work on SEP-related projects.

Released in 2007, one year after the military *coup d'état* to oust then-Prime Minister Thaksin Shinawatra, the report starts with a foreword from a general who led the coup. Although panned as sycophantic in non-Thailand-based development circles, the report is quoted by the Thai government to this day as one of the best-written reports in English on the SEP.

This report delves into the Buddhist aspects of the SEP, including the fact that adhering to the SEP is like the Buddhist 'middle path', having neither too much nor too little, and that organizations should not chase excessive corporate profits but to be content with 'enough.' When we move on to other flattering and non-critical works put out from an international point of view, we must look at Gayle Avery and Harald Bergsteiner, *Sufficiency Thinking: Thailand's Gift to an Unsustainable World* (2016) which attempts to go deeper into how the SEP is used in Thailand and offers many graphs and tables that seem to support the authors' claims. However, it lacks original

research and instead relies on others' research data for their conclusions. On such an important issue, it's actually imperative to collect your own data and come to independent conclusions to make a real tangible contribution to the existing research out there. While the text offers short positive examples of implementation of the 'SEP', the definitions lack clarity and are mildly confusing, and this author believes it would benefit from providing more substance.

In *Sufficiency Thinking*, economic policies are examined through the concept of the 'honeybee and locust'. 'Honeybees' are sustainable and co-operative, working together to build a home, farm pollen, and create honey in a harmonious, sustainable ecosystem. 'Locusts', on the other hand, descend *en masse* and strip resources bare. Organizations that practice these leadership styles put stakeholder profits above employees and short-term profits over long-term gains. The analogy is a bit simplistic but clear in its contrasts. The Thai government has used this book as an example of SEP for the 'rest of the world'.

This book underscores the lack of framework for the SEP when applied to business and industry, showing that it just does not fit the way it does with agriculture. The research is not done by the named authors of the book but by Thai researchers and PhDs. It feels disingenuous and opportunistic of foreign academics to grab secondhand glory from a popular and respected philosophy in what is viewed as a third world country by western elites.

Thailand Sustainable Development Foundation, *A Call to Action: Thailand and the Sustainable Development Goals* (2017)

This publication provides an evaluation of Thailand's status in achieving the United Nation's Sustainable Development Goals (agenda 2030). As the Royal Thai Government has indicated that the SEP is and will in the future be the pathway Thailand uses to achieve said goals, this book offers useful insights into where Thailand stands, as well as her strengths and weaknesses.

The assessment of Thailand's current development status and where the country is falling short in relation to the United Nations Sustainable Development Goals gives readers a sobering look at just where the country stands and where it has to go in order to meet its commitments to achieve the SDGs.

While there are a few claims that seem to be a bit overblown, such as the claim that Thailand has achieved SDG 1, eradicating poverty, on the whole, the account is rather accurate. Thailand is one of the first countries to do an accounting of how it runs their development programme and spends its funds. The focus in Thailand is on Sustainable Development, and that path is through the SEP as a policy directive.

In the United Nations Office for South-South Cooperation, *South-South in Action: Sustainability in Thailand - Experience for Developing Countries* (2016), the report was released in 2016 to show the success Thailand has been having in exporting the SEP to other 'global South' countries. It gives a solid analytic overview on the agricultural aspect of the SEP and New Theory farming and showcases a foreign delegation from the small island nation of Tonga that visited the Royal Development Learning Centres to learn about SEP. However, the wording in the sections about SEP in business and other aspects of administration was vague and unconvincing; using only the examples of PTTEP (PTT Exploration and Production) and CP (Charoen Phokphand) and their CSR activities, it did not present a compelling case for business. Especially for large corporations. It leads to more confusion than clarification around how you use SEP in any business, whether it be SME's or a large company. The report provides insight into the confusion that can sometimes be present when people are speaking and writing about SEP, but it does not add significantly to the existing research except to point out the occasional large gaps that are apparent in both the narrative and the framework.

The report highlights that while SEP, when applied to the agricultural sector via the New Theory, is straightforward and well-documented for easy step-by-step implementation, when it comes to the philosophy's application to the economic sector and private and state agencies, the framework is not so clear-cut or easy to follow. This leads to confusion and haphazard levels of adoption in these sectors.

2.4 Economic Aspects of SEP

The overwhelming economic concept that flows throughout the SEP is that of Buddhist Economics. The concept of the Middle Path in Buddhism is a very strong driver of the overall concept. One of the main aspects is the Sappurisa Dhamma or 7 things that good people must know for business. Knowing the:

- Cost

- Result
- Oneself
- The Other
- Society
- Moderation (estimation)
- Timing (market conditions/situations)

The following pieces of literature discuss the economic aspects of the SEP, mostly with Buddhist economics but also through the lens of other religions.

Herman E. Daly, *Beyond Growth – The Economics of Sustainable Development* (2009)

This book examines alternative economic development structures and challenges the concept of ‘growth is good’, delving into the wealth of nature and the value of community. The author challenges the term and concept of ‘Sustainable Development’ as being meaningless and frames a new way of thinking about the concept of SEP for Sustainability.

This book is made up of seven parts, and it pits several economic theories against sustainability. Although one of sustainability’s core values is community and local cooperation, the author opines that foreign ownership may benefit the worker more than local ownership. This is a very contrarian view to the large body of work currently available, which lauds sustainable growth as the correct future path.

Section VII is dedicated to religion—specifically Christianity and sustainability. It explores the New and Old Testaments of the Christian Bible and their treatment of economics and money and discusses how we must revisit those teachings today to learn the true meaning of sustainability, equity, and sufficiency. Daly’s thesis wholeheartedly disagrees with tying an economic policy to a religion, any religion. Once one do so, one has limited its accessibility and worked against the very idea of equity by shutting out those who do not practice said religion.

The book does add to the overall discourse on the subjects of sustainability and sufficiency and aligns with at least one of the tenants of SEP, which is moderation. The author makes a very strong case for separating three economic

problems: allocation, distribution, and scale. SEP, especially New Theory, seems to handle these issues rather well with its gradual growth templates.

Which brings us to the economic theory of Buddhist economics as outlined in by E.F. Schumacher's book *Small Is Beautiful: Economics as if People Mattered* (1973). This book inspired King Bhumibol Adulyadej to rethink how capitalism was affecting Thailand and her citizenry. It offers several alternative economic models, one of which is Buddhist Economics, which is closely linked with the SEP and the 'middle path' concept of not too much nor too little. It influenced his first mention of SEP in the 1974 speech at Thammasat, in which he laid out his ideas.

Schumacher's book follows many different models and may have very well inspired *Beyond Growth* many years later. In the section on Buddhist Economics, as one reads about the SEP, one can see just how deeply the book shaped His Majesty's thinking in regard to an alternative path of development for Thailand.

With the book's focus on income disparity and how there are fewer and fewer people consolidating more and more wealth, these economic situations, and overall global trends were mirroring Thailand's economic picture, especially on the run-up to the 1997 financial crisis. It centers on human-centric development and the idea that this should be what drives economies instead of endless greed.

The influence this book had on His Majesty's creation of the SEP cannot be underestimated. In *Small is Beautiful*, the author warns against an overdependence on technology and market factors. In the New Theory, commercial pesticides and chemicals are discouraged and natural pesticides and fertilizers are required. Any study of the SEP should have *Small Is Beautiful* as required reading, especially studies that apply to agriculture.

Moving forward to the Asian Financial Crisis, the article by Vilasinee Bunyasrie, "The Thai Financial Crisis and the Sufficiency Economy Philosophy" (2010), Bunyasrie reviews the 1997 Asian Financial Crisis and examines how it led to a wider adoption of the SEP by the Thai populace and how SEP applies not only to Thais but to everyone. It looks at how adopting the SEP can prevent an economic crisis like the one that occurred in 1997 from happening again. This was the 'big push' for SEP and how it could be the saving grace for Thailand. At the time of the 1997 crisis, the economic situation at the time of the financial crisis did not follow

each of the tenants of the SEP which are, Moderation, Reasonableness, and Self-Immunity.

The argument that the economy didn't follow SEP closely enough is an interesting one, and it is stated that if all Thais—especially those in the financial sector and those writing economic policies—walked more of a middle path, Thailand would insulate herself from any more volatile shocks. The article reiterates an idea that this thesis agrees with namely, that the SEP is not the enemy or against a market economy or capitalism but is just in favour of a more refined and restrained one, an economy that is a bit more 'moderate'.

2.5 Challenges Identified

Amalia Rossi, “Turning Red Rural Landscapes Yellow? Sufficiency Economy and Royal Projects in the Hills of Nan Province, Northern Thailand” (2012)

So, one of the challenges of the SEP is that it had been used as a political tool. Much in the strain of populist policies. Thailand has traditionally pandered to its voter base with either populist policy or handouts. The paper cited looks at the hill tribes' peoples of Nan and how they were historically part of the Maoist rebels and, as such, were seen to be rebellious. This focuses on the Royal Projects and how they aim to improve the agricultural lives of the hill tribes' peoples.

Her hypothesis is that after the *coup d'état* of 2006, the 'Yellow Shirts' of Thailand's colour politics heaped money and development aid onto a staunchly 'Red Shirt' area that had supported Thaksin Shinawatra in the elections. This plays into the perception of many that the SEP is a politicized programme, and even goes as far as to insinuate that the monarchy itself is involved in the politics of the 'Yellow Shirts' and is using the Royal Projects and SEP to fund them. It ties into the old Communist Party and their supporters in the North.

Conflating 'red' areas as both former communist areas and more recently have evolved into 'Red Shirt' areas for populist targeting is a very interesting hypothesis. Rossi argues that the Thai military, alongside other 'yellow' factions (namely the Democrat Party) are part and parcel to pushing Royal Projects, SEP, and other populist policies in order to bring the 'reds' over to the 'yellow' side.

Rossi's analysis of the Lua peoples of Northern Nan is particularly interesting and highlights ingrained prejudices that stand between those Chinese-Thai residents

of Bangkok and the poorer hill tribes' peoples. The paper adds to the discourse and multi-level criticisms of the SEP as a 'classist' policy meant to subjugate a population. It also winds into the conversation the concept that Buddhism is being used within the SEP as a religious bludgeon with hill tribes' peoples, who do not practice Buddhism. This is an area in which the Sep and its use of Buddhist economics is seen as a detriment. This can be extrapolated in scope wider to show how a policy with a staunchly religious aspect would not be accepted in non-Buddhist majority countries.

Daniel Unger, "Sufficiency Economy and the Bourgeois Virtues" (2009)

The Sufficiency Economy Philosophy can be seen as a pathway to Sustainable

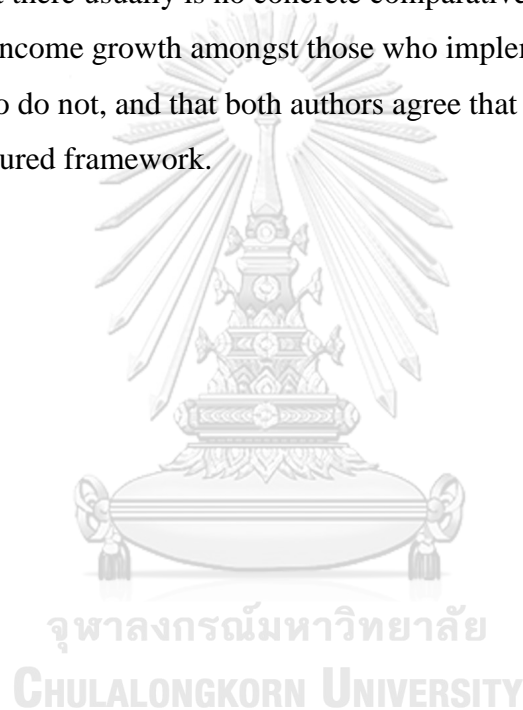
Development and the Sep has its supporters (UNDP at the time) and its critics. Some aspects of Thai society could use the Sep and its connection to the higher institution (i.e. the monarchy) as a political lever and as such it has perceived political affiliations can colour how people see and react to the SEP. There are some historically similar systems in the past in Russia, the UK and the USA before capitalism was on the rise in these countries.

The Sep has varying viewpoints both inside and outside Thailand and when viewed from through the lens of other developmental theories that are perpetuated from Western countries or from western centric UN. Sometimes criticism of the SCP can be directly tied to how well the country's economic situation is. Previous governments agricultural policies are seen as grossly populist in nature. To say that Thailand's especially agricultural policies are populist in nature is entirely too simplistic. There are many factors that go into especially in agricultural policy. However, the boom bust cycle of agricultural industries such as rice, rubber, sugar cane and the almost annual protests from farmers because crop price has dropped exponentially, needs to be addressed and SEP was seen as one pathway to address these, seen as a way to diversify their holdings. Some of the speculations about the coup government of 2006 and its connection with the monarchy, while not appropriate for reproduction here, are worth mentioning as being controversial.

Unger's article looks at criticism of the SEP by Thai and foreign critics, some of which are based in fact and some of which tend to be based on 'feelings' or

political ideologies. Of the criticisms from the foreign community, the ‘arrogance’ of a monarchy extolling humble virtues on a repressed socioeconomic class of subjects seems to be the overarching theme. While this may seem like a valid observation from those ‘on the outside’ who have never spent a significant amount of time in Thailand, if one reads His Majesty’s speeches and writings on SEP, one can see that those criticisms are not entirely accurate, and that His Majesty is often misquoted and/or purposely misunderstood.

Some of the author’s analysis is in agreement with this thesis, in that both works observe that there usually is no concrete comparative data that compares consumption and income growth amongst those who implement SEP to a control group of those who do not, and that both authors agree that the SEP would benefit from a more structured framework.



CHAPTER III

NEW THEORY OF AGRICULTURE: CASES OF FARMERS

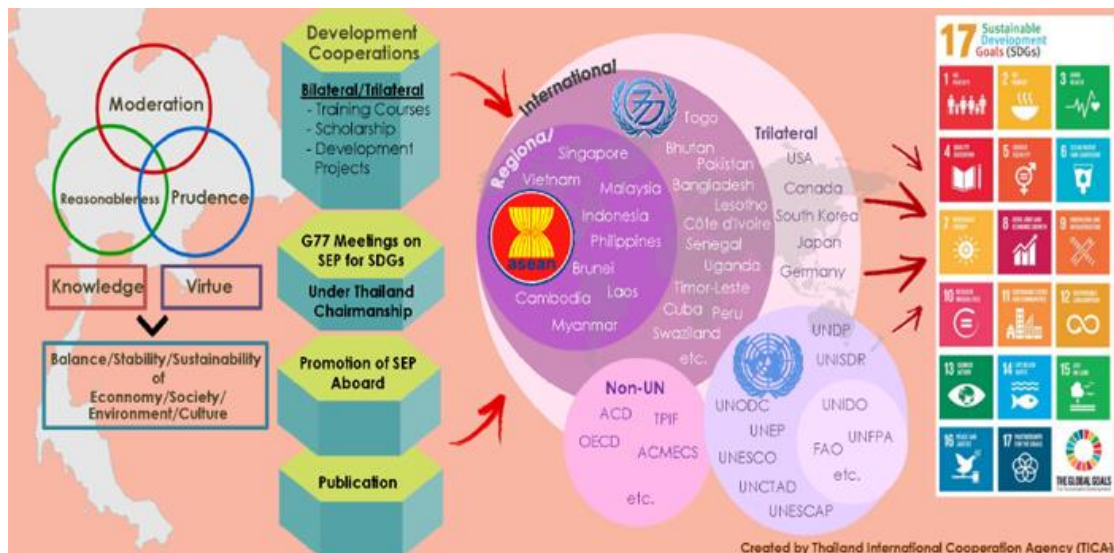


Figure 5 Image courtesy of Thailand International Cooperation Agency (TICA).

Above is an example of Thailand's efforts to forge partnerships with NGOs and INGOs to export the SEP across the ASEAN region and beyond. Thailand International Cooperation Agency (TICA), the Royal Thai Government's focal agency for international development cooperation under the Thai Ministry of Foreign Affairs, is the prime mover of SEP for SDGs Partnerships through various forms of cooperation, such as development projects, international postgraduate programmes, volunteer and expert programmes, fellowships, scholarships, and training programmes in neighbouring countries and other regions of the world (Ministry of Foreign Affairs of Thailand, 2010-2013).

The Thai Government has been partnering with the German government in Lao People's Democratic Republic for three SEP-related projects and in Timor-Leste for two projects and another project in Vietnam. Most are agricultural or agribusiness-based, which keeps to the adaptability of the New Theory of Agriculture. Only two of the projects have a focus on SMEs, and none focus on any large companies. This pattern supports the hypothesis that SEP is not fit for larger companies, whose major

focus is making dividends for their shareholders. SEP is better suited for SMEs, which have a smaller employee base and more direct control over operations.

Based on this researcher's visits to five farms and two learning centres as well as two phuyaibaans (village headmen who also farm) in Nakon Nayok, Chachoengsao, and Chiang Mai, the land allocation of 30:30;30;10 seems logical. However, only those with enough land can divide it in this way. Also, for farmers who had previously been either monocropping, cash-cropping, or farming for an agrobusiness, the switch over to New Theory was particularly difficult and time-consuming. For farmers in the debt cycle, the start-up capital needed to 'go organic' was prohibitively expensive.

In this instance, agriculture will refer to small-scale farming and family farms, not industrial or mega farms nor agribusiness. This section also looks at two Sufficiency Economy Philosophy Learning Centres and their supported farms. One Learning Centre is in Chachoengsao province and one is in Chiang Mai province. The centre in Chachoengsao province is called Khao Hin Son Royal Development Study Centre and the Centre in Chiang Mai is called the Northern Study Centre or His Majesty the King's Sufficiency Economy Learning Centre in Mae Rim. New Theory could be used as an empowerment tool and agent of change for small farmers against the Thai patronage system. There is a concern amongst farmers and those in a position of local authority that while the New Theory is a good idea, in reality and in practice, it is difficult if not impossible to implement fully and adhere completely to the New Theory tenants. Space, finances, land rights, and outside pollutants cause local farmers and farms to have to adapt the theory to their specific realities. Some have no land on which to farm, but instead lease the land on which they farm.

The two phuyaibaans interviewed (one formally, one informally) were enthusiastic about the New Theory and how it could help their communities deal with risks such as:

1. Commodities market pricing
2. Political upheavals
3. Changing weather patterns
4. Natural disasters
5. Excessive debts

6. Crop loss
7. Pest infestation
8. Soil degradation
9. High pesticide use and water pollution

These are all benefits of the New Theory way of farming, which cannot be dismissed out of hand. For one community in Mae Sa, Chiang Mai, the rate of participation in New Theory farming is approximately 40%, which seems on par with the national average. In the community of Nakon Nayok, approximately 80% of the farms in the village are forming SEP learning groups and applying New Theory to their farms.

3.1 Nakon Nayok Farms

The Thung Kraprong Village in Nakon Nayok is approximately 100 km from the Khao Hin Son Learning Centre and has benefitted from the outreach programs on offer. In this village, the phuyaibaan introduced two farms: one headed by a mother and son duo who had previously been tenant farmers, and one managed by an older man and his family. (No names have been shared without explicit permission of the interviewees.)

Case 1

This farm is managed by a mother and son who had previously been tenant rice farmers for 10 years. Through integrated farming and savings, they eventually bought the farmland and plan to purchase an adjacent lot for cattle grazing to expand their herd.

Farm production:

Produce	Livestock
Herbs	Ducks (eggs)
Mushrooms	Fish
Fruit Orchard	Buffalo
Rice	Cows and Pigs

Other farm features include:

- Irrigation systems

- Natural fertilizer (organic)
- Organic pest control
- Sells product to a Bangkok trader

The woman farmer states that her income is much higher than the minimum wage of 300 baht per day that she would earn at a factory. She admits it is difficult to switch over to New Theory style of farming: ‘You need time and support’.

Case 2

Previously a mechanic overseas, a man and his wife returned home to open a garage. Their business failed, so they switched to agriculture and farmed the family land. In the beginning, the soil was degraded, so the farmer treated it with manure, which he still uses as he thinks it is a more economical path to fertilization than chemicals.

Farm production:

Mostly fruit trees which mature at different times of the year.

Other farm features include:

- Charcoal production from fruit-tree trimmings (wood vinegar)
- Extensive irrigation system
- Equipment for producing natural fertilizer and pesticides
- Aged tree protection for ecological value

This farmer also sells what he and his wife do not consume to a trader that visits twice a week and keeps meticulous sales records.

These two farms in Nakon Nayok are ‘example farms’, the most successful in the area. Even these farmers admit that the switch to the New Theory ‘isn’t easy’ and requires enough land on which to farm, and as such ‘isn’t accessible to everyone’.

3.2 Chachoengsao Farms

Case 3

This farm is managed by one main farmer with some helpers. Mostly concentrated on frog raising, he has had guidance and help from Khao Hin Son Learning Centre.

- Most geographically close to Khao Hin Son
- Most specialized
- Meeting space for village frog-raising group

This farm was the most specialized and mainly cultivates rice for home consumption and frog raising for consumption and sale. The frogs are for sale both in Thailand and overseas.

Farm production:

Produce	Livestock
Rice	Frogs

Other farm features include:

- Open-air community meeting space for frog-raising group
- Leader of co-op frog raising
- Not looking to expand
- Believes in SEP principles and thinks he is ‘big enough’

Case 4

This farm is managed by a couple who are both university educated, the wife in business, the husband in computers. They have a small child and were formerly based in Bangkok. The wife’s parents are former inhabitants of the farm, but they left due to unprofitability and dissatisfaction with the labour. The couple found that their work was undercompensated in Bangkok and decided to move to the family farm five to six years previously.

This farm is a ‘model farm’, meaning that it follows the New Theory almost exactly in both land allocation and crop/livestock raising. The farm is a satellite of the Khao Hin Son Learning Centre and conducts some research and feedback on crops and viability to the centre.

Farm production:

Produce	Livestock
Rice	Ducks (eggs)
Fruits	Fish
Beans	Geese
Gourds	Cows

Other farm features include:

- Irrigation systems
- Natural fertilizer (organic)
- Organic pest control
- Receives seeds from Khao Hin Son

The farmers eat approximately half of what they grow, selling the other half for cash—both produce and produced fertilizers and pesticides. The husband contributes by creating promotional materials and does some contract computers work from home. The farm is a designated learning centre by Khao Hin Son.

3.3 Mae Sa, Chiang Mai Community

The Northern Learning Centre is approximately 25 km from Mae Sa, which is located in a valley with lush vegetation all around and holds an elephant sanctuary. In this community, the phuyaibaan (Mr. Prasong) introduced one farm and one elder, who has a large fruit orchard that he grows for pleasure and some profit. The phuyaibaan himself sees the farm he created as an example for his community. During our interview, he stated he believes in the concept of SEP and the New Theory but that it was difficult to adhere to all the requirements, especially the 30:30:30:10 land allocation, as in his community, there was not that much land for farming and developers were snapping up plots.

Case 5

This farm is managed by Mr. Prasong and farmed by him and some community members. Previously a rice farmer, Mr. Prasong wanted to remember the king and his works, so five to six months earlier, he created this farm to help his community and to pay homage to His Majesty.

Farm production:

Produce	Livestock
Rice	Ducks (eggs)

Fruits	Fish
Eggplant	Geese
Basil	Chickens

Mr. Prasong stated that the community members who farm get together and divide the yield, and that which is not eaten gets taken either to the local talad or sometimes to a produce expo.

Other farm features include:

- Irrigation systems
- Wood vinegar production
- Organic pesticide production and sales
- Small meeting area

This farm is in its infancy, but Mr. Prasong feels that he can be a good example to the rest of the community, and by being steadfast, he hopes to convince other villagers to follow his example.

He states that it is very difficult to change the mindset and the way of farming for some, as the time investment needed is long (e.g., it takes three months to make fertilizer). He also raised concerns that not everyone can practice New Theory farming, as first, obviously, one needs land, and not everyone can afford to purchase land, nor does everyone have land in their family to pass down. He would like to see more options for ‘adaptation’ and ‘micro farming’, such as urban farms or gardens. Mr. Prasong also finds that ‘it’s not possible to be 100% organic when the runoff from the mountain is loaded with chemical pesticides and fertilizers...’ (personal interview, June 3, 2017).

Case 6

Mr. Prasong took the researcher to a local elder who has a very extensive plot of land that is difficult to see from the road. The gentleman is retired from an office job, and he and his wife farm his extensive orchard. The farm is a fruit orchard and produce farm that incorporates natural irrigation, and the farmer makes his own fertilizer and pesticides. He and his wife pick most of the fruit early in the mornings

and evenings to avoid the heat and consume most of what they produce. What they do not consume they sell to the local community or use for fertilizer.

Farm production:

Fruit Orchard:	Produce:
Lemons, limes	Herbs
Lychee, durian	Tomatoes
Mangosteen, rambutan	Lemongrass

Other farm features include:

- Irrigation systems
- Wood vinegar production
- Organic pesticide production and sales
- Small fishpond
- Bamboo copse for cooling
- Self-contained water tower
- Planting of grass to defend against soil erosion

At this farm, the farmers are retired and as such devote most of their time to the farm. They do not rely on farm revenue for their income but see it as a supplement to their retirement funds. They do believe in the SEP but do not want to farm rice or dig ponds, as they see it as too laborious. They think it is a good way of farming but that it would be ‘difficult for those with a family to support’ (anonymous New Theory farmer, personal interview, 3 June 2017).

3.4 Analysis

Case Study	Agriculture	Livestock
Case1	4 types	4 types
Case 2	8 types (all fruit)	0
Case 3	1 type (rice)	1 type (frogs)
Case 4	4 types	4 types
Case 5	4 types	4 types

Case 6	6 types (fruit only) 3 types (vegetables)	0
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Does each case fit the nine 'bricks' in the wall of knowledge?

Cases:	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
Knowledge of Moderation	✓	✓	✓	✓	✓	✓
Virtue/Morality	✓	✓	✓	✓	✓	✓
Small Scale	✓	✓	✓	✓	✓	X – large area of land
Risk Management	✓	✓	X – too specialized	✓	✓	X – only fruit orchard, no diversification.
Reasonableness	✓	✓	✓	✓	✓	✓
Knowledge-Sharing	✓	✓	✓	✓	✓	✓
Empowerment	✓	✓	✓	✓	✓	✓
Indicators (Operational applications)	X – no real monitoring of what works and what does not	✓	X – Non expansion and lack of metrics	✓	✓	X – not interested in retaining records.
Democratization	✓	✓	✓	✓	✓	X – wealthy retiree, not really democratic in nature.
Sufficiency	✓	✓	✓	✓	✓	✓

After visiting these farms and two learning centres and speaking with the phuyaibaans of two communities, the consensus about SEP and New Theory is that it is beneficial to farm this way over the ‘old’ system of farming. It is more sustainable and environmentally friendly and builds good relationships within the community.

The barriers to entry to the farming system that the phuyaibaans were especially concerned with are as follows:

1. Land
 - a. Both ownership and access
 - b. Land size
 - c. Land condition (soil)
2. Finances
 - a. Start-up costs
 - b. Operating costs
 - c. Long-term savings
3. Initial outlay
 - a. Savings (cost)
 - b. Support (governmental/learning centre)
 - c. Seedlings
 - d. Equipment
 - e. Livestock
 - f. Education and training
4. Time
 - a. Timeframe to first yield
 - b. Fertilizer and pesticide production (approximately three months)
 - c. More time taking care of plants
 - d. Timeframe to profits (stage two selling)
 - e. Training and study time

Mr. Prasong, especially, expressed that some of his community members ‘didn’t see the point’ of going to all the trouble of farming organically when the polluted runoff from the mountain ‘would take three to five years to clear from our water. We cannot get organic certification and charge a higher (fairer) price because of this.’ (personal interview, 3 June 2017).

3.5 Conclusion

Most farmers interviewed both formally and informally expressed that they required help from either the learning centres or the phuyaibaan for setup, or that they were close friends or relatives of said phuyaibaans. This is not to say that the phuyaibaans have ulterior motives; however, anyone is keen to show the successes, and not the failures. Whilst the example farmers described were usually those who had saved money and either owned or had access to land in the first place, they freely admit that they had a bit of a head start in that aspect.

The problem arises when others who do not have access, savings, or connections want to practice a farming style like the New Theory. If the land is not available, the would-be farmer cannot start. If land is available, then the farmer faces the difficult reality of soil condition, time expenditure, intensive labour, and the wait for both organic fertilizers and pesticide production and for yield. Intensive help and assistance are needed for these farmers who want to start up small scale operations in an organic and sustainable way. This leads to a skew in the demographics of New Theory farmers. In all, barring one farm, the average age of the farmers was 50+. Young people are not interested in ‘buying in’. It takes people who have land, time, and financial resources from the very beginning to start up or to convert a traditional farm to a New Theory style farm (one that is organic and self-sustaining). Oddly enough, Thailand’s ageing population seems to be a mini boon for farming, as the older generation has the time and funds to both purchase and farm empty plots.

The older generation of farmers also have benefitted from previous careers either in Bangkok or other regional hubs. They tend to have savings and/or family farms they can ‘return’ to at which to start a New Theory farm. For some, the initial cost outlay for organic certification is expensive but worth it, but for others, it is prohibitive. The phuyaibaans are aware of these disparities and would like to see some smaller-scale projects or programs to help those people who are not farmers or cannot afford to be. Barring that, the phuyaiabaans hope to offer to their people alternatives, advice, guidance, and knowledge on how to incorporate SEP into both urban settings and lifestyles and to households with fewer resources.

For those who do not have these resources, there does not seem to be any type of start-up fund or community land for those who do not have the land needed to

farm. These would be two solutions to the barriers of land and funds/support for those who lack such resources.

At the two learning centres visited, there were many displays on how to plant beneficial plants, the goodness of organics, and appropriate technology, but not many programs on how to do these things without the allotted land. Not everyone has five rai they can divide up, and if they do not, what should they do if they want to practice SEP at home? There are SEP ‘mind-set’ curricula, but if the Royal Thai Government is serious about promoting New Theory, and New Theory is the most successful aspect of SEP, it needs to work on land access rights for poorer rural areas.



CHAPTER IV

NEW THEORY OF INDUSTRY: CASES OF CORPORATIONS

4.1 Agribusiness and Its Contribution to New Theory

4.1.1 Large Thai Sugar Group: Company A

Here, I will provide an example of an agribusiness (referred to in the text as either a large Thai sugar group or Company A) and how this industry sees the New Theory of Agriculture. While this conglomerate has many SEP-based CSR projects and even a training programme developed on the tenants of the SEP, the business was later sued in Cambodia for labour and human rights violations (Company A, n.d.)

Company A is one of the seven companies that in 2013 signed a memorandum of understanding (MOU) to adopt the Sufficiency Economy approach to their organizations. The MOU was signed with the Office of the National Economic and Social Development Board and the Research and Development Institute of Sufficiency Economy Philosophy Foundation. According to the company's 2015 Sustainability Report:

[Company A] also has strategic multi-lateral partnerships with other organizations to promote efficiency and the exchange of knowledge about social development in several dimensions. [Company A] has forged partnerships with organizations including the Hydro and Agro Informatics Institute, the Pracha Rath Network, the Research and Development Institute of Sufficiency Economy Philosophy Foundation, the Office of the National Economic and Social Development Board, and the Right Livelihood Foundation. The partnerships were formed, under the "Grow Together" framework, to which [Company A] has been committed for over past six decades to promote a better quality of life for sugarcane farmers and an improved society... (p. 50)

The next year in their report, the large Thai sugar group, in the wake of the untimely passing of King Bhumibol Adulyadej, reaffirmed their commitment to development using the Sufficiency Economy Philosophy.

According to Company A's Sustainability Report 2016:

The year 2016 was one of tremendous loss for the people of Thailand. On October 13, the Bureau of the Royal Household announced the passing of Thailand's king, His Majesty King Bhumibol Adulyadej. With unfathomable gratitude to His Majesty the late king's dedication to the Thai people, [the large Thai sugar group]'s board of directors, management, and employees pledge to continue his legacy by adopting the Sufficiency Economy Philosophy in the group's business operations. (p. 7)

The company was so invested in following the SEP for its CSR activities that it won several Sustainable Development awards. The large Thai sugar group always states that it uses the SEP principals for their CSR (Pratruangkrai, 2017).

The following excerpt from an article written by the Senior Executive Vice President of the large Thai sugar group shows how the company applies Sufficiency Economy Philosophy to its business practices:

[Company A] is a medium-sized company that has been established for over 67 years. We have always been growing in the past 67 years. From the production capacity of 750 tons of sugarcane per day, now we have the production capacity of 300,000 tons of sugarcane per day. We used to produce 6,000 tonnes of sugar each year, now we can produce 3.5 million tons of sugar. Our factories used to be partnering with 1,500 farmers but now we have around 250,000 farmers as our partners. We used to have factories only in Thailand but now we have factories in the countries such as China, Austria and Laos PDR. All of our growth come from the management that we adhere the principle of “co-existing, co-growing [progressing]”. We co-existing and growing together with our suppliers. The most important supplies are the 250,000 farmers around the world. In Thailand, there are around 40,000 suppliers who co-existing, co-growing with the society, people, and communities around the factories. The important thing is to co-existing and co-progressing with the employees.

This is our main heart [goal]. (Manajitt, n.d., p.1)

The article goes on to discuss how the author sees the company as a ‘pot of rice’ that all the employees and company officials share, and that to keep everyone eating from the same pot, they must grow it sustainably, lest it run out.

The Senior Executive Vice President of Company A speaks of doing a scope of work before new factories are opened and maximizing profit per square rai of sugarcane, securing cheapest transportation costs, and paying the farmers the most they can. When farmers are paid more, they are happier. The large Thai sugar group researches investments and looks at resource allocation and the market demand. The Senior Executive Vice President claims that these are examples of moderation, reasonableness, and prudence. The reality, however, is that this could be seen as an SEP ‘vener’ for a traditional way of doing business by catering to shareholders via the ‘normal’ market economy.

According to the article “Possibility of Adopting the Philosophy of Sufficiency Economy in B2B Purchasing” by Suppasit Sornsi, the large Thai sugar group is mentioned as follows:

Company can adopt the moderation pillar of Philosophy of Sufficiency Economy in purchasing or dealing with its suppliers. For example, [Company A] operated its win-win business with the suppliers (sugarcane farmers)

society and was concerned about its community surrounding the factory and employees by adhering to the principle “Co-existence, Co-prosperity or stability” The Company conducted R&D to help farmers to increase and develop higher quality outputs. In addition, the company confirmed that this philosophy is consistent with Western business principles of SWOT analysis and risk management. (2015)

The large Thai sugar group also has a project called the New Theory Agriculture Project, which adopts the late King Bhumibhol Adulyadej’s Sufficiency Economy Philosophy. The project’s goal is to encourage cane farmers to use the integrated farming model to grow several types of crops suitable for their land, thereby improving their quality of life by helping them reduce expenses and increase income (Company A, 2018).

Controversy

While the large Thai sugar group claims to be community-focussed and working with its farmers and employees for the benefit of all, in 2018, Cambodian villagers filed a class-action lawsuit against the company for human rights violations and a land grab of absolutely devastating scale. Homes and fields were taken and burnt. The villagers were not compensated, and in some instances were arrested and thrown off their land according to the case brief (Inclusive Development International, 2018). However, the Thai civil court rejects the class-action suit accusing the country’s biggest sugar firm of a land grab (‘Cambodians to appeal ruling in [Company A] case’, 2019).

The large Thai sugar group’s response to the human rights case in Cambodia, which came from the Senior Executive Vice President, was as follows:

It is important for private company to announce human rights policy. Not only does it show company’s responsibility to all the stakeholders, but also support the company’s business for sustainability. Human rights case of [the large Thai sugar group] in Cambodia, the company may collaborate with other organizations, not only government agency, to investigate any human rights

issues in that area before making their investment decision. Moreover, [Company A]'s initiatives on community development is the right direction. Even though [the large Thai sugar group] is not the listed company, but the company's operations have aligned with all rules and regulations. This will support the company creditability. In the future, the expectations of all stakeholders will play an important role for business sector. (Company A, 2018, p. 69)

This statement is in the large Thai sugar group's commitment to human rights after the major lawsuit against them. While the Thai court dismissed the lawsuit, the damage to the company's reputation and may hurt its expansion prospects in outside countries, as well as it's standing within Thailand.

Bricks in the Wall	Company A	Explanation
Knowledge of Moderation	✓	The company displays adequate knowledge of moderation.
Virtue/Morality	X	Maximizing profit is the company's main goal when assessing sugarcane farming.
Small Scale	X	Company A is a very large company.
Risk Management	X	Poor Risk- Management: although a SWOT analysis was implemented, Company A faced a class action suit for rights abuses from farmers.
Reasonableness	X	The path the company is taking makes sense for company shareholders looking to maximize profits, but NOT for SEP and protecting the environment. (monocropping sugarcane adds to environmental degradation)
Knowledge-Sharing	✓	Through it's CSR projects and R&D
Empowerment	X	While their farmer suppliers may get a higher than average price for crop, there is no empowerment aspect as they must sell their crop to Company A, effectively putting farmers in a debtor/debtee relationship.

Indicators (Operational applications)	✓	Implementation of some of the tenants of SEP in their management practices
Democratization	X	Farmers are not free to sell on the open market.
Sufficiency	✓	The company displays sufficiency in its dealings.

4.1.2 Food Company: Company B

Company B has manufactured and distributed instant noodles under the ‘Popular Noodle’ trademark for over 30 years. The brand is recognized and accepted by consumers and represents more than 50% of the domestic market. The food company also produces instant noodles for leading companies in Europe, America, and Australia, with a total production capacity of approximately five million packs per day. The company has developed new products to suit the Thai consumer market. Each trademark has a variety of products, including biscuits, crackers, and many flavors of wafers, such as coconut butter, butter, orange coconut cream, coconut butter-coated chocolate, strawberry wafers, black currant, chicken-flavored crackers, cheese wafers, and others.

In addition, the company engages in procurement to aid the production of inputs such as wheat flour business, rice business, dehydrated vegetable business, and packaging business.

Because of globalization, it is now significantly easier to travel and communicate. Thai food has a unique flavor and, therefore, Thai people take ‘Popular Noodle’ with them when they travel abroad. Popular flavors include Tom Yum Kung, Pork Soup, Chicken Soup, Pa Lo Duck, Yentafo, Khaosoi and Kee Mao, and so forth. Thai tourists, students, and families traveling abroad also bring ‘Popular Noodle’ with them; the resulting effects have been that the ‘Popular Noodle’ brand has entered the world market quickly and favorably.

According to Sooksan Kantabutra’s case study report of the food company studied by this researcher (referred to in the text as Company B):

The [food company] was established on February 15, 1972 with a registered capital of six million THB. The company is a joint venture between Company Enterprise of Taiwan, a production technology expert, and Thai Company Limited, which is responsible for marketing and distribution. The establishment's objective is to produce instant noodles under the 'Popular Noodle' trademark. Its first head office was on New Petchaburi road, and its first factory was in Nong Khaem District, Bangkok. After the first year of operation, all shares were transferred to Thai shareholders, who have been the major shareholders until now. Presently, [Company B] is the largest instant noodles manufacturing company in the country and is ranked in the top ten in the world (2014, p. 47-49).

Company B's challenges

Kantabutra also mentions that the food company's challenges came from both internal and external factors: the saturation point of the domestic market and the price war against competitors in foreign countries where 'Popular Noodle' was trying to operate (2010, p. 49-50). The path of the company's market expansion was not easy because of price competition from both existing and new competitors. However, as a market leader, the company has to maintain its existing market and leadership status. In the past, it used a strategy of price reduction to compete in the market, but at an acceptable level, because the strategy consisted in reducing the margins only.

Although the domestic market reached a saturation point, 'Popular Noodle' still holds the leading position in the instant noodles market, albeit at a reduced growth rate, with 'Wai' taking the second spot in terms of market share. The decrease in market share of 'Popular Noodle' is due to the instant noodles market in Thailand having new channels and the consumption rate being limited by higher competition in the market. This also causes the new competitors to compete for market share against the previous established competitors.

Since Company B was established, it has overcome many economic crises and changes, including the economic crisis of 1997. Whilst many entrepreneurs encountered problems during this time, the company succeeded despite the increased

competition and the saturation point that the domestic market had reached. How did the company operate its business to achieve this sustainable success?

Based on this researcher's analysis, the business practices of the company conform to the Principles of Sufficiency Economy, which is radically different from consumerism, the prevailing view in the instant noodles industry (Kantabutra, 2010, p. 50).

Operation according to the Principles of Sufficiency Economy

From the study of the management guidelines of the food company, which are in line with the Principles of Sufficiency Economy (Kantabutra, 2010, p. 50-53), the relevant points can be summarized as follows:

Administration and treatment of employee's guidelines

During the economic crisis, the company did not reduce its costs by reducing the number of employees, as that would have caused employees who have fought side by side with the organization to become unemployed. The food company never had a policy to dismiss employees. Instead, the company gave priority to research and created new knowledge and innovation for products. It achieved this by relying on the expertise of employees who had been in the organization for a long time.

The executive's thinking process conformed to the knowledge and virtue conditions

When considering an increase in the price of 'Popular Noodle' by one or two THB per pack, the company determined that it could increase the price periodically and that even an increase of 50 satang would create huge profits. However, the company decided against this because low-income customers may not be able to afford its products. The company is trying to keep the original price for as long as possible. This decision by the company shows that they have the in-depth knowledge of their customer base and are upholding a virtuous stance to not enact a price raise for speedy profits, but to grow their customer base through loyalty and care.

Foresight in planning

The company assessed that the number of Thai people who consume instant noodles was reaching a saturation point. It was able to do this by drawing a comparison with the Japanese market, which was saturated at around 34 packs per person per year. The company surveyed the market and found that the consumption of instant noodles by Thai people today is 30 packs per person per year. Therefore, the company decided to invest in other businesses; it is planning to invest two billion THB in new businesses. However, the company reserved one billion THB savings, showing that it has a strong desire to maintain its resilience, which is in line with the Principles of Sufficiency Economy.

Knowledge and prudence

Company B has also demonstrated that it can carry out its business operations with knowledge and prudence. The company has a policy not to do any duplicate business with its parent company that focuses on downstream business. Therefore, the food company started investing in upstream business instead by investing in China and by making paper cups. An investment in this type of business also shows social and environmental responsibility.

The food company is a company engaged in the production and distribution of the instant noodles brand 'Popular Noodle' and is committed to creating the highest-satisfied consumers and giving precedence to all stakeholders. In addition, the company has invested in the raw materials business in order to use said materials in production and reinforce control of prices as well as the quality of the products. The company has jointly invested with foreign companies in order to apply new knowledge and technology to develop the most effective production processes possible. In terms of sales, the company has invested in businesses that operate in sales and delivery in order to increase distribution channels within the group to efficiently reach consumers.

Bricks in the Wall	Company B	Explanation
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Knowledge of Moderation	✓	The company displays adequate knowledge of moderation.
Virtue/Morality	✓	The company has a policy to not fire their employees during a time of hardship, but listen to the long term employees' voices.
Small Scale	X	Company B is one of the largest food producing companies in the world.
Risk Management	✓	Company B has diversified it's business interests sufficiently to protect against market forces.
Reasonableness	✓	The company reserved 1 billion in savings as a cushion.
Knowledge-Sharing	X	No employee development programme or CSR for Company B.
Empowerment	X	No employee enrichment programme nor for the farmer suppliers.
Indicators (Operational applications)	✓	SEP implemented lightly in management policy.
Democratization	X	No freedom for agricultural suppliers (wheat, rice, vegetables) to sell to other buyers.
Sufficiency	✓	The company has sufficient expenditure vs. savings.

4.2 Application of the Principles of Sufficiency Economy to the Business Sector

Moving away from the agricultural sphere of SEP, we can explore the business applications of the philosophy. Currently, many Thai corporations have stated that they follow or have applied SEP to their business operations. A Thai cement company, beverage company, and power company are some of the biggest names to launch and/or promote an SEP program or to state that they use SEP in the day-to-day running of their corporations. Unfortunately, most of these promises and statements usually amount to PR at worst and a Corporate Social Responsibility (CSR) programme at best. SEP has the potential to be so much more than just CSR for large corporations who then continue to reap large profit margins whilst stating their altruistic merits.

For SMEs and smaller businesses looking to implement SEP into their corporate plans, there are many online resources available that have many business links and YouTube videos on how to utilize SEP for one's business (Thailand Sustainable Development Foundation, 2016). These resources are all in the Thai language, so if the goal is to spread SEP to the wider ASEAN region, localizations will need to be done, as well as a general repository of information in the English language.

Given the nebulous nature of SEP and its structure as a policy, it is difficult for businesses, corporations, and government agencies to implement the true spirit of the philosophy into an (especially) large corporate structure. Shareholders demand profit and ever-expanding growth, something that runs counter to the core values of the Sufficiency Economy Philosophy. It is nigh impossible to take the middle path of sufficiency and sustainability if your main *modus operandi* is profits and/or exponential growth. Corporations cannot grow forever, and there is a natural limit. SEP teaches us the middle path of sustainable growth and avoiding over-consumption. Current corporate structures do not support that system—yet. New, smaller start-ups and SMEs are getting into the sustainability sphere and expressing interest in SEP that could end up crippling traditional business practices.

One way in which SEP could work across a myriad of sectors could be by marrying the tenants of SEP, Buddhist Economics, and the middle path with the emerging sphere of blockchain technology. By applying the underlying principles of blockchain technology alongside the core tenants of SEP., the attributes of transparency, trust by trustlessness, and security can be intertwined, and equality ensured.

The decentralization and democratization of wealth and the banking of the unbanked dovetails nicely with the spirit of SEP in that all can prosper with hard work and can keep such wealth and earnings sustainable and without excess. The financial instruments available to the very rich will also be available to all, no matter their socioeconomic status.

The potential for blockchain technology to be an egalitarian force in the development space cannot be underestimated. The opportunity to service the 'unbanked' and bring financial inclusion to all compliments the spirit of Sufficiency

Economy Philosophy and gives people the tools they need for financial freedom and—if they have one—keeps their businesses sustainable.

The goal of the business sector is to generate profits for the owners and shareholders of companies, independently of the stakeholders and the broad society. However, following the economic crisis that happened in 1997, the business sector had to learn to adapt to new situations and change their perspectives to give precedence to and apply the Principles of Sufficiency Economy, which have gained importance in business operations since 1999. The first step was to focus on building the body of knowledge on the topic and on understanding how the Principles of Sufficiency Economy could be applied to the business sector diligently and continuously. Within the framework provided by the Sufficiency Economy Philosophy Movement Sub-Committee, which is led by Dr. Ajva Taulananda and aims at pushing the principles into the business sector, such efforts resulted in increased awareness and understanding among networks and business sector organizations, including the Board of Trade of Thailand, the Federation of Thai Industries, the Thai Bankers Association, and the Stock Exchange of Thailand. It became accepted that the Principles of Sufficiency Economy do not conflict with the principle of profitability, and that profit generation must not be at the detriment of others, result in undue profits, encroach social benefits, or destroy the environment. The Sufficiency Economy is therefore a way of doing business that aims to create a balance in three dimensions: economy, society, and the environment.

Business development is meant to prepare for a variety of changes, including cost, production factors, society, environment, and culture. Focusing on risk management by building resilience, reducing acts of carelessness, and removing excessive greed allows businesses to expand their capital and potential based on the use of knowledge and morals while operating with caution and prudence (Office of the National Economic and Social Development Board, 2012, p. 35).

As mentioned above, Dr. Ajva Taulananda is considered the leader who will push the application of the Principles of Sufficiency Economy forward to the business sector. Here is a summary of the main points from the special lecture he gave entitled ‘The business sector’s experience in the application of the Principles of Sufficiency Economy’:

Many people perceive that the Principles of Sufficiency Economy are less relevant to the business sector. Some people might even think that the Principles of Sufficiency Economy go against businesses, because they think that business is about insatiable growth, taking advantage of others, exploitation or a certain lack of morality. Therefore, the Principles of Sufficiency Economy are both a necessity and a part of business management that cannot be separated, and depend on many factors including capital, people, processes and customers. The goal is to make the business profitable enough to survive, this is why it is essential to focus on managing these factors to reach the highest results and efficiency. However, as of late, the concepts have been expanding and its proponents realized that there are not only employees, processes, capital and customers but also other related factors.

Businesses also interact with various outsiders, such as business partners, competitors, communities, society, as well as the environment. Therefore, businesses cannot be operated without taking those actors into consideration. In addition, there is the idea to expand the responsibilities of the people involved, by considering how to create reasonableness, moderation and resilience based on knowledge and morals. (2012)

All of the points mentioned above are part of the decision-making process in business management, by virtue of knowledge, morals, reasons, moderation, and resilience, to make the business sustainable. Although balance is not an inherent property of business, it is necessary to foster entrepreneurial spirit for people in the business; therefore, the business can prosper stably and sustainably. This is in line with the Principles of Sufficiency Economy, as mentioned by the National Economic and Social Development Board (2006), which offered its views about Sufficiency Economy and private business and concluded that the ‘application of the Principles of Sufficiency Economy in private business is not an obstacle to business competition or profit but also supports businesses to compete sustainably in the long run, as the risks

are becoming more intense, and supports business cooperation and the growth of the entire economy, in a way that is sustainable and balanced.’

To what extent can the Principles of Sufficiency Economy be applied to the private sector? In order to clarify understanding of this issue, the Sufficiency Economy Philosophy Movement Sub-Committee studied this, dividing the private sector according to four different types of business as case studies: community business (Ban Anurak Kradas Saa, Mulberry Paper), SME (ชื่อไทย.คอม - ThaiURL.com), registered company (Pranda Jewelry Company Limited), and large industrial group (Siam Cement Public Company Limited). The study found that the Principles of Sufficiency Economy can be applied to business management as follows:

Moderation: Focusing on long-term benefits rather than short-term benefits, at a moderate level, in other words, ‘not too little, and not too much’. Not taking advantage of others or oneself. To apply the moderation principle to business, there are important conditions as follows:

1. Producing: focusing on production for certain groups of customers rather than general sales.
2. Order taking only taking the orders that can be completed in accordance with the business’s abilities to maintain high quality.
3. Profits: adhering to the sharing principle, not taking advantage of business partners, being long-term business partners and building trust with each other by attaching great importance to paying employees and suppliers in a timely manner, as well as by keeping some profits for the pursuit of knowledge and social activities.
4. Debts and investments: aiming to gradually expand business, avoiding getting a loan whilst having enough profit, focusing only on the fields that the business specializes in and maintaining a healthy debt-to-equity ratio, competing fairly to make business alliances with smaller producer networks, as well as continuously training and consulting.

Reasonableness: Knowing one’s customers, knowing one’s market, knowing one’s competitors, and knowing oneself. To apply the reasonableness principle of the

Principles of Sufficiency Economy to business, there are important conditions as follows;

1. Fully understanding one's business and the market one operates in. This is necessary to create a product that is unique, different from competitors' products, and innovation-producing. Completing market research, including understanding the organization's core competency and focusing on a production process that matches the core competency, as well as regularly checking business performance against competitors (benchmarking).
2. Understanding the business's key success factors by trying not to let employees incur debts that may affect their work. This also includes making sure that the production process is as natural as possible.
3. For technology-based businesses: Continuously improving employees' knowledge and focusing on the application of technology to enable efficient work, organizing customer groups, and having the flexibility to offer products that meet the needs of each group of customers at different times.
4. Using resources that have efficient production processes by distributing part of the production to countries where labor is inexpensive in order to maintain competitiveness and creating processes to recycle high-cost or rare raw materials.
5. Taking risks at the appropriate level by using the concentrated marketing management principle in order to clearly understand customer needs before expanding to other markets and providing rights to distribute in new markets instead of penetrating markets by oneself.

Resilience: Preparing for changes appropriately. Applying the resilience principle of the Principles of Sufficiency Economy to business requires the following:

1. Reducing risks when distributing products in markets by adapting the offering from luxury goods to regularly used products and distributing to markets in many other countries in order to reduce the impact of the economic cycle on luxury goods.
2. Continuously monitoring the procurement process by investing in one's own resources and having a system to divide the money that is left from working

capital into long-term savings. Having a dividend payment policy that is appropriate for saving money for future investments.

3. Regularly evaluating risks in advance by having clear policies and deadlines for assessing risks, having early warning systems built to prevent the risks from exchange rate fluctuations, including trying to create a balance between income and expenditure in each foreign currency.
4. Continuously promoting knowledge and morality.

Morality: Raising awareness and adherence to moral principles for all parties involved, especially in relation to perseverance, patience, and honesty. This can be achieved by:

1. Having a commitment to continuously improving product quality.
2. Showing morality and loyalty to customers by maintaining product quality and strictly keeping customers' confidential information.
3. Showing morality towards society by preventing any negative impact on the environment and by creating social projects.
4. Promoting morals within corporate culture and showing compassion and understanding by giving the right to take a leave for meditation. Complying with intellectual property regulations strictly and accepting consequences equally during a crisis.

It can be concluded that for the private sector businesses that use the Principles of Sufficiency Economy in their business operations, the philosophy helped their businesses to operate logically, to know their customers, their market, their competitors and themselves (including their employees), to gain knowledge, and to adhere to high moral standards, as well as shielding the business from unnecessary business risks. These businesses are also able to cooperate with other businesses very well, resulting in long-term benefits of increased profits and sustainability. Finally, the philosophy helps the entire economy to grow steadily and strongly.

In conducting this research, the researcher studied the successful application of the Principles of Sufficiency Economy in large-scale private sector businesses. Here are some examples of companies that reported strong, successful results.

4.2.1 Petroleum Company: Company C

In order to secure the energy supply and promote a good quality of life for the Thai society, a Thai petroleum company (called Company C here) has undertaken to apply the Sufficiency Economy principles within the corporate management of the company. It does so based on the ideas of a ‘middle path’ and heedfulness, with due regards to moderation, reasonableness, and resilience-building, together with the following knowledge and morality conditions: acceptance of moderate profits, rationality, not taking advantage of business partners, not causing negative effects to the community or society, and aiming to benefit the community, with the goal of being a valuable organization. This conforms to modern management, resulting in stability and sustainability (Company C, 2016, p. 009).

In 1985, a Thai company operating in the energy sector was established. It committed itself to doing business with consideration to the environment and society by adhering to the corporate culture philosophy of ‘Sustainable Innovative Business Development in Harmony with the Environment and Society’ and by promoting the employee culture to ‘Be virtuous, knowledgeable, and contributive to others’ (Company C, 2017). The original desire and the corporate culture of the petroleum company is in line with the King Bhumibol Adulyadej’s (Rama IX) Principles of Sufficiency Economy, in that development should move forward based on the middle path principle and heedfulness, considering moderation, reasonableness, and resilience, as well as using knowledge, prudence, and morality to accompany the decision-making process and action planning, also known as ‘the three loops and two conditions’ (Kwunkamol Donkwa, 2016, p.1). The petroleum company has applied the Principles of Sufficiency Economy’s three loops and two conditions to its organizational management, in accordance with the company’s profit-seeking values that aim to create a balance between ‘cost’ and ‘value’, which is the acceptance of moderate profits, conducting rational operations, avoiding any negative effect on the community or the environment, and also bringing benefits to the community and society sustainably (Company C, 2016, p. 5), as shown in Figure 6.

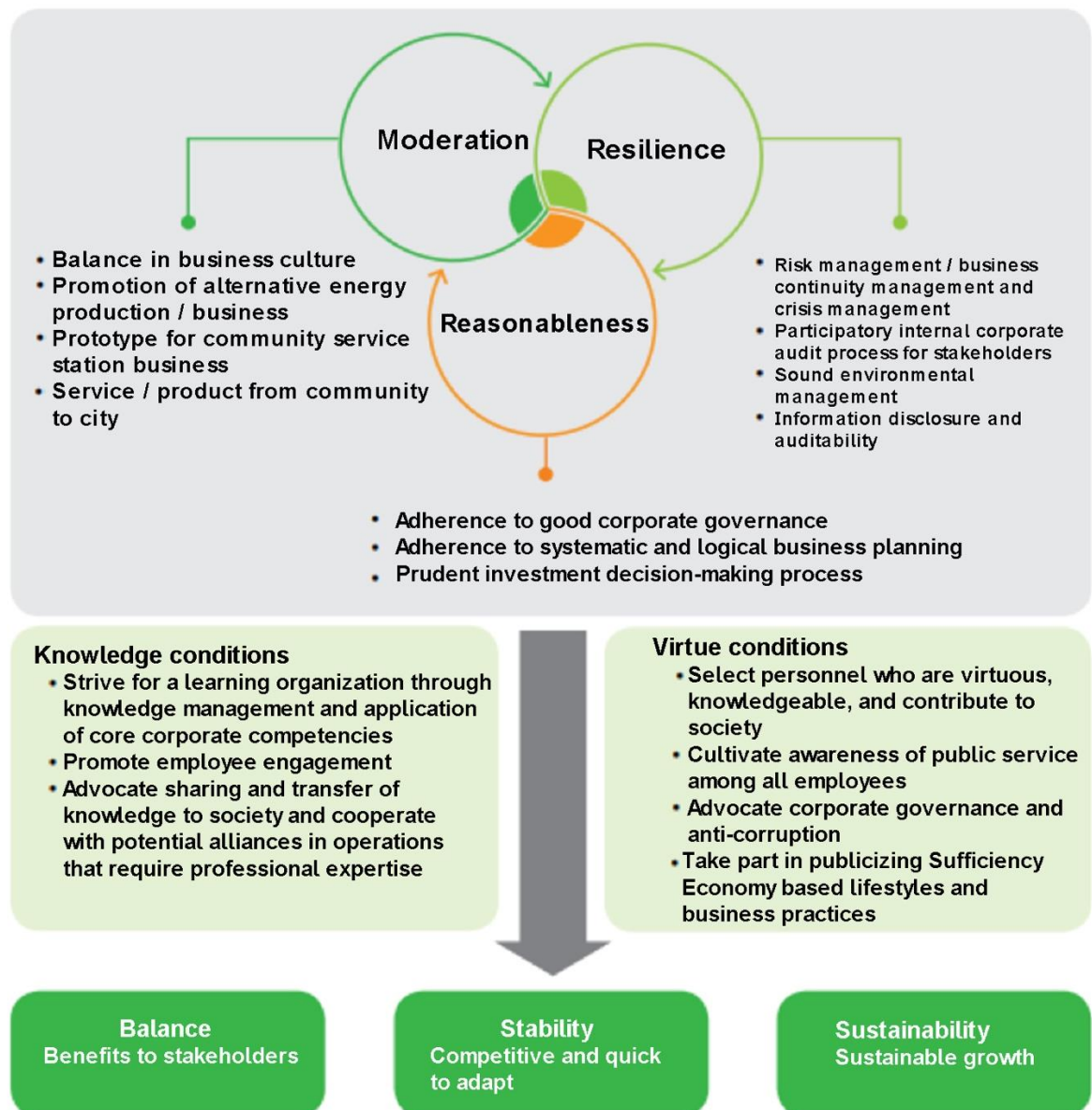


Figure 6 Application of the three loops and two conditions to the organization of the management of Company C, Sustainability Report (2016, p. 009).

From Figure 6, the three loops and two conditions to the organizational management of the petroleum company can be summarized as follows.

Moderation in the organizational management. The company has been adhering to the following principles:

1. Balance in business culture.
2. Promotion of alternative-energy production/business.
3. Prototype for community service station business.

4. Service/product from community to city.

Resilience: The company has been building resilient processes as follows:

1. Risk management/business continuity management and crisis management.
2. Participatory internal corporate audit process for stakeholders.
3. Sound environmental management.
4. Information disclosure and auditability.

Reasonableness: The company has been adhering to the following principles:

1. Adherence to good corporate governance.
2. Adherence to systematic and logical business planning.
3. Committed to a prudent investment decision-making process.

Knowledge conditions: The company promotes knowledge as follows:

1. Striving for a learning culture in its organization through knowledge management and the application of core corporate competencies.
2. Promoting employee engagement.
3. Advocating the sharing and the transfer of knowledge to society and cooperating with potential allies in operations that require professional expertise.

Virtue conditions: The company promotes morality as follows:

1. Selecting personnel who are virtuous and knowledgeable and who enjoy contributing to society.
2. Cultivating awareness of public service among all employees.
3. Advocating corporate governance and anti-corruption measures.
4. Taking part in publicizing Sufficiency Economy-based lifestyles and business practices.

The three loops and two conditions as applied to the organization management of the petroleum company can be summarized as follows:

1. The company aims to be a **balanced** organization, which will be beneficial to stakeholders.
2. The organization is **stable**, competitive, and quick to adapt.
3. Bringing the organization to **sustainability** means that it can enjoy sustainable growth.

The application of the three loops and two conditions summarized by the researcher above conforms to the idea that the petroleum company views the heart of the Sufficiency Economy as sustainable living for families, society and the country. This concept can therefore be applied to all kinds of businesses.

We need growth, stability, and, finally, business sustainability. The Principles of Sufficiency Economy represent the balance between the society, the environment, and the economy. If businesses make profits, then the society and the environment also benefit. That is the balance. In a balance-based process, the concept of the Principles of Sufficiency Economy is combined with traditional business operations, which is a Western concept. The example below shows how business operations for Company C adhere to the SEP but at a smaller scale.

An example of this is the community petrol station that has been operated by Company C for over 20 years. When the economic crisis occurred in 1997, the community petrol station was both the strongest business group and the business group with the least debt. The community petrol station model is therefore a perfect example of both sustainability and balance. This illustrates the fact that the Principles of Sufficiency Economy are suitable for business, but at a community level.

The petroleum company is one example that shows that the Principles of Sufficiency Economy are not only relevant for the agricultural sector but also for the business sector, but that the scale is important. Simply understanding the principles can contribute to their application, but they are not a perfect fit to larger corporations. In analyzing the company using the Principles of Sufficiency Economy as the business model, then reviewing the business management, this researcher believes that every organization needs growth, security, and sustainability (SCG, 2018).

The petroleum company improved its business management by applying the Principles of Sufficiency Economy, as quoted in Thansettakij: '[Company C]

continues to follow to the Principles of Sufficiency Economy, to make its business green' (2017). This demonstrates the image of the petroleum company as an energy company that has adhered to the Principles of Sufficiency Economy for a long time and that abides by its guidelines strictly. An example follows:

When the economic crisis occurred in 1997, also known as “Tom Yum Kung Economic Crisis”, it affected many business organizations in Thailand including [a large petroleum company]. After the economic crisis, [Company C] began to realize the importance of and applied His Majesty King Bhumibol Adulyadej’s “Principles of Sufficiency Economy” within the organization to ensure sustainability reasonably, to operate its business with prudence, and put measures in place to prevent risks, therefore it was able to quickly recover.

[Company C] adheres to the philosophy of King Rama IX in its business operations. [The company] has won a prize in a contest assessing the Principles of Sufficiency Economy for large businesses. The prize rewarded the way companies applied the Principles of Sufficiency Economy to modern management, during the Second Principles of Sufficiency Economy Contest, organized by the Chaipattana Foundation, Office of the Royal Development Projects Board, Ministry of Interior, Office of the Thai Army Budget and the Institute for Research and Development. (Thansettakij, 2017)

In addition, the petroleum company is the only oil trader that does not sell %100fossil fuel, but rather oil that contains a mixture of renewable energy sources. The company is invested in expanding its business into renewable energy, so today, in the eyes of Thai people and foreigners, the image of Company C is still one of a company that pays attention to the environment. The company also aims to strike a balance between ‘cost’ and ‘value’, which means accepting a reasonable level of profits, not exploiting trade partners, and also providing benefits to society. Company C has applied the principle of moderation to promote sustainability in the community economy by integrating business processes to ensure continuous benefits, such as the development of the community petrol station business.

Company C suggested to the agricultural cooperative groups (groups of people who have low incomes and reduced social opportunities) that it could operate a petrol station in the agricultural cooperative, to which the company brought business and management knowledge and provided a market of which its community members were already consumers. Business profits are distributed to members who use the service, thus creating jobs and income for the community. The company is also helping to set production standards and to develop products. The community then has the opportunity to sell the products on the market, which creates new job opportunities in the community. When farmers experienced problems related to the oversupply of agricultural products, Company C also bought agricultural products as a gift to help farmers during the downturn. The company became a leader in alternative energy by initiating the production and distribution of gasohol and biodiesel, which were derived from plants. Ethanol and biodiesel, both produced in the country, enable the reduction of oil imports from foreign countries and generate income for farmers. This solves the problem of agriculture goods being sold at a very low price, reduces environmental problems and global warming, and also enables the country to be self-reliant in terms of energy according to the Principles of Sufficiency Economy.

The case study of Company C can be summarized by saying that after it started following the Principles of Sufficiency Economy for a long period of time, the company's business enjoyed stable and sustainable growth, survived being in deficit, and experienced fair profits and continuous growth, with higher dividends being paid every year. This altogether creates investment returns and satisfaction for the shareholders. The company's employees have an increased understanding of the business system, which incorporates social responsibility, improving communities, and increasing environmental and public awareness. That being said, most of the SEP activities were conducted successfully with smaller groups, and as outsourced projects. This demonstrates that smaller business groups benefit more directly and are more purpose fit for SEP in management.

Bricks in the Wall	Company C	Explanation
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Knowledge of Moderation	✓	The company understands moderation – but is moving to a multi-vertical overextended business model. Too many different branches.
Virtue/Morality	X	While Company C does not sell 100% fossil fuels but a mix of fossil and renewables, fossil fuels are rapidly degrading the environment.
Small Scale	X	Company C is a very large conglomerate.
Risk Management	✓	The company has diversified it's holdings and assessed risk accurately.
Reasonableness	✓	The company has set a path for a reasonable future for when fossil fuels are depleted.
Knowledge-Sharing	✓	Company C engages in Knowledge-Sharing though its outreach programmes.
Empowerment	✓	Company C's petrol station project has empowered some rural villagers to build a local business model.
Indicators (Operational applications)	X	SEP tenants have been implemented more as external projects and not into core business logic or management styles.
Democratization	X	Company C does not democratize its workers.
Sufficiency	✓	Company C has sufficient holdings and funds to continue business. It successfully raised itself out of a deficit.

4.2.2 Cement Company: Company D

The cement company studied by this researcher and herein referred to as Company D is a partially public business based in Thailand that has stated the goal of being the leading organization for sustainable development. It strives to achieve this by balancing economy, society, and environment according to a 'Triple Bottom Line' that includes applying the Principles of Sufficiency Economy: moderation, reasonableness, resilience, knowledge, and virtue (Company D, 2018). The company designed its framework as one that can be used for sustainable development under its own 'Sustainable Development Guidelines', which cover its business philosophy: 'Adherence to fairness, dedication to excellence, belief in the value of the individual

and concern for social responsibility' (Pratoomsri & Suttipun, 2016 .p ,47-48(. The cement company applies the Triple Bottom Line and the Principles of Sufficiency Economy as follows.

Moderation: The company has adjusted its business structure to conform to its real potential and to maintain an appropriate ratio between debt and equity.

Reasonableness: The company accelerated exports to compensate the reduction of the demand on the domestic market. It focused on production efficiency to control costs. It also engaged in monitoring and checking asset statuses closely, using a policy of not laying off employees but instead focusing on increasing work efficiency.

Resilience: The business has increased the share of its exports. It implemented risk management strategies and issued bonds nationally to replace loans from foreign financial institutions.

Economy: The business is expanding into the ASEAN region and adding value to products and services through innovation.

Social: The business has promoted best practices in professional development, sharing knowledge with communities and society. It created the basic qualification of 'good and talented' employees.

Environment: The business has promoted economical and worthy energy use and has initialized energy-saving projects.

Company D initially used the philosophy of mainstream economic management, causing it to experience enormous debt (over 200 billion THB) and exposing it to risks from uncertainties. However, after the management changed its philosophy to the Principles of Sufficiency Economy and Triple Bottom Line, the company enjoyed higher profits than it did when it was a large-scale company that could not operate to its full potential.

In summary, the concepts of mainstream economics may not always be the right management tool for Thai businesses today. However, the fact that Company D is a partially public company plays a role in its strict adherence to the SEP. It can receive partial funding from the public and is not as open to risk as a traditionally private corporation. Company D is now a role model in Thailand as an organization that uses the Principles of Sufficiency Economy in its business operations instead of the old economic principles. As a result, this business that experienced great losses in the past was able to evolve and become one of the leading companies in Thailand and Asia (Company D, 2009).

Bricks in the Wall	Company D	Explanation
Knowledge of Moderation	✓	The company understands moderation.
Virtue/Morality	✓	The company implemented its 'Triple Bottom Line' which includes morality as well as its own Sufficiency Development Guidelines.
Small Scale	X	Company D is a very large company.
Risk Management	✓	Company D has moved to keep a balance between equity and debt.
Reasonableness	✓	The company has implemented a reasonably profitable path for the future.
Knowledge-Sharing	✓	Creating the classification of 'good and talented employees' as well as a professional development courses has held Company D in good stead.
Empowerment	X	While Company D has put in some professional development for its employees, this has not lead to large programmes of empowerment.
Indicators (Operational applications)	✓	Company D's 'Triple Bottom Line' has set out metrics for the SEP in management.

Democratization	X	The company has not added any democratization to its employees or suppliers/vendors.
Sufficiency	✓	The implementation of the SEP was a better fit for this Thai company, and it now has a more balanced approach to its business.

4.2.3 Power Company: Company E

The power company studied here (referred to as Company E) is a leading business group operating in the fields of energy provision for buildings and industrial systems, healthcare, lifestyle, real estate, and transport. Its main goal is to increase efficiency in both the quality of life and cultural prosperity of society. The researcher studied the history of the power company from its website (n.d.). The results can be summarized as follows:

The history of Company E (B.C. 2421)

Two Europeans, a German pharmacist and an Austrian, travelled to Thailand and established a chemist's shop, The Siam Dispensary, to distribute pharmaceutical and chemical products on the Oriental avenue. The shop was the first modern pharmacy in Thailand. They were appointed as the royal pharmacists to the Thai royal family since the reign of King Rama V.

In 1903, after Rama V returned from his grand tour in Europe, His Majesty brought various ideas from Europe in order to modernize Thailand. The Siam Dispensary hired a German pharmacist and expanded the business; this can be considered a diversified business expansion period that led to the company's growth.

As the business was going well, World War I erupted. German people were taken captive by the British government. The German Company E was in a difficult state. The German Pharmacist and his wife, together with their two sons, were sent to concentration camps in India.

After the war ended in 1920, the family came back to Bangkok to operate the business of Company E and continued to offer royal service. This strong relationship between the company and the royal family was once demonstrated when His Royal Highness Prince Bhanurabgsri granted permission for the company to build its office

at Wang Burapha. Their Majesties King Prajadhipok and Queen Rambhai Brani graciously presided over the opening of the new office of the company.

Moving forward to set world standards and Sustainable Social Development

From 1988, the power company, expanded, and also forged joint ventures with some of the world's most famous corporations.

As the world entered globalization, the infrastructure system in Thailand was under development, and the company therefore expanded into manufacturing and infrastructure systems to meet the needs of the country. Company E has joint ventures with many companies and is acting as distributor for Carrier, Siemens, Merck, Carl Zeiss, KSB, Uрго, MBM, and three wheeled vehicle manufacturers.

In 1992, the company built many new factories and established new headquarters in 1995. After that, Company E expanded its business in energy, biodiesel production, and lifestyle businesses. In 2008 Company E was now under new management and practiced a family management style. With a commitment to bring the power company to the attention of a global group of companies, the management aims to develop various businesses to meet the needs of society in the digital age.

Business philosophy of Company E

The company's business philosophy is: "Doing business with Compassion for the Development of Civilization in Harmony with Nature." Figure 7 shows that the company aims to do business with compassion for the development of civilization in harmony with nature, which will bring happiness to everyone. Doing business with kindness means working with good intentions, rejoicing when others receive something good, and releasing Metta, Karuna, Mutida, and Uppekha.

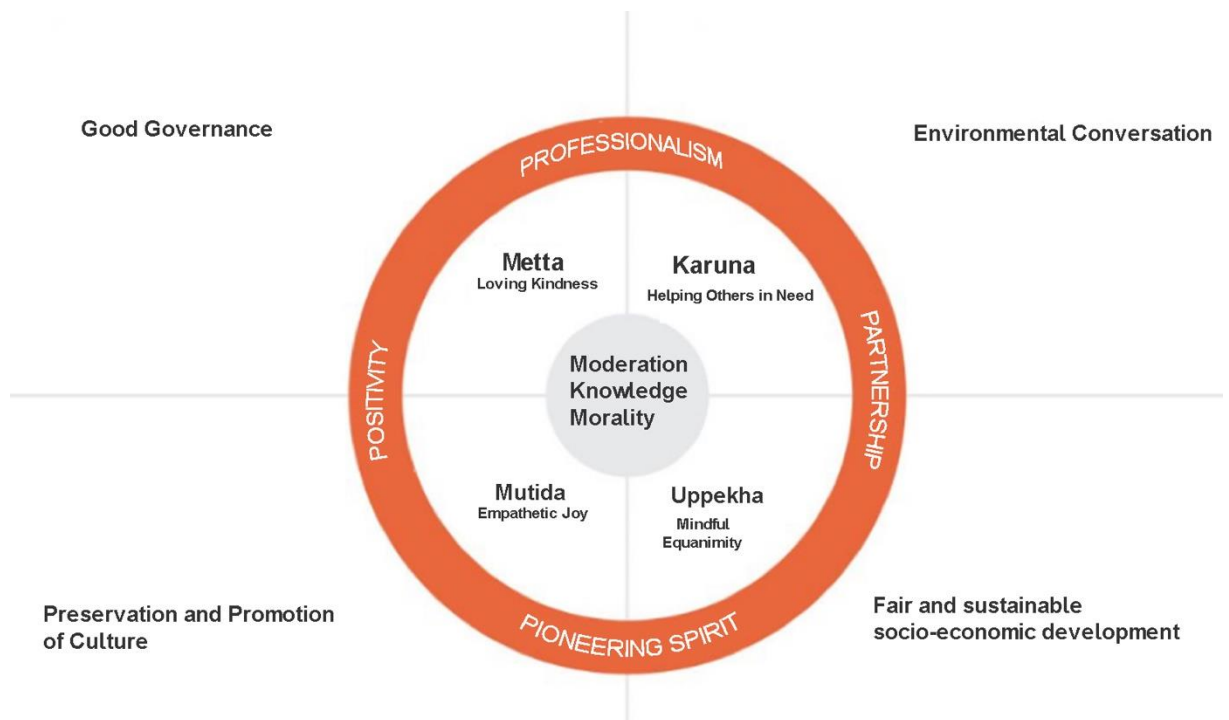


Figure 7 Business philosophy of Company E, which conforms to the Sufficiency Economy of His Majesty King Bhumibol Adulyadej.

The development of civilization includes various factors that create conditions for the well-being and happiness of the general public. Over the years, the power company has responded to the diverse needs of people with goods and services such as medicines, canals, telecommunications, power plants and tools, freezers, medical equipment, electric trains, boats, restaurants, spas, porcelain and office buildings.

With the products and services mentioned above, Company E believes that it satisfies human needs that come with social development and a balanced economy, all within nature's limitations. Combining this with good governance, and at the same time allowing people to maintain their cultural identity in line with the guidelines of Bhutan's 'Philosophy of Gross National Happiness', these factors are called the four pillars of balanced development. The power company has followed the four pillars idea via many social activities alongside its business operations, resulting in the development and promotion of religion, education, environment, sports, music, and art.

These activities support the researcher's claim that most large corporations use SEP as either public relations, or as a CSR programme, and not as core business

management logic. Also, the promotion of religion could curtail the acceptance of SEP internationally.

Bricks in the Wall	Company E	Explanation
Knowledge of Moderation	✓	The company understands moderation.
Virtue/Morality	X	Company E relies too heavily on buddhism that may not be acceptable in other countries or even areas of Thailand (South, North Hills)
Small Scale	X	Company E is a large company.
Risk Management	✓	Company E is well shielded from market risks.
Reasonableness	X	The Company is on a path to higher profits, which is not in line with SEP
Knowledge-Sharing	X	The projects and activities engaged in by Company E are social and not aimed at deep knowledge sharing.
Empowerment	X	Family management style consolidates power hereditarily and does not empower employees.
Indicators (Operational applications)	X	No evidence of management implementation of SEP
Democratization	X	A company run by a family is by nature undemocratic.
Sufficiency	✓	The company has enough profits to keep itself running and a balanced account.

4.2.4 A Beverage Company's Strategy for Sustainable Development: Company F

A Thai beverage company (Company F) embraces the Principles of Sufficiency Economy of His Majesty King Bhumibol Adulyadej, applied as guidelines for sustainable development. The company also adheres to the UN's sustainable development goals as a development strategy to push the organization's operations to be socially responsible towards all stakeholders. The framework of the

Principles of Sufficiency Economy, which is used in planning and implementation, consists of three characteristics: moderation, reasonableness, and resilience.

Following those principles, the company will be able to operate sustainably under the trend of globalization and will be able to adapt to changes. The company's business operation adheres to these three characteristics, combined with knowledge and virtue building.

Following the so-called 'middle path' and considering the three principles of the Principles of Sufficiency Economy, Company F's business operation embraces the following traits:

1. Moderation
2. Following one's own ability and potential
3. Avoiding extremes
4. Financial discipline
5. Rationality
6. Assessing the causes and effects of every action on all stakeholders
7. Creating real value
8. Resilience
9. Risk management
10. Preparing for future impacts or changes

The beverage company believes in the benefits of sustainable growth based on the three Principles of Sufficiency Economy and the other two values: knowledge and virtue. This is achieved through:

1. Knowledge
2. Having in-depth information
3. Correct understanding (Knowledge)
4. Connecting knowledge and experience
5. Morality
6. Honesty
7. Sincerity
8. Diligence
9. Consciousness

10. Humility

The Principles of Sufficiency Economy, as a guideline for business operations, will lead the organization to balanced progress in four dimensions: economy, society, environment, and culture. At the same time, under the strategy of organizational sustainability, Company F is confident that it can be self-reliant and sustainable, creating unlimited opportunities for the business and for society.

Apart from applying the Principles of Sufficiency Economy, the company also demonstrated its commitment to the implementation of 17 UN Sustainable Development Goals as outlined in the Sustainable Development Agenda 2030 (United Nations, 2019) by combining them in guidelines aimed at increasing the operational efficiency of the company in many areas and helping to push sustainable development at the national and international levels. Both sets of principles also focus on using knowledge, experience, and ideas to create stable development, reducing environmental impact, and increasing human resource development. However, in order for economic growth to be sustainable, it must be based on rational business operations and adherence to appropriate risk management.

The Principles of Sufficiency Economy and Sustainable Development Goals are in line with the beverage company's 2020vision goals to become a 'leader in the beverage business in the ASEAN region in a way that is stable and sustainable' (Company F, 2017) and to focus on the participation and the establishment of good relationships with stakeholders along with the growth of the organization.

The beverage company is confident that the sustainable development strategies based on the application of the Principles of Sufficiency Economy and the Sustainable Development Goals of the United Nations will strengthen the balanced progress of the company throughout the value chain and reinforce its business operations. In turn, the company will create great benefits for society and the environment, as well as its stakeholders.

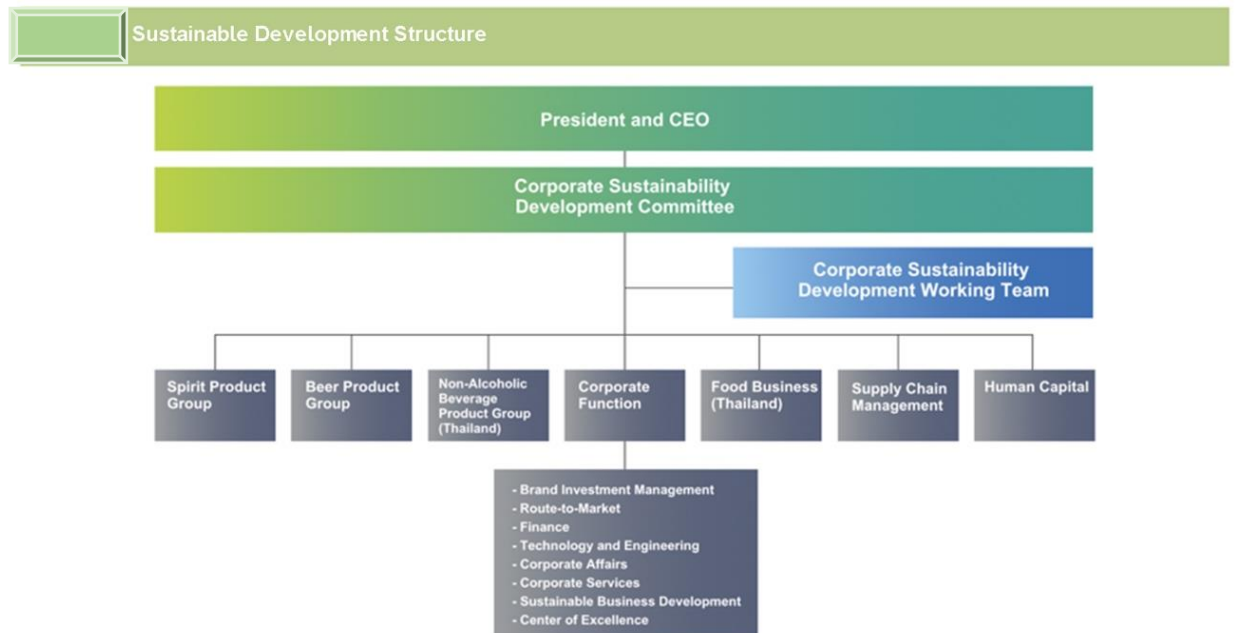


Figure 8 Company F's Sustainable Development Structure.

The beverage company's Business Sustainability Development Committee is responsible for planning, policymaking, and implementing sustainable development measures in line with the direction of operations. Corporate strategy is defined by the Board of Directors and the Sustainable Development Working Team, which supports the Business Sustainability Development Committee. The Sustainable Development Working Team consists of representatives from various fields responsible for creating performance indicators in environmental safety and occupational health. They create plans, support the Committee, follow up on sustainable development work, and communicate with the Business Sustainability Development Committee. They also participate in the process of assessing the sustainability of the company. The Business Sustainability Development Committee is responsible for reviewing the completeness of the key points of corporate sustainability. They analyze and report to the committee, develop business sustainability strategies for consideration, and then present to the Board of Directors, who consider and approve such strategies relating to important sustainability issues.

In 2017, the beverage company was selected to continue its membership in the index group Dow Jones Sustainability Indices (DJSI) in the DJSI Emerging Markets group, receiving the highest score for the second consecutive year. It has also been

selected as a DJSI World member for the beverage business group. Company F is dedicated to outstanding sustainability development in the economy, society, and the environment and have comparable operating results with leading international companies.

Company F's adherence to the tenants of SEP can be seen as guidelines and in the workings of committees, not as concrete policy.

Bricks in the Wall	Company F	Explanation
Knowledge of Moderation	✓	The company has a good understanding of moderation and the middle path.
Virtue/Morality	✓	Company F believes in the middle path and has guidelines to encourage good moral behaviour.
Small Scale	X	Company F is a very large company with many different business arms.
Risk Management	✓	Company F has diversified it's business enough to cushion against market vagrancies.
Reasonableness	✓	Company F is following a reasonable path for economic success with SEP.
Knowledge-Sharing	X	There are no projects to share Company F's expertise.
Empowerment	X	Company F does not empower it's employees.
Indicators (Operational applications)	X	At committee level – there is a Corporate Sustainability working team with a Corporate Sustainability Committee – BUT they only make recommendations to the board, and as guidelines, not as a matter of policy.
Democratization	X	Company F does not add any democratization for its employees and stakeholders.
Sufficiency	✓	Company F exhibits sufficiency.

SEP Implemented in Business – all case comparison

	Company A	Company B	Company C	Company D	Company E	Company F
Knowledge of Moderation	✓	✓	✓	✓	✓	✓
Virtue/Morality	X	✓	X	✓	X	✓
Small Scale	X	X	X	X	X	X
Risk Management	X	✓	✓	✓	✓	✓
Reasonableness	X	✓	✓	✓	X	✓
Knowledge-Sharing	✓	X	✓	✓	X	X
Empowerment	X	X	✓	X	X	X
Indicators (Operational applications)	✓	✓	X	✓	X	X
Democratization	X	X	X	X	X	X
Sufficiency	✓	✓	X	✓	✓	✓

The studies of 6 corporations in Thailand take a macro look at SEP implementation and how they measure against the bricks in the wall of knowledge laid out in the conceptual framework. Most all have not achieved the ‘small scale’ aspect as the companies studied are all rather large, and for contrast, SEP is more suited to SME’s. SME’s are more flexible, aren’t so beholden to shareholders for dividends, and usually have a closer working relationship with their employees, and as such can more closely align with certain aspects of the wall, such as democratization

CHAPTER V

SEP IN ACTION: CONCLUSION, DISCUSSION, AND RECOMMENDATIONS

5.1 Conclusion

Comparison of New Theory and Business implementing the SEP

Bricks	Agriculture						Business					
	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Company A	Company B	Company C	Company D	Company E	Company F
Knowledge of Moderation	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Virtue/Morality	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	Y
Small Scale	Y	Y	Y	Y	Y	N	N	N	N	N	N	N
Risk Management	Y	Y	N	Y	Y	N	N	Y	Y	Y	Y	Y
Reasonableness	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y
Knowledge-Sharing	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N
Empowerment	Y	Y	Y	Y	Y	Y	N	N	Y	N	N	N
Indicators (Operational applications)	N	Y	N	Y	Y	N	Y	Y	N	Y	N	N
Democratization	Y	Y	Y	Y	Y	N	N	N	N	N	N	N
Sufficiency	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Figure 9. Chart of case studies in both Agriculture and Business. Y= yes, N = no.

As the chart above clearly shows, the New Theory of Agriculture follows the SEP and its tenants much more closely than large corporations do. On average, New Theory farms have approximately 80% adherence to the different aspects of SEP and fit into the researcher's wall of knowledge laid out in the conceptual framework. On the business side, the adherence is approximately 40% - 60%. The bigger the corporation, the lesser amount of bricks that are supported, which in turn leads to an unsteady foundation for sufficiency. The businesses that follow the SEP wall of knowledge more fully are those that are agribusinesses or those who have farmers/agriculture as a major stakeholder.

What they do have in common, is knowledge of moderation, and sufficiency. Sufficiency can have many definitions, but if a corporation is not in significant debt, and is able to balance its business interests as well as its bottom line while keeping employees happy, it can be said to be sufficient.

The chart also shows that Agribusinesses are the closest adherents to the SEP, the ones that follow all the criterium most closely. As the table clearly shows, farms follow the SEP much more closely than business does, because they are fundamentally different areas. The larger the business, the more difficult it is for the corporation to adhere to all of the criterium. The corporations that were more

multifaceted were more compliant from a risk-management perspective, but from all other indicators fell far short. Corporations could up their democratization score by cooperation with its employees and suppliers through profit share, unionizations, or other programmes that would allow agency for those not in management roles.

As displayed above in the case studies of business and industry, the implementation of SEP and even the definitions of the philosophy's aspects are wildly divergent across industries and even from company to company. Whereas the New Theory of Agriculture follows a set framework and formula for farming, there has been no attempt at a unifying set of standards for other industries. The result has led to policies and 'lip service' being paid to the fundamentals of the Philosophy. Such activities fall under a few categories:

1. Public Relations activities
2. Corporate Social Responsibility activities
3. Promotional and Marketing activities

These are not sustainable ways to run a corporation according to the SEP principles. Without guidelines, companies will initiate their own ideas of what SEP means and how to implement it. Although not appropriate to say, they may be using the higher institution for publicity and legitimacy. This is something that is potentially damaging to the monarchy and also a crime in Thailand. There is a better way. The six case studies of businesses and industries show that for companies not in agribusiness and for those that are large corporations, the SEP tends to be relegated to the status of a corporate social responsibility (CSR) project. Once a company/corporation gets big enough, it is beholden to its shareholders and the edict of maximizing profits. This researcher has found that larger companies have difficulties implementing the SEP into their management structure, as it is occasionally in direct conflict with market realities.

5.2 Discussion

SEP has been used in politics by both sides of the 'colour factions' as a propaganda tool, and the current government very enthusiastic to implement SEP throughout all Ministries, to varying success. Since SEP has no concrete guidelines

for implementation in political ministries, it would be difficult to measure just how well the SEP is being adhered to. When the Royal Thai Government was the G77 chair, the Prime Minister was enthusiastic about exporting the SEP amongst other 'Global South' countries. To date, there has been a delegation from Tonga that has visited Thailand to learn some New Theory farming techniques.

Previous researchers (Avery, Bergsteiner) have argued that the SEP is a gift from Thailand to the rest of the world and that it could easily be applied to not only large corporations, but to Industry, Government, and any other area of management. That the SEP lends itself easily to sustainable management practices and that economic policies based on the SEP could be easily implemented across the board. These researchers do not present any type of framework for the integration of the SEP with business and industry, and relies on statements and CSR programmes as evidence of full integration of the SEP. Examples given have centered around awards given to corporations for spearheading projects or a new CSR programme for either a local community or its own employees. While these are laudable, they do not enable real, systemic change in the communities around them, or for their employees or suppliers. These solutions are short-sighted and not sustainable.

This researcher has found that to have full implementation of the SEP in the business and industrial system, first a fundamental framework needs to be constructed, and especially a monitoring and evaluation system needs to be constructed so that real, tangible outcomes can be recorded and measured against successes and failures. Especially around metrics and democratization/cooperation and their clear outline in a business system would be the biggest aspect for a meaningful and successful implementation of the SEP. Not just CSR, PR, or a committee, but as an integral part of the management policies and procedures. Once a solid framework can be developed and put into place, real sustainable change can be achieved.

The United Nations Development Programme had previously been a strong supporter of the SEP especially the New Theory agricultural philosophy. The 1997 report has remained a benchmark many years later. More recently, with the new government, the Office on South-South Cooperation has partnered with the Thai

Ministry of Foreign Affairs to create a report on how to use the New Theory amongst other Global South countries.

The Thai Government is also using the SEP to achieve the SDG's. In particular, the SEP is said to factor directly into all 17 of the Global Goals. Especially goals 1, 2, 5, and 10.

Goal 1 is to end poverty, and the New Theory method of farming brings disadvantaged farmers out of a debt cycle.

Goal 2 is zero hunger which is again linked with the New Theory and its emphasis on food security.

Goal 5 is gender equality and the democratization aspect of SEP is applied equally across genders.

Goal 10 is to reduce inequalities – both in the agricultural and the economic spheres the SEP brings disadvantaged farmers parity and control and gives employees a voice in corporations that implement SEP principles in their management style.

The Western view of SEP can be said to have a democratizing influence on small farmers and one that bestows equity to the poor. In Western literature, the SEP stands for equity, democracy, and sustainability. This is in contrast to the Thai view of the SEP. In most Thai literature, SEP is seen as a 'gift' to the Thai people from His Majesty as a benefactor. The Thai view also has a very strong religious affiliation through Buddhist Economics and the 'middle path', which is said to make up the 'Moderation' pillar of the SEP. It is to help the poor help themselves, not make them equal with other socioeconomic classes.

If the Thai government would like to export the SEP to other countries as a Thai solution, its religious aspects may need to be either minimized or removed altogether. A Muslim country that would otherwise benefit greatly from a New Theory programme could balk at the idea of a Buddhist programme, as could a conservative Christian nation. To make the SEP truly adaptable for international use, minimization of the religious aspects would be a prudent step.

The brick of democratization, especially for corporations, is a new idea. In the above chart, and the chart in Chapter 4 comparing all companies, none of the companies could satisfy the democratization brick. Not surprisingly as they are large corporations that are not run with democratic principles. While corporations would

find it difficult to implement democratization in a business setting, as this goes directly against the market capitalism system. Businesses are not democracies but are dictatorships. How do we bring an element of democracy into a corporation that wishes to use the SEP? While democratization is a fundamental build in of the New Theory, for corporation, the theory needs to be more flexible in its interpretation. We can say instead of democratization, cooperation would be the goal. Cooperation between management/leadership and their subordinates in a more egalitarian fashion, and cooperation between the corporation and its suppliers in the same way. This would mean that moving forward, the SEP could be said to be a democratizing factor in both rural communities and in the boardroom.

For Thailand, seeing the SEP as a democratizing avenue is something that has not been raised before. When low socio-economic farmers gain the financial freedom, and, as a consequence, they are empowered and emboldened to improve their living situation and station in life. With the power back in the people's hands over their earnings, it engenders a pride of sufficiency.

New Theory is much more solid as a framework that could be exported, but hits upper limits for scalability and has barriers to access, it could also greatly benefit with a policy centre and review put into place. Firm metrics and outputs would create a world-class product for international export. SEP, when implemented in large corporations, even with its flexibility, is a fundamental clash with market economics. This can lead to SEP being delegated to a window dressing, rather than a real agent of change.

What is of paramount importance is listening to the voices of the farmers who are farming via New Theory and how it could be improved would greatly benefit widespread adoption of the New Theory.

5.3 Academic Recommendations

On the basis of recommendations, for the SEP as an overall theory, the researcher would like to refer back to the Wall of Knowledge, where all the 'bricks' are laid out that would be instrumental in building the house of sufficiency. The theory as it is now, lacks the necessary monitoring and evaluation criteria that would make the SEP truly an exportable product/policy that would put Thailand on the

world stage as an innovative member of the G77 and leader in ASEAN. Specifically, the bricks of Democratization and Indicators. None of the studied programmes have these metrics to measure against, and they are not built into the current theory.

The brick of Indicators is the professionalization step that the SEP needs to become an internationally recognized and respected theory that could be implemented as a policy or programme on the global stage. Partnering with the United Nations would expedite this process and the UN could lend its programme and policy expertise to the SEP in order to set the performance indicators needed for the SEP to be applicable outside of Thailand and ASEAN to other Global South countries and beyond.

Some recommendations for the success of the SEP in the agricultural sector are as follows:

Recommendations to Government and Organizations to lower barriers to access:

1. Community land access
2. Lower costs for organic certifications
3. Support of start-up grants for New Theory-style farms
4. More comprehensive outreach programs for communities
5. Ongoing support for farms, especially in the first few years
6. Possible starter packs for farmers to help them switch over to New Theory farms
7. Low-interest loans to cover start-up costs
8. Creation of a support network of farmers

Recommendations for Farmers:

1. Farmers can now apply New Theory to plots of land as small as 1 rai
2. Farmers can implement innovative technologies to lessen the burden of harvesting
3. Farmers can participate in new E-commerce programmes to reach a wider audience of consumers
4. Farmers can plant a portion of their land with fast turnover crops to be able to sell quickly

5. Farmers can be flexible in the way they interpret the New Theory, and try many different combinations, while staying true to the main tenants of SEP

These and other measures would be beneficial to lowering barriers to access for those who lack resources and funds to start or convert to New Theory farming. This, in turn, would increase human security of the rural areas of Thailand and food security for all Thais with a decrease in chemical pesticide usage and fertilizers. The New Theory method as an organic alternative is more sustainable option than monocropping and large agribusiness. As Thailand looks to fulfil the SDGs and create a more sustainable future for her people, it behoves the country to lower barriers to access for its most successful endeavour in small-scale integrated farming for all those who wish to practice. The New Theory is best used in smaller farms, and farmers find scaling-up difficult to do whilst adhering to the original 30;30;30;10 layout of the original plan, and as such, modifications such as bigger ponds for fish, or a focus on frogs as a main driver of the farm. Scaling up requires capital expenditures and it takes approximately 2-5 years to become self-sufficient on a New Theory farm.

If SEP is meant to be an export product, there could be potential pushback from some countries because of the close ties to Buddhism and Buddhist economics. Perhaps just for export to other Global South countries, explicitly religious wording and practices could be toned down. Farmers can participate in the new E-commerce platforms and Thai QR Code payment system to attract customers they normally would not be able to reach. Companies and Corporations could start to implement SEP into their management systems gradually or in stages. Constraint in declarations of being 'SEP Compliant' would be prudent until all stages are complete.

Farmers and Agribusiness can cooperate with TICA and its ongoing New Theory and SEP projects both inside Thailand and within ASEAN, as well as holding stakeholder hearings with farmers to hear directly what their pain points with the New Theory are. Research how farmers are modifying and adapting the New Theory to their specific situations and circumstances and include these exceptions in the official literature. The Royal Thai Government should also partner with a relevant INGO such as the UNDP to develop a policy centre focussed on how to successfully implement

the SEP across business and government. This would add vital clarity and metrics to the philosophy that could be actionable, measurable, and be monitored and evaluated.

The earlier recommendation in regard to utilizing blockchain technology to modernize the SEP could take a few forms. One possible avenue is the supply chain, and tracking a farmer's crop. Especially if the crop is claimed to be organic, with IOT (Internet of Things) sensors that measure soil PH, pesticide use, and moisture, the farmer and the consumer can track any crop from seed to harvest – ensuring quality, provenance, and safety. If the crop is certified organic and the consumer is able to track their produce every step of the cultivation, processing, transport, and delivery, it is a possible value add for the farmer, who would be able to charge a higher price for a premium product, which would in turn cut the probability turn-around time for a New Theory farm.

Another avenue is to set up a cooperative that funds and sells farmer's crops through a blockchain project. A certain unit of produce would be represented by X amount of 'SEP Tokens' – a cryptocurrency. These could be bought, sold, traded, or used to claim produce at harvest. The owners of the project could put the cryptocurrency back into the project to keep it sustainable, or the tokens could be traded on a licensed digital asset exchange. This would be a fully self-sustained ecosystem project, and profits could be used to fund farmers struggling to create a New Theory farm, or for completely different social enterprise projects, or back into the farmer's cooperative.

The creation of a 'SEP Token' by an accredited social enterprise in Thailand could also happen, and profits from sales of said token could be used to fund various social development projects across Thailand and beyond. It is possible that it would be a self-sustaining fund, if it was well promoted and traded. For a social enterprise to be fully self-sufficient would be optimal.

There are certification programs in Thailand for products that are organic. There is also a program for OTOP or 'One Tambon, One Product'—which are akin to regional stimulus programmes for local products. These products go through a rigorous process of inspection and approvals. If the same level of standards were applied to SEP and a 'certification system' created, it would not only create a standardized level of SEP and keep the concept 'pure', but it would potentially also

create an alternative revenue stream for the Thai Government. These profits could be split evenly between the Government and the various Royal Projects that His Majesty Rama X supports, to further research and development into the Sufficiency Economy Philosophy and its relevancy in modern times—especially now.

The draft framework of SEP for business could be formatted like the following:



Figure 9 Illustration of verification system.

Level 1

- **Company must have robust CSR**

Level one certification requires a Corporate Social Responsibility programme and documentation attesting to the effectiveness of said programme.

- **Company must show balanced financial records**

Level one certification requires that the financial records of the company be balanced with no major debts or financial troubles within the last five years. Balance is the key.

Level 2

- **Company must demonstrate three basic principles**

Level two certification requires that the company must submit documentation showing its adherence to the three principles of SEP— Moderation, Reasonableness, and Prudence.

- **Company must show benefits for employees**

Level two certification requires that the company must show a benefits programme for employees such as a revenue share (stocks, bonds), health care programme, or other benefits. When the company benefits, the employees who work for it also should benefit.

Level 3

- **Company must create knowledge in its field**

Level three certification requires that the company commits to creating and teaching about its field to its employees or that it creates training programmes for future employees or the general public. Examples include: an educational programme for visiting school children, internships through a local university, or professional development training for employees.

- **Company must show sustainability policies**

Level three certification requires the company to create, implement, and continuously update sustainability policies relevant to its industry. These could be internal or external facing. Succession planning,

environmental protections, and growth planning are all examples of sustainability policies.

The above example is just one way that the Thai Government could make a systematic change to the promotion of the Sufficiency Economy Philosophy both at home and abroad. If the framework above is applied in an industry outside of agriculture, it could be standardized in a way that is able to be exported, as well.

The above certification levels could also introduce a fee that an organization would be required to pay to reach each subsequent level. These fees could be part of a revenue-generation plan for both the Thai Government and the various royal projects that could benefit from additional funding. Funding could also be funnelled back into the certification system, thereby making it sustainable.



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