

Sufficiency Economy Philosophy (SEP): Application in agriculture and sustainable development

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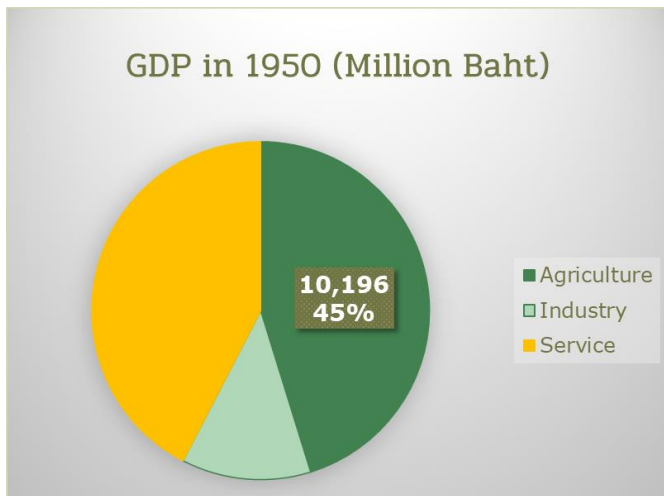


Outline of Presentation

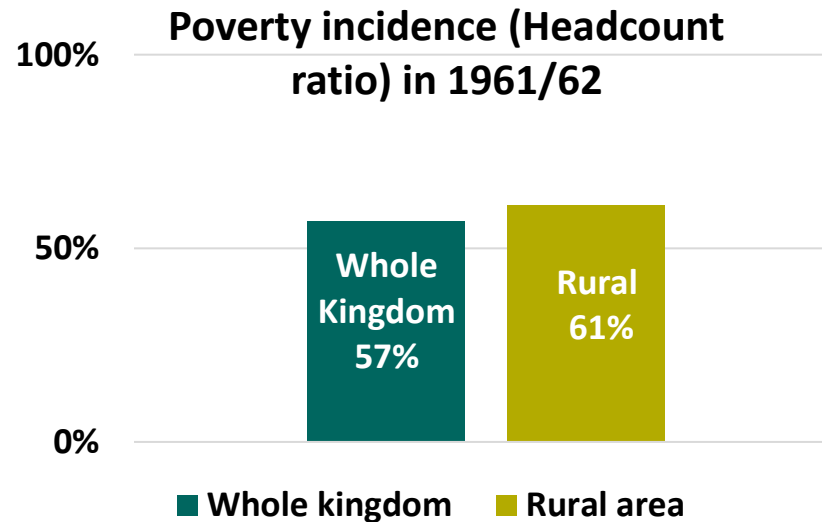
- Past Development in the context of Thailand
- What is Sufficiency Economy?
- Components of Sufficiency Economy Philosophy
- Applications of SEP
- Conclusion

Thailand's Past Development

- Agriculture was the main engine of growth (1950-70)
- Majority of people lived in a rural area whose income is mainly from the agricultural sector
- Poverty rate is concentrated in rural area



Source: Data from Hayao (1996)



2024 Thailand in Facts and Figures

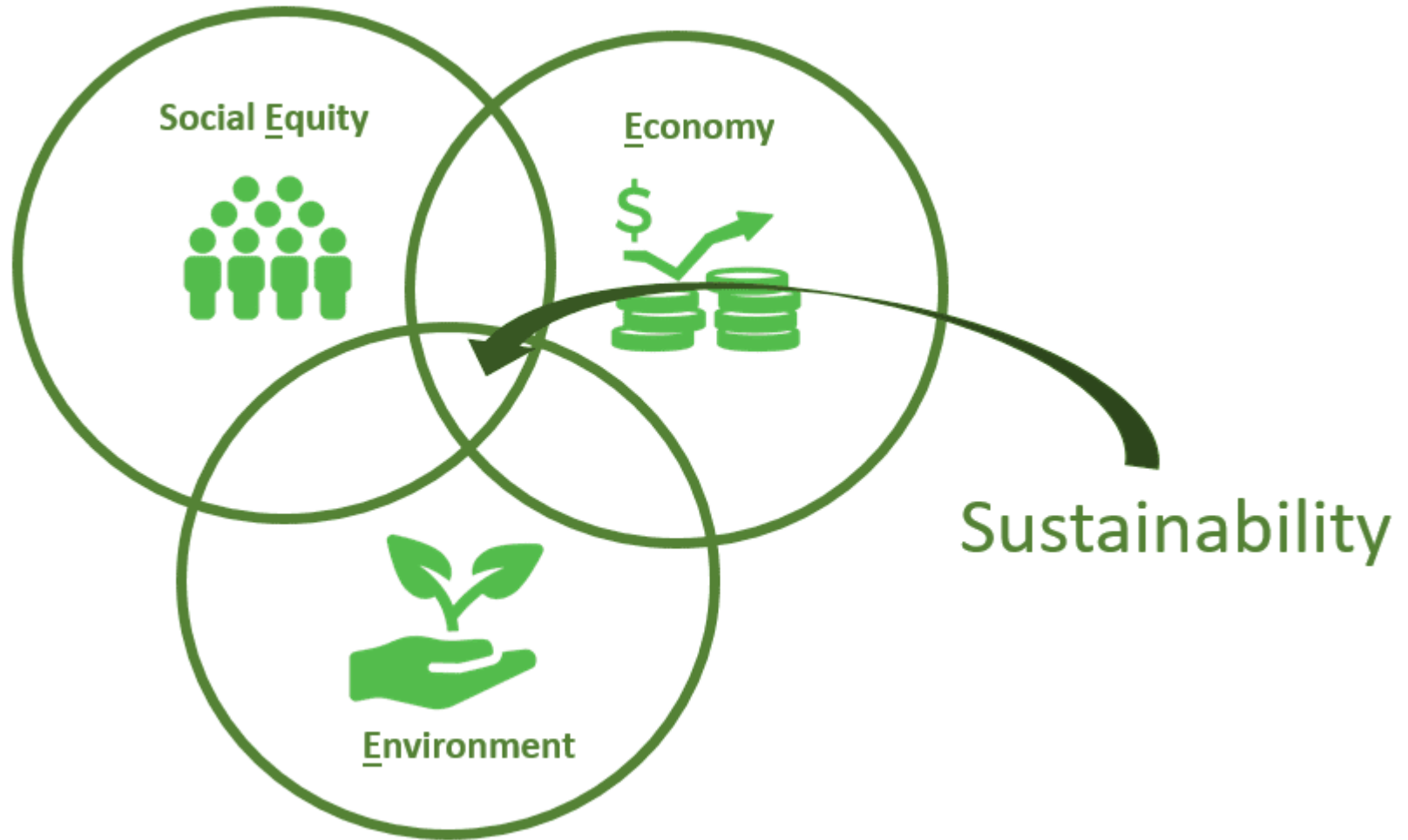
- By figures of GDP in monetary value, **Thailand is no longer an agricultural country**. It is now the service-based economy.
- But, **by facts of people and resource endowment, the country still depends on land, residence, labor and quality of life from the agricultural and rural sectors.**
- The key potential of the country is lied mainly upon
 - 1) cultural environment
 - 2) economic location
 - 3) agricultural fertility
 - 4) diversified tourism

Sustainable Development: What the whole world is searching for..?

“Treats the earth well. It does not belong to you by your parents. It is loaned to you by your children.”

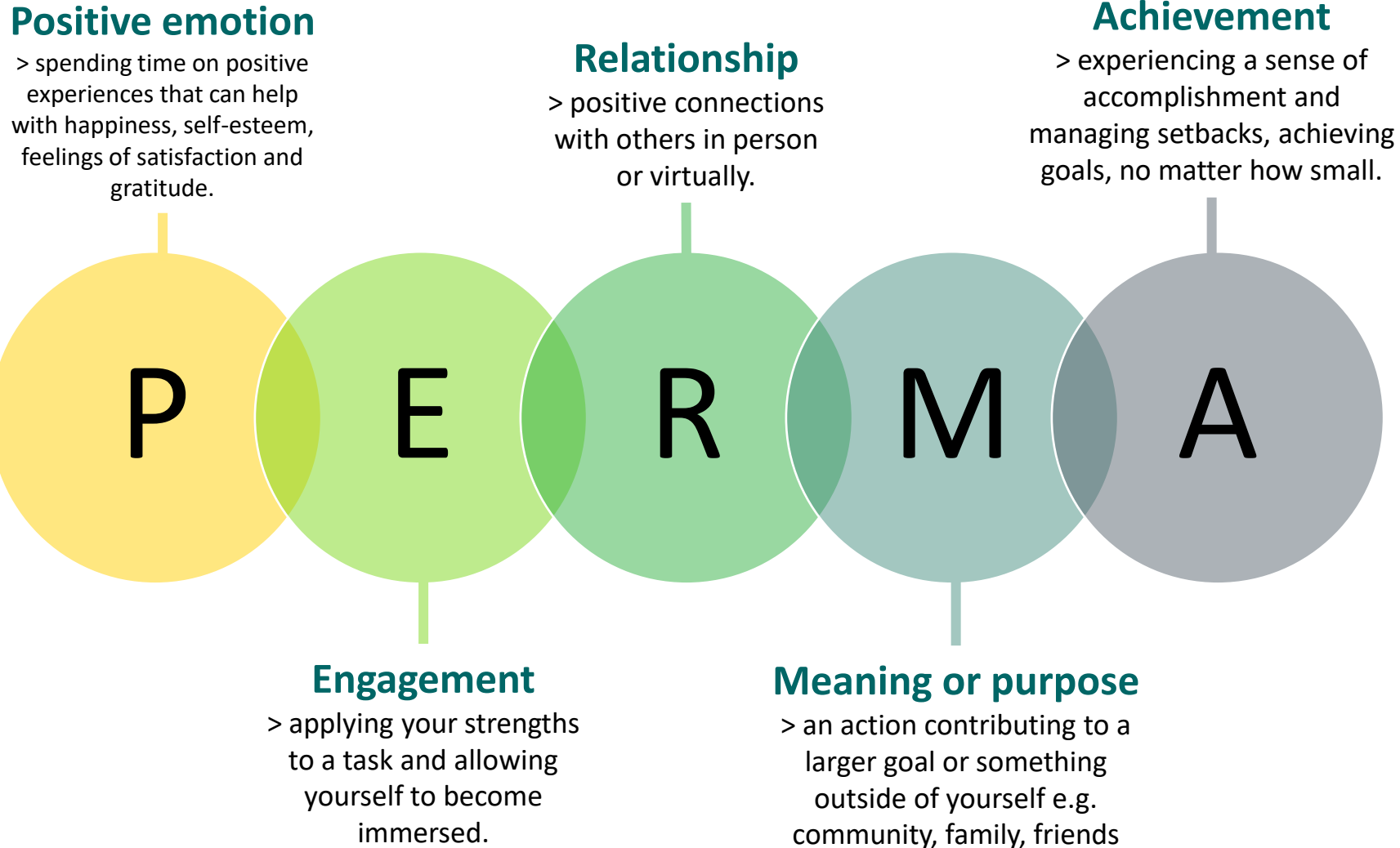
Kenya proverb long time ago...

Sustainable development



Well-being matter

The PERMA model was developed by well-respected psychologist Professor Martin Seligman and first appeared in his 2011 book, 'Flourish'. The model comprises of five key role.



The Late King's speech in 1974: viable option for grassroots development

- Rural visits to witness the poverty
- H.M.'s Development work experiences: comprehensive understanding of development problems



Image was copied from The Office of The Royal Development Projects Board

This speech introduced SEP

“National development must be carried out **step by step**, starting with laying the foundation to ensure that the majority of people **have enough to live on and live for** as the basic step, using **economical yet theoretically sound methods and equipment**. **When the bases are securely established, higher levels** of economic growth and **development should be promoted**”

- **‘enough to live on and live for’** is the key word of Sufficiency Economy.
- **‘Step by step’** development (Moderation)
- building a **‘strong foundation’** before higher level of development.
- Not to promote growth-oriented but **for better income distribution (pro-poor approach)**
- **cheap material inputs available (Moderation)**
- **method must be theoretical** sound (Reasonableness)
- **‘appropriate technology’**, technology must work well and not too expensive (the poor cannot afford expensive, raw materials and technology)

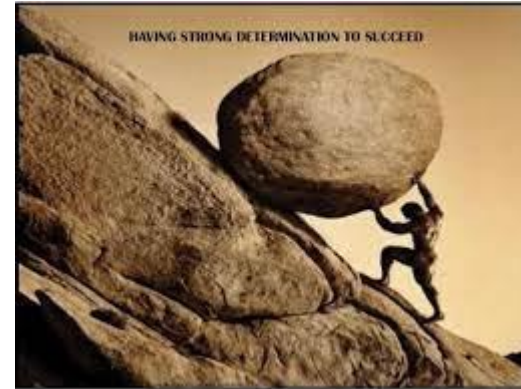
Implicit Issue from the speech

Key factors for a successful development among unfavorable environments

1. must acquire **knowledge**

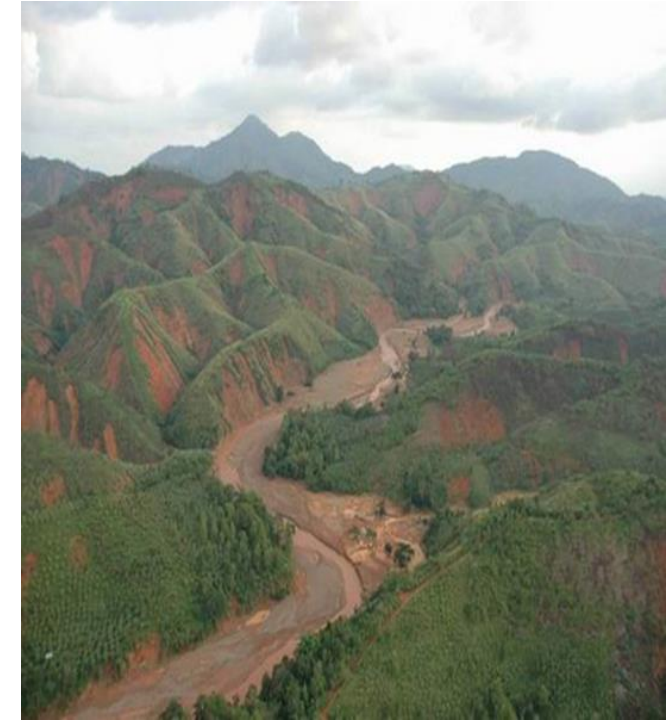


2. Have **strong determination**
to overcome obstacles



Past Thai development focused on economic growth. However, income inequality remained high.

- The GDP growth came at the expense of the resource depletion.
 - It raised rural environmental problems deforestation, forest encroachment, soil erosion, flooding & water shortage
- Economic stability was not achieved.
- Thailand had high rate of inflation, unsustained current account deficit and had excessive foreign debt.
- Unsustainable growth caused Thailand to have financial crisis in July 1997
 - Major economic crisis occurred in Thailand in 1997 from over foreign debt and local non-performing loan
 - Situation expanded to the regional Asian countries known **“Shrimp Soup Crisis”**
 - Restructured in constitution, finance, economy, education and mindset of Thai people



	1993	1995
Forestry Area/Total Area (%)	26.02	25.62
CO ₂ (Thousand Ton)	112,098	141,750
Garbage (Mil.Ton)	11.1	12.6

H.M's speech on **December 4, 1997:**

the beginning of the official concept of Sufficiency Economy



"Being a tiger is not important.

The important thing is for us to have a sufficient economy.

A sufficient economy means to have enough to support ourselves"

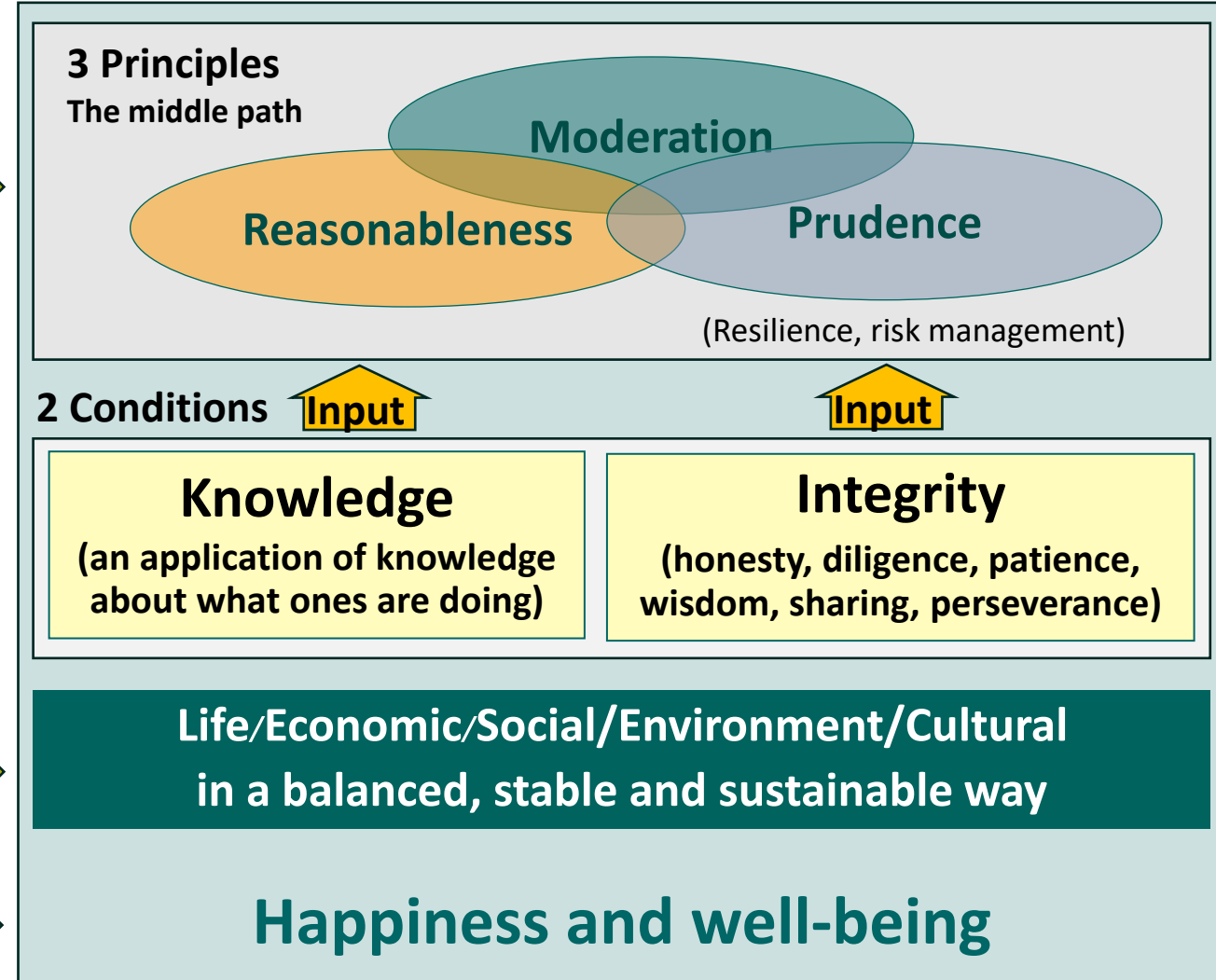
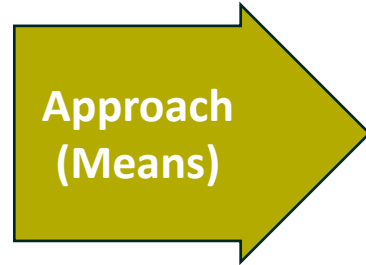
Apply SEP is good for all:

individual, farmers, business (small, medium, large), and country as a whole.

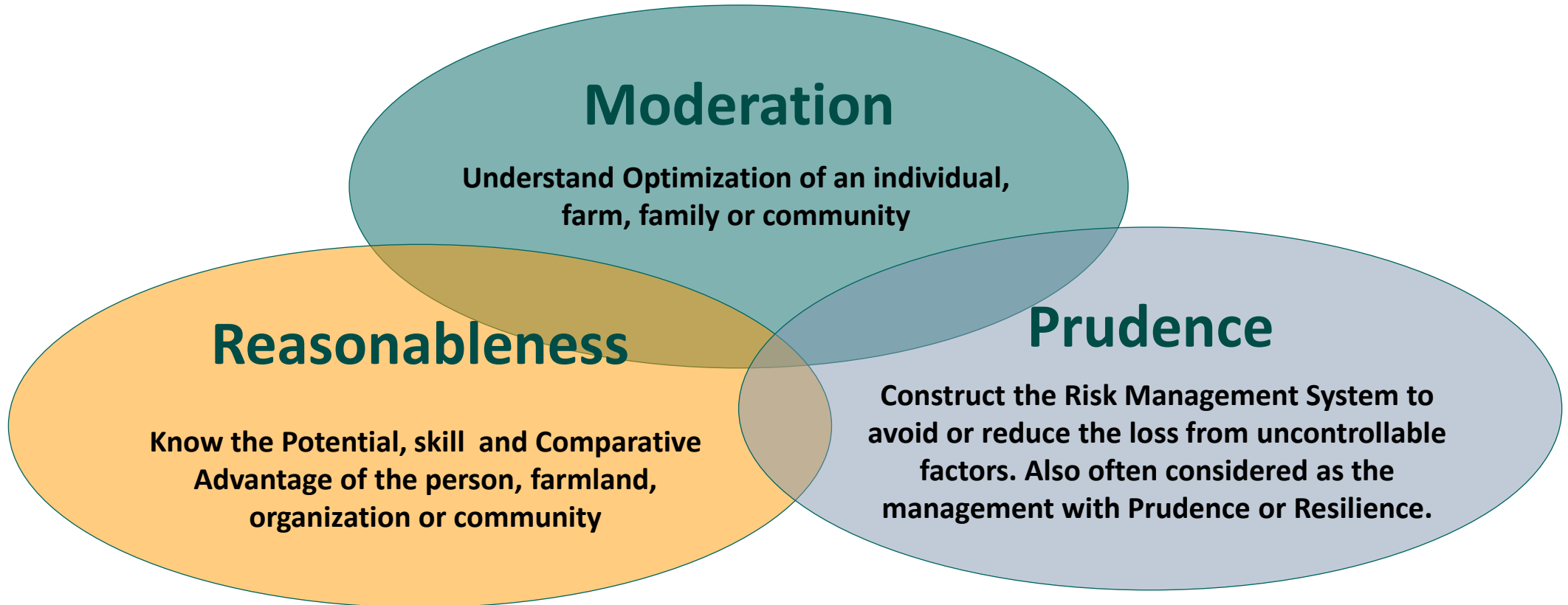
Misconception	SEP Concept
SEP can only be applied to the agricultural or rural sectors	SEP can be extended to include other areas.
SEP cannot generate “profit” and is not opposed to “competition”	SEP focuses on long-term profit consideration, help a business to grow in long term , paying attention to all stakeholders and managing risks
the SEP is not opposed to "growth" nor does it promote "isolation".	SEP is to move a country forward in the long-term, a policy maker needs to take into account stable growth, equity and sustainability.

What is Sufficiency Economy (SE)?

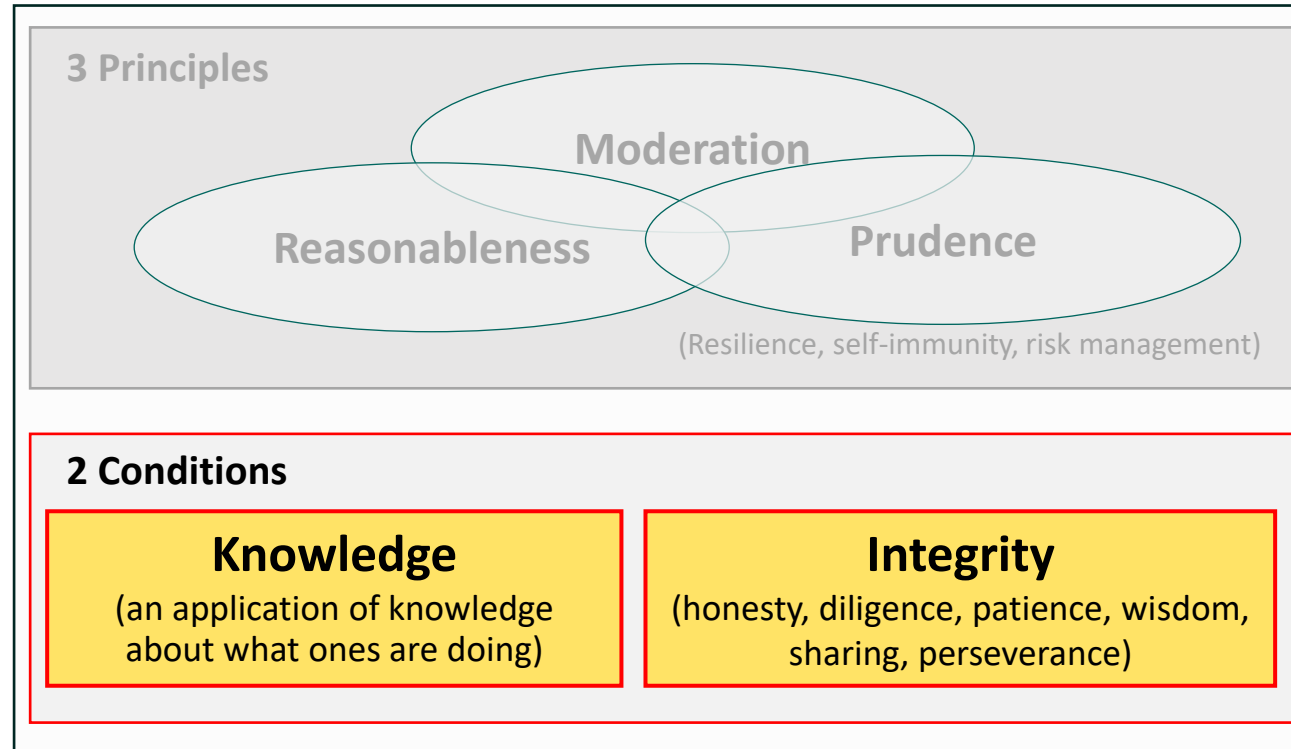
- SE is **an approach** to reach an ultimate goal of happiness
- SE is a philosophy as
 - a way of doing (method)
 - a way of thinking and
 - way of living.
- Its ultimate goal is to gain happiness and well-being



SE composes of three important principles



Decisions & activities must be carried out at a sufficient level depending on 2 conditions

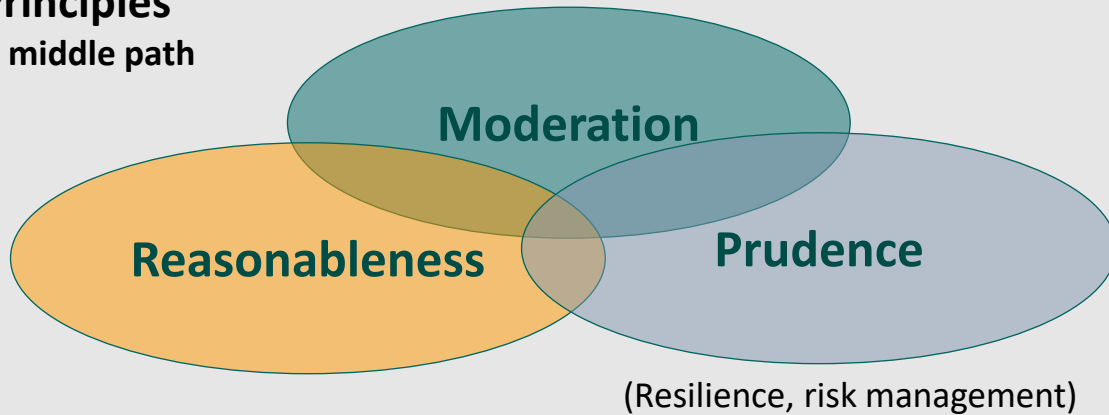


Knowledge Condition: Always be careful and prudent, open-minded, scientific, information based

Integrity condition: Belief in goodness, ethics and virtues, honesty, sincerity, control in greed

3 Targets of SEP

3 Principles The middle path



2 Conditions

Knowledge

(an application of knowledge about what ones are doing)

Integrity

(honesty, diligence, patience, wisdom, sharing, perseverance)

3 Targets

1) Balance

- Optimization in all action leads to balance target

2) Stability

- Reasonableness in all decision-making leads to stability target

3) Sustainability

- Self immunity system for all risk management leads to sustainability target

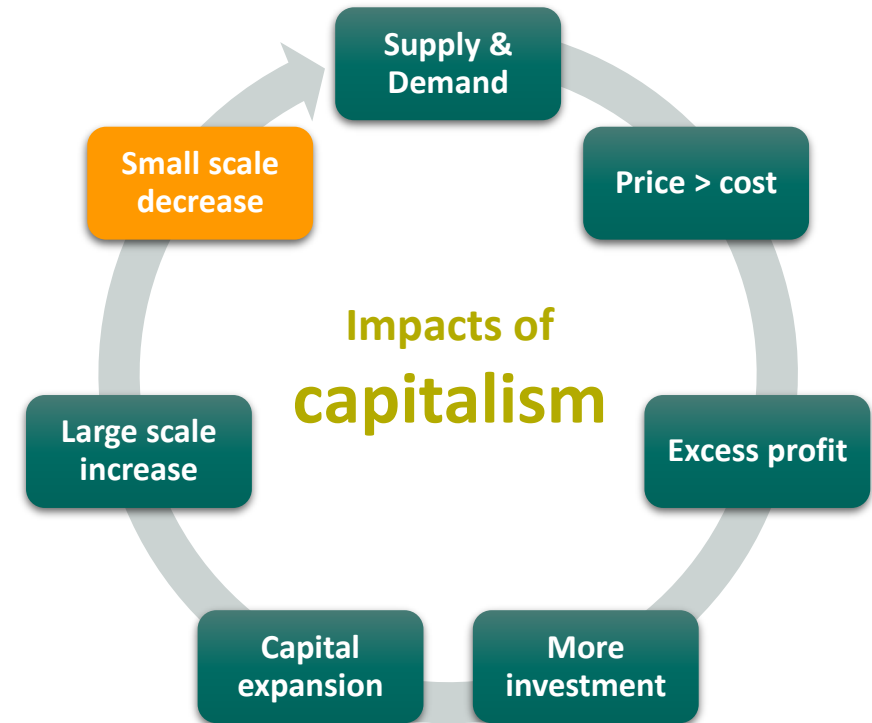
Summary: What is SE?

“**Sufficiency**” means **moderation, awareness of causal relationship**, and the need of or resilience for sufficient protection from impact arising from internal and external shocks. To achieve this, an **application of knowledge with due consideration and prudence** is essential. Great care is needed in the utilization of theories and methodologies for planning and implementation in every step.

At the same time, it is essential to strengthen the **ethical integrity**, so everyone, adheres first and foremost to the principles of honesty and integrity. In addition, **a way of life based on patience, perseverance, diligence, wisdom and prudence** is indispensable to create balance and be able to cope appropriately with critical challenge arising from extensive and rapid socioeconomic, environmental and cultural changes in the world.

Why SEP is recommended for Thailand and other developing countries?

- **SEP is a development approach to compromise among extreme dualities** in the developing countries; attitude, income, property, consumption, production etc.
- **SEP is the “philosophy on the middle path”**, so can be applied to all ways of life and sectors - poor, rich, farmers, industries, services etc.
- Thailand can be a good example of **country with extreme duality** resulted from capitalism system, so the country needs to consider more on the middle path development.



- “**Economy of Scale and Scope**” from large capital will help increase the price and decrease the cost while competing with the small capital
- Free market system will therefore result **in more comparative advantage** to the larger scale and less to the small scale.
- Capitalism society will **focus on the short run profit rather than the long run benefit**
- **Extreme capitalism will lead to extreme duality in the society!**

Application of SEP to Agriculture sector



- Self-sustaining agricultural landscape

1st stage

Household level

2nd stage

Community level

- Working together as group/cooperatives

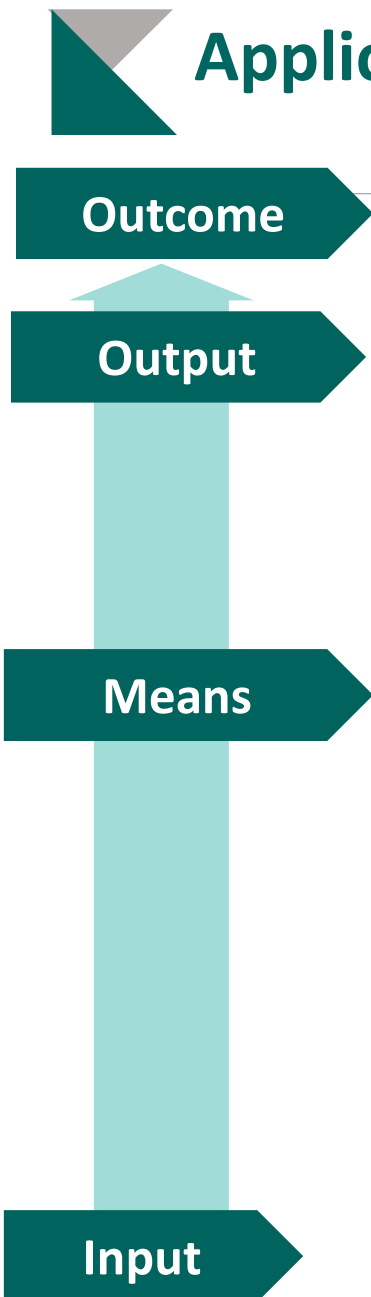


- Expand production process & commerce

3rd stage

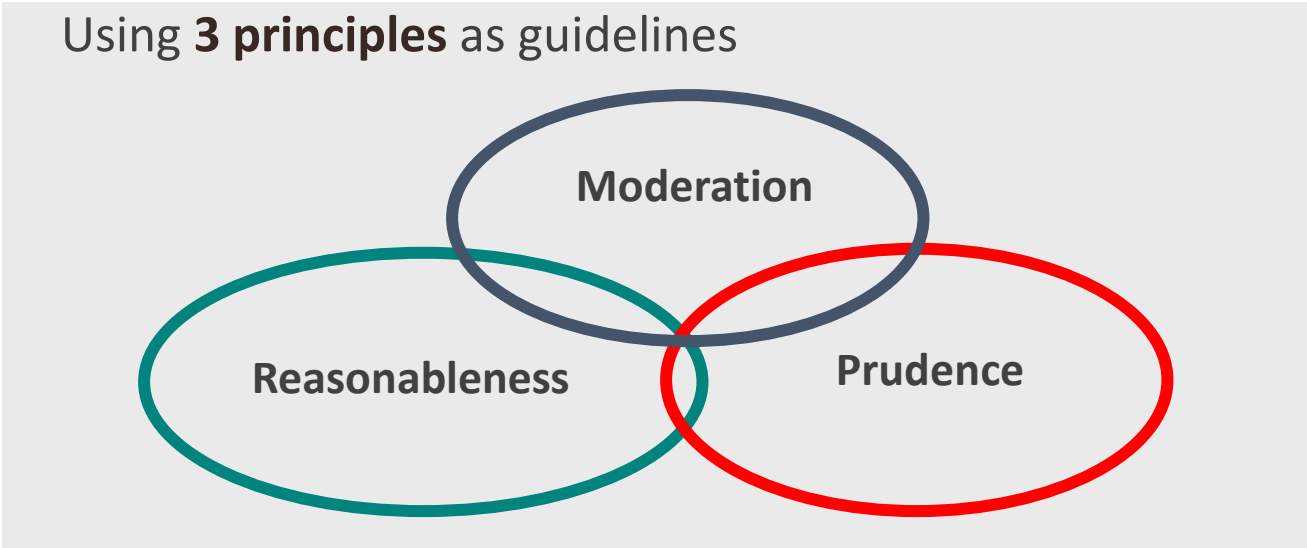
Developed communities

Application of SEP to farmers leading to sustainable agriculture



Outcome
 Happiness and well-being
 (happy life/ family, community, organization, society...)

Output
 Life/Economic/Social/Environment/Cultural
 in a balanced, stable and sustainable way



Pursuing this path requires **2 conditions: a commitment to knowledge and high level of morality**

Knowledge Condition
 learning, research and exchange of experiences



Integrity condition
 believe in self-dependency and greed control

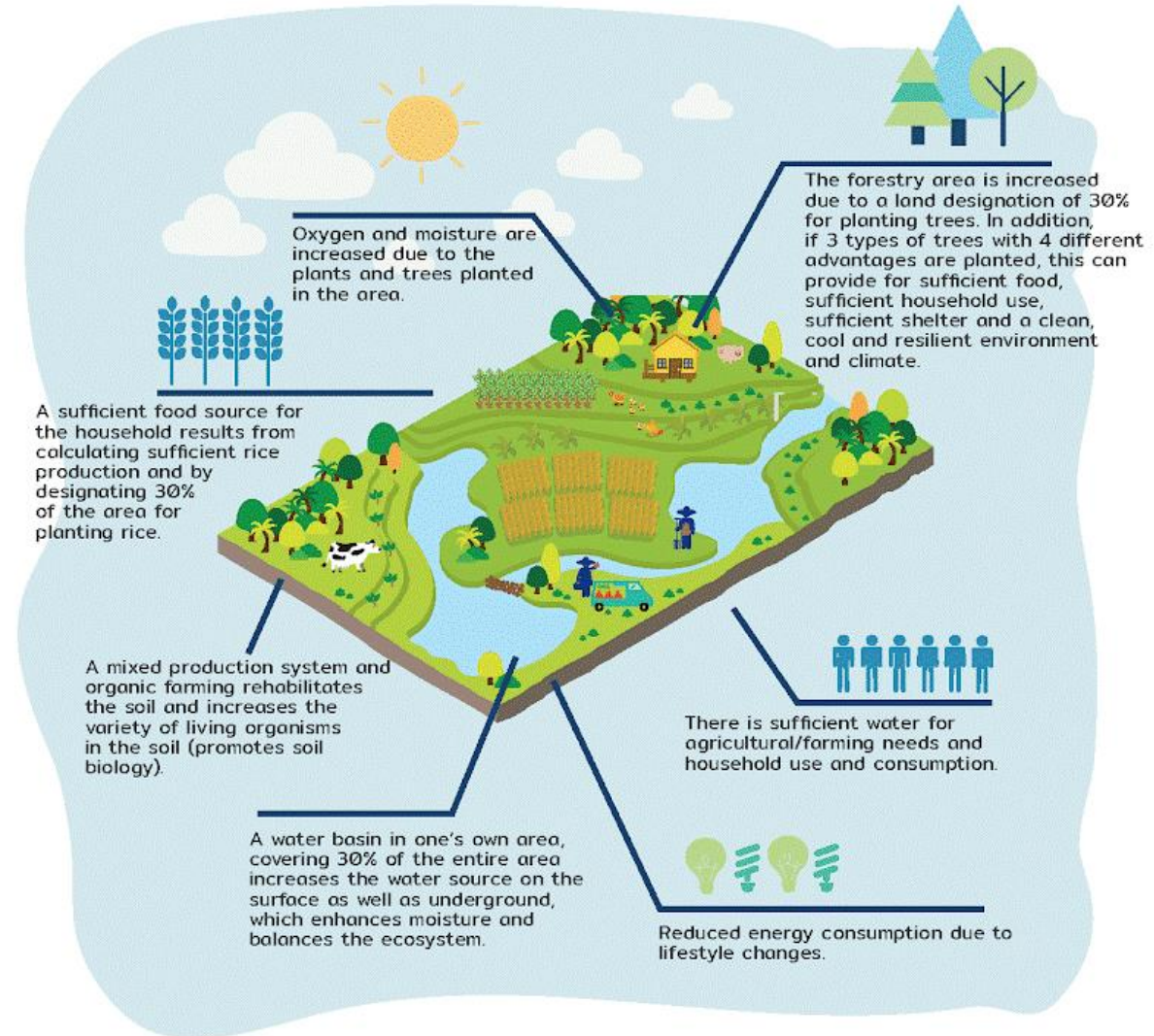
- Using **3 principles** as guideline
- 1. Moderation:** Allocating farmland for mixed or multiple crops rather than monocrop
 - 2. Reasonableness:** Selecting farming systems upon farm ecology and economic target
 - 3. Prudence:** crop diversification, dig a pond, keep productions for own consumption before selling products

Not being too greedy
Care about consumers

Two main issues of sustainable agriculture

1. Water Scarcity of Small-Scale Farmers

- Small scale farms in rain-fed areas always lack water supply in the drought season.
- SEP suggest the New Theory Agriculture for farming with allocating farmland into
 - 1) pond
 - 2) food crops
 - 3) commercial crops
 - 4) accommodation
- The recommended **land proportion can be 30%: 30%: 30%: 10%**, or flexible due to each farm ecology.
- **Farm stability also implies household stability and community stability in rural areas.**



Two main issues of sustainable agriculture (cont.)

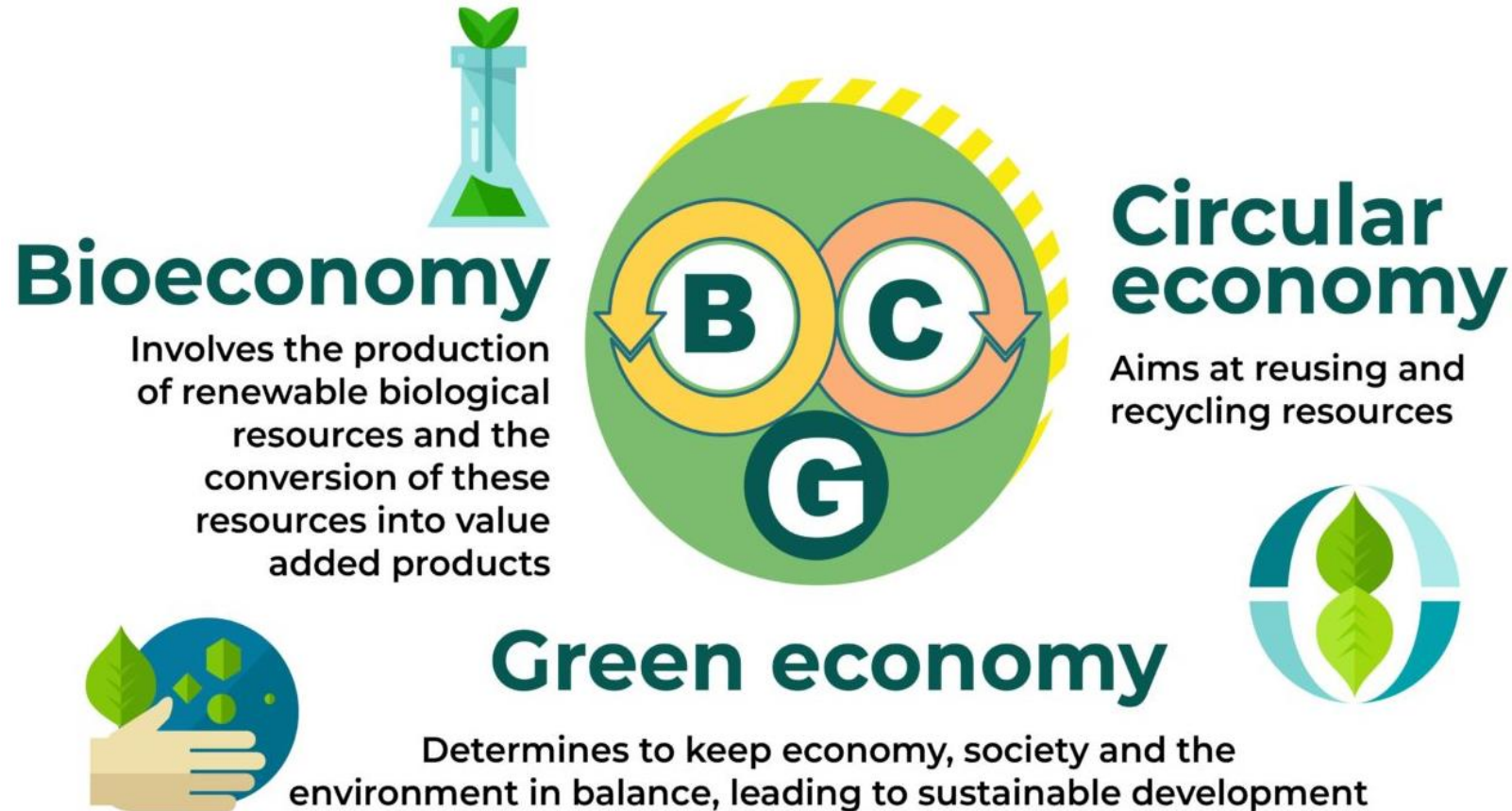
- **2. External Impacts from Agriculture**
 - “Externalities” from farm production in terms of social and environmental impacts need to be considered, not ignored.
 - **Both negative impacts** (i.e. water and air pollution, soil erosion, chemical residue, health cost) **and positive impacts** (i.e. oxygen, recreation, tourism, food security, food safety, health benefit, social synergy) **are equally important.**
 - SA will consider these impacts in the Holistic Approach.
 - Physically feasible- farming system suitable with farm ecology with water scarcity
 - Economically viable- profitable production worth farm investment
 - Environmentally sound- positive impacts greater than negative impacts from farm
 - Socially accepted- individual and community support farms and products

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Bio-Circular-Green economy Model

A new model called BCG has been conceptualized to underpin Thailand policy as a strategy to drive the economic and social development. BCG is an integration of bioeconomy, circular economy and green economy



Timeline

Phase

1

2021-2022

1. Create awareness and understanding about the BCG economy
2. Gathering and create national databases such as biodiversity databases, cultural diversity database, tourist attraction.
3. Gathering Success Cases as case study
4. Setting and develop law and regulation
5. Develop infrastructure and capacity building
6. Start Quick Win project
7. Develop policy related to BCG e.g. Single-Use Plastics, reduce chemical and antibiotic use in plant and animal and project bottom up
8. Develop ecosystem by financial supporting and Importing specialists from abroad

Phase

2

2023-2025

1. Develop Quick Win project
2. Expand project area
3. Develop new product and service
4. Create / develop innovative entrepreneurs
5. Push target product and services to the market
6. Develop a domestic market for BCG products and services.
7. Initiate the new industrial
8. Drive proposals based on policies related to BCG.

Phase

3

2026-2027

1. Push target product and services to the International market
2. Expand sustainable consumption and production systems
3. Encourage Thailand as key player in setting standard for BCG product and service globally
4. Investment for frontier infrastructure

SEP and BCG economy at the farm level



- Using **Biological Control** to eliminate coconut black-headed caterpillar in Aromatic Farm and network gardens. The parasitic hornet Braconhibitor has been used.



- Make your own compost** using leftover garden scraps as raw materials. Combine it with local animal manure, plus P.D. fertilizer from the local Land Development Office.

27 August 2024

Faculty of Economics, Kasetsart University

Source: <https://www.facebook.com/aromatic.farm>

SEP and BCG economy at the farm level

The team works on the farm during non-production hours. They helped to pull up other weeds so that we could have a cover crop in the coconut plot. In addition to this, Aromatic Farm maintains a consistent watering system to ensure consistent humidity, and restoring and nourishing the soil with biochar from the Aromatic Farm BCG line can enhance the soil's strength.



Azolla and duckweed are green manure for trees and feed.



Intercrop: Pandan leaf

Stingless Bee produce honey and pollinate



Ground cover plants



Application of SEP to Business

Outcome

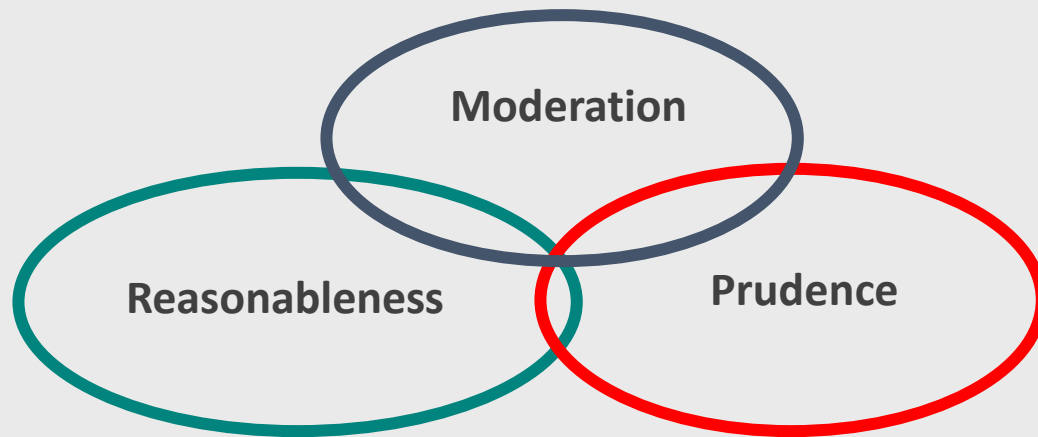
Happiness and well-being
(happy life/ family, community, organization, society...)

Output

Life/Economic/Social/Environment/Cultural
in a balanced, stable and sustainable way

Means

Using **3 principles** as guidelines



Pursuing this path requires **2 conditions: a commitment to knowledge and high level of morality**

Knowledge Condition
(agricultural science/farm mgt)



Integrity condition
(honesty, diligence, patient, harmless, strong determination, perseverance)

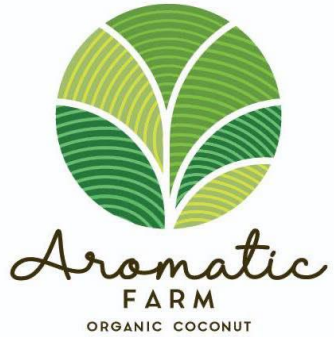
Using **3 principles** as guideline

- Moderation:** gradually expand business., produce & receive order a/c to production capacity, seek moderate profit, concern all stakeholders
- Reasonableness:** Understand the business & competitors, analyze performance, use of resources efficiently,
- Prudence:** diversify products, suppliers, manage risks, savings

Not being too greedy, good gov., knowledge sharing

Input

SEP Application for Small and Medium Enterprise



SEP is used to maintain oneself and maintain a business. These three farmer friends are the best examples of Aromatic Farm.

“Aromatic Farm believes that the circle that fits you. Self-balance comes from ourselves around us. SEP will guide everyone who adheres to it. Be a good person enough to do business well enough for our country.”

*Nuanla-or Dherdkiattikun
Aromatic farm owner*





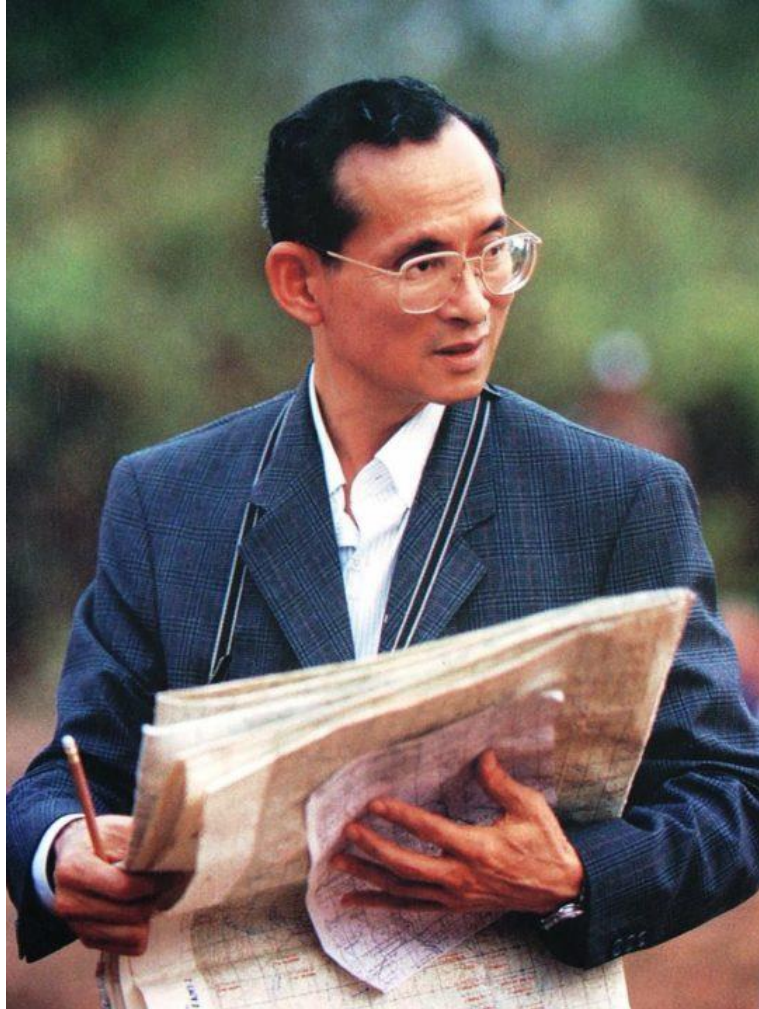
Thank you all participants from The International Youth Representatives in Experiencing The Sufficiency Economy Philosophy 2024 who visit and learning “ Aromatic Farm with Regenerative Coconut Agriculture Practice and Bio-Circular-Green Strategy ”

Aromatic Farm Academy
07 JULY 2024



FB : Aromatic Farm Line OA : @aromaticfarm
Website : www.aromaticfarm.com
Tel : 061-123-9815





Three steps towards rural development



1. Understanding:

Understand the basic facts, i.e. history, geography, culture and social life. Determine the problems and needs of the community, which relies on talking to the local people and researching, collecting data in the field. This process develops a conformity and mutual understanding

2. Being with community

To reach the hearts of community and feel the suffering of communities experiencing problems and a sense of shared suffering. This leads to compassion, thoughtfulness and realization solutions together. The solutions must based on the community value and dignity of equality, respecting the way of life, community culture and faith. With compassionate, this step would lead to collecting intelligence, principles, and knowledge for apply appropriate and sufficient community development.

3. Development:

The development will base on management principles such as the budget, manpower, knowledge, and appropriate technology, cultures and beliefs. The development shall solve problems and make the community happy and sustainable prosperity. The development is not only physical development, but also education and knowledge and morals of society with community involvement according democratic principal.



Thailand Aids angle

Prof.Dr.Krisana Krisintu



Langkasuka Model



<https://thaipublica.org/2022/07/egat-lungkasuka-model-native-ad07/>

Application of SEP to National development

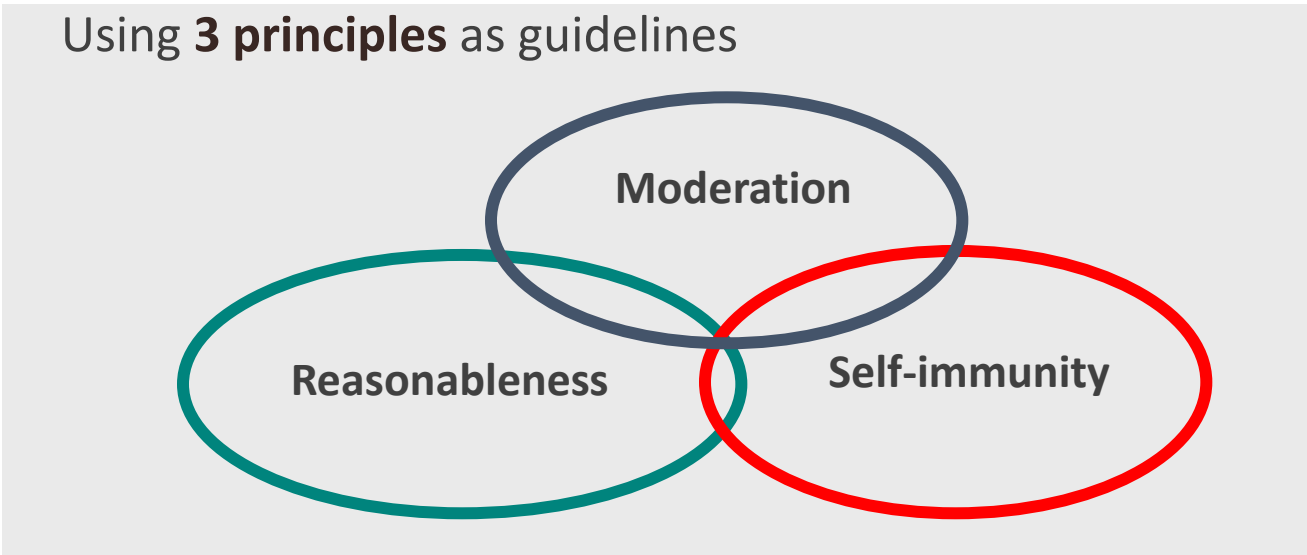
Outcome

Happiness and well-being
(happy life/ family, community, organization, society...)

Output

Life/Economic/Social/Environment/Cultural
in a balanced, stable and sustainable way

Means



Pursuing this path requires **2 conditions**: a commitment to knowledge and high level of morality

Input

Knowledge Condition
(agricultural science/farm mgt)



Integrity condition
(honesty, diligence, patient, harmlessness, sharing, perseverance)

Using **3 principles** as guideline

- Moderation**: not focus only on GDP-growth dominated policy (concern stability, distribution)
- Reasonableness**: focuses long-term consideration. SEP gives attention to utilized resources; efficiently and concerning the long run impacts.
- Prudence**: risk management & social safety net mechanism.

Good governance institution

Learning Together: The Key to Understand and Practice SEP

- ✓ SEP is not written text to read, write and remember.
- ✓ SEP is to understand, exchange and practice.
- ✓ Both **conceptual understanding and practical application** are both equally important.
- ✓ No better lessons to learn from, other than learning from experiences



Suggestions from Application of the SEP

1. Content of the philosophy needs the **open-minded** thinking and understanding.
2. **Wrong interpretation** of the philosophy might cause inappropriate application.
3. **Development path must be balanced**
 - Objectives of national economic development should be economic growth, stability, equity, efficiency/productivity & sustainability,
4. SEP philosophy is to be **practiced**, so **learning from reality and sharing experiences** are important for **effective** application.



5. Conduct must be reasonable.

- SEP focuses long-term consideration.
- SEP gives attention to future generation capability to utilized resources.
- Green Investment and productivity improvement are needed to make up for depleting natural resources.

6. Resilience must be contemplated.

- This implied growth with caution and designing tools to cope with the worse case scenario. It highlights the importance of risk management and social safety net mechanism.

7. According to SEP, **policy makers, academicians and businessmen must perform with knowledge and honesty.**

- This requires institutions for good governance in public and private sector.



Conclusion: Key Words from the SEP to Sustainable Development

- 1. Resources-based:** SEP is flexible due to local resources, culture, people wisdom and comparative advantage of person or group.
- 2. People-centered:** people are the main factors of sustainable development under SEP.
- 3. Inside-out development approach:** SEP support the act firstly from the people up, not from the government policy down.
- 4. Learning process:** people's common understanding about SEP is the heart of development success and sustainability.





“...There are many unsolved problems in this world and, unfortunately, most of them are with farmers. So, if we would know anything about agriculture, we could solve the problems of the world. The problems are still not solved today not because they are too difficult but because we just do not know agriculture well enough...”

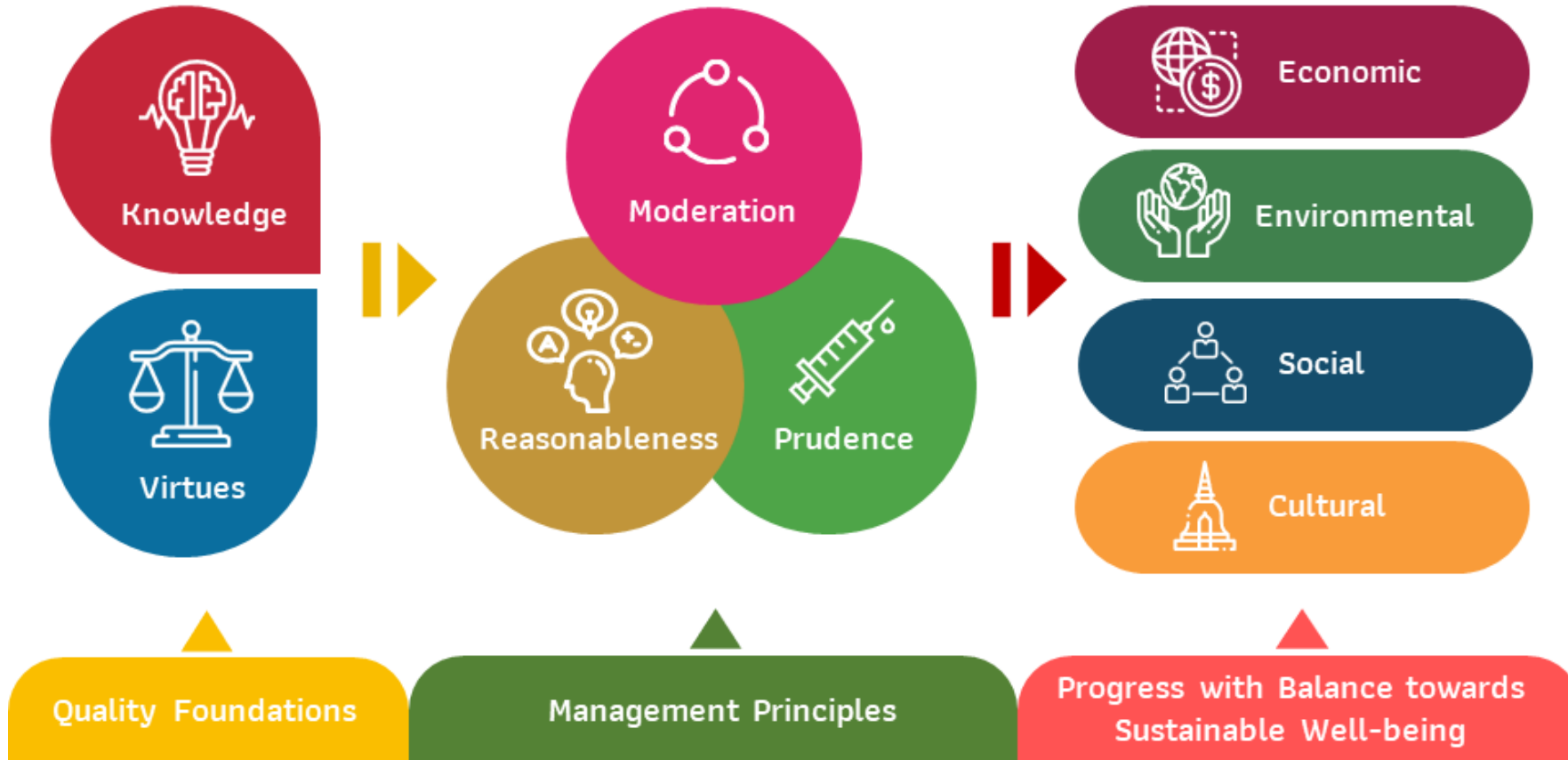
Theodore Schultz
1979 Nobel Prize winner

Image by nobelprize.org/prizes/economic-sciences/1979/schultz/facts/



Sufficiency for Sustainability

Sufficiency Economy Philosophy for Sustainable Development Goals



Sufficiency Economy Philosophy for Sustainable Development Goals of Thailand. Edited by ODT, from TSDF

