

SUFFICIENCY ECONOMY AND HIGHER EDUCATION

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ABSTRACT: The Sufficiency Economy Philosophy (SEP) provides a balanced, holistic and sustainable development approach by stressing the principles of moderation, reasonableness and resilience to changes. His Majesty the King of Thailand articulated this development thinking after decades of observation and accumulation of knowledge drawn from his extensive development work. Recently, the United Nations presented His Majesty the King the UNDP's Human Development Lifetime Achievement Award, in recognition of contributions His Majesty has made to the global development discourse and to the deepening of human development. Anand Panyarachun, former Prime Minister of Thailand, suggested in an article contributed to the International Herald Tribune that SEP offers a possible solution to the "untenable inequalities and unsustainable consumption patterns" found today across the globe. Education is a critical means of promoting SEP and central to its aims. In higher education, SEP related coursework offerings are available in Thailand at the undergraduate and graduate levels.

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Excellencies,

Distinguished Guests,

Ladies and Gentlemen

In 1984, Thailand hosted the Summit of World University Presidents. Much has changed in Thailand since that time, not least as a result of the 1997 economic crisis. Between 1984 and 1997, Thailand recorded impressive economic growth and structural change, but the 1997 crisis proved we were unable to sustain that pace of change. The economic meltdown that followed produced a great deal of suffering, but also useful reflection on the strategies most appropriate to achieve economic and social development. Fortunately, we have now recovered from the blows inflicted in 1997. Yet we must continue to ponder the steps we can take to preclude the reoccurrence of such an economic and social catastrophe.

Over recent months we in Thailand have been enjoying celebrations commemorating His Majesty the King's 60 years on the throne. As part of those celebrations, we have seen considerable dissemination of information about His Majesty's thinking and action in support of his people's welfare. As this information makes abundantly clear, His Majesty's approach to development has a very direct bearing on discourses about sustainable development in Thailand and the world.

On 26 May this year, less than two months ago, in recognition of His Majesty's contribution to human development, the United Nations presented to His Majesty the UNDP's First Human Development Lifetime Achievement Award. In his citation, Mr. Kofi Annan, Secretary General of the United Nations, stated that, "as a visionary thinker, His Majesty has played an invaluable role in shaping the global development dialogue. The "Sufficiency Economy" philosophy, which emphasizes moderation, responsible consumption, and resilience to external shocks, is of great relevance worldwide during these times of rapid globalization. It reinforces the United Nations' efforts to promote a people-centered and sustainable path of development."

The United Nations views human development as about empowering people through education, opportunity, health care and nutrition. It is about empowering individuals with choices so that they may live healthy, knowledgeable and creative lives. Human development

puts the individual at the centre of development. It emphasizes economic growth and sustainability, human rights and security, equity and political participation.

With this Award, the United Nations expresses its hope to further promote the ideas and experiences of His Majesty's human development work, and to help draw attention to their underlying thinking well beyond the borders of the Kingdom of Thailand.

In an article in the International Herald Tribune, Anand Panyarachun, former Prime Minister of Thailand, also argued that His Majesty's thinking deserves international attention.

Anand noted that while globalization has clearly brought huge benefits to many people around the world, "more than one billion human beings are still living in abject poverty and communities around the world are precariously exposed to financial instability, unfair trade, soaring fuel prices, and environmental impacts."

In Mr. Anand's view, The King's philosophy of "Sufficiency Economy" offers an alternative to the clearly unsustainable road down which the world is currently traveling. It advocates sustainable consumption, economic stability over unbridled growth, step-by-step development, and the recognition of diversity in ecological and social conditions when implementing development projects and policies.

The philosophy also highlights the need to strengthen the moral fibre of the nation so that everyone -- especially public officials and business people -- respects the rule of law, upholds democratic principles and adheres to moral values. With the world barreling down a dead-end road of untenable inequalities and unsustainable consumption patterns, Mr. Anand urged a change of course toward the "middle path" offered by the sufficiency economy philosophy.

BACKGROUND OF THE SUFFICIENCY ECONOMY PHILOSOPHY (SEP)

At the beginning of his reign, Thailand was an overwhelmingly rural country of 17 million. Most Thais had only modest levels of education, very limited health services and low agricultural yields. Most farmers suffered from their complete dependence on highly unstable seasonal rainfalls.

Over the decades, His Majesty traveled the length and breadth of Thailand to learn of the life conditions of his people and the problems they faced. Talking to ordinary people as well as civil servants, he learned of their problems and concerns.

In His Majesty's words, "In working out a program to help people, it is necessary to know the people that you intend to help."

(18 July 1974 at Kasetsart University)

Learning from this experience, His Majesty found that there cannot be a "one-size-fits-all" kind of development. Each region presented very different conditions. While the problems of poverty, poor health and education, and lack of infrastructure were the same, every solution had to be tailored to reflect diverse physical and social conditions. Based on these concrete conditions, His Majesty initiated many projects. And year after year, he revisited as many of these places as possible to monitor these projects and encourage the local communities to persevere. He fostered a spirit of inquiry and experimentation. After fifty years, these projects totaled over 3,000 across the country and helped to bring development to people to the most remote corners of the kingdom.

The royal initiatives have always focused primarily on people's needs. His Majesty concentrated on improving the livelihood of the poor, the sick and the disadvantaged. Success in this task required his leadership as well as cooperation from the government and people in better circumstances willing to share their wealth and resources to help others.

His Majesty's rural development projects have benefited millions of people across Thailand. They have fostered small-scale agriculture; appropriate farming technologies; sustainable use of water resources; conservation; and flood and drought mitigation.

Drawing on his decades of close observation and steady accumulation of knowledge from the royal initiatives projects, His Majesty articulated in 1974 a coherent approach to development, the Sufficiency Economy Philosophy, or SEP as we have all come to know it.

The core value of SEP is "a greater degree of self-reliance" rooted in moderation, an ability to sustain oneself and to cope with risks associated with the impacts of rapid, externally generated changes.

Distilled to its essence, sufficiency means moderation, reasonableness, and resilience in the face of rapid changes. Knowledge should be applied with prudence, and moral values such as integrity, patience and perseverance are necessary to give rise to sufficiency.

The Sufficiency Economy Philosophy has gained a broader hearing within Thailand in recent years as people began to recognize negative effects of globalization and to look for an alternative model for development.

The dramatic increase in oil prices

Over the past two years, a particular manifestation of seemingly unsustainable consumption patterns has been the dramatic increase in oil prices. In 2004, the crude oil price was \$34 per barrel. This year it has reached \$74 per barrel and is still rising.

Can anyone be sure that this very rapid increase is only a temporary phenomenon resulting mainly from speculative jitters linked to political turmoil? Might the increase instead be due mainly to unsustainable rises in consumption associated in part with more rapid economic growth in China and India?

Should we not make a strong attempt to modify the unlimited growth strategies being pursued all over the world?

Energy savings and searching for alternative fuels are fine policies, but without major modifications in growth and consumption patterns, the results of these more modest strategies are unlikely to be enough to fundamentally alter the underlying constraints we confront. Our untamed demand seems to be outstripping any plausible levels of supply.

Recent oil price spikes are a clear and dramatic manifestation of the impact of the growth-at-all-costs strategy and can be seen and felt by people everywhere in very tangible fashion. This suggests that concerns for sufficiency and sustainability should not be dismissed as a "crying wolf" refrain from limits-to-growth pessimists, but instead must be grappled with directly in a substantive manner.

THE PROMOTION OF SEP IN EDUCATION IN THAILAND

Since 1999, the National Economic and Social Development Board, or NESDB, has been trying to do just that. It has adopted the SEP as the guiding principle for its national economic and social development plan. Many Thai people have adopted the philosophy as a guide for their daily lives and for their communities and organizations. The Sufficiency Economy Sub-commission at the NESDB was set up in 2003 to encourage this trend and has been disseminating knowledge of Sufficiency Economy and its various possible applications.

In promoting the SEP, the sub-commission has benefited a great deal from research contributed by Thai universities. The results of this research make clear that the Sufficiency Economy is applicable to agricultural settings, industries linked to agriculture, as well as to the urban private sector and large industrial conglomerates. In the limited time we have here, I would like to touch on a few examples of the successful application of the Sufficiency Economy Philosophy.

Many Thai farmers depend on a single crop labor under heavy debt burdens. Some have to regularly seek wage work in big cities. To escape these difficult conditions, some farmers have abandoned monoculture production, shifting course in favor of more diversified production strategies. After doing so, many of them have managed to sustain healthy levels of production while avoiding debts or the need for a wage income to augment their cash earnings. As significant, for many of them, with their shift in course has come more sharing of crop surpluses with neighbors and a generally better quality of community life.

For example, a few years ago Mr. Somboon Pueng-kasem of Ban Song Mai in Chachoengsao Province stopped producing only one crop. He now sets aside about one-fifth of his land for paddy, two-fifths for cassava, and the rest for orchard and garden crops such as acacia, gourd and peas. His farm produces enough rice for his family's needs and fruits such as custard apples and mangosteens, as well as cassava, for market.

Mrs. Boonchu Songsomboon of Huai Somrong Tai has a farm in the same province. She also has enjoyed success, along with her eight children, raising soybeans, corn and cassava, as well as herbs and orchard crops. In both cases, the farmers were able to boost their food self-sufficiency, moderate risks and stabilize incomes while also restoring degraded soils.

Another example of the successful application of the Sufficiency Economy Philosophy is in fact very well known in Thailand. It is famous because Teacher Prayong received the Magsaysay Award in recognition of his efforts in support of the Mairiang community in Nakhon Sri Thammarat, in Thailand's southern region.

The Mairiang community's cultivation of rubber ran into troubles when rubber price plummeted while production costs soared. Community debts grew and health conditions declined due to pollution from chemical fertilizers and pesticides. Teacher Prayong led a group of farmers aiming to boost their community's self-reliance. They built a rubber processing plant to produce high quality latex. Over the years they grappled successfully with a succession of problems. In the process, the community grew more flexible and effective. Eventually, a council of leaders was created to plan Mairiang's future collectively, and to prepare a next generation of leaders. A Community Learning and Development Center aims to cut production costs while fostering crop diversification, particularly in the use of environmentally friendly farming techniques. The community grew more self-reliant (for example, producing its own soaps and shampoos), and health conditions improved. Nearly 900 families benefited from concerted efforts in production as well as health, education, and welfare services.

While we have been happy to find these successful examples from the agricultural sector, we realize that the Sufficiency Economy concept has broader applications as well. For instance, one expert in business management has collected data on firm performances in the wake of the 1997 economic crisis. He found that those firms that practiced Sufficiency Economy principles were able to weather better the economic downturn and, in many cases, to recover profitability. One such example is Pranda Jewelry, a firm founded in 1973 that went public in 1994. The firm has 3,500 workers and its exports in 2004 were some 1.7 billion baht (over \$40 million). Pranda's net sales have never declined over more than 30 years of operations. Its strategy of diversifying its risks proved invaluable during the economic crisis of 1997.

Using these examples drawn from ongoing research, we plan to launch a strong effort to convince the private sector in Thailand to pay attention to the Sufficiency Economy Philosophy, corporate social responsibility, and good governance. And for the longer-term, We will be paying particularly close and sustained attention to education. The goals of SEP

education are to educate and train students to understand and practice SEP in their daily lives, so that they can be self-reliant, share and contribute to society, live balanced lives and cope with changes in the globalized world.

The Ministry of Education initiated some projects to foster an understanding of SEP, beginning in 1999. The Ministry launched a program to create self-reliance in managing school lunch programs, while also educating students in managing land and natural resources. This project also aimed at developing moral values, creating teamwork skills among students, and nurturing an appreciation among youth of the value of living in balance with nature and devoting oneself to social activities. Since May 2000, the SEP has been introduced in official texts used in the Society, Religion and Culture courses offered in classrooms at all levels in Thailand.

Roles of Higher Education in Promoting Sufficiency and Sustainability

Some universities in Thailand now offer SEP coursework both at the undergraduate and graduate levels. Professors in many universities teach SEP concepts as an alternative perspective, or philosophy, of development. The National Thailand Research Fund supports research on Sufficiency Economy applications. We think that Thai universities should play a central role in leading Thai society towards a more holistic, balanced and sustainable middle path. Universities can continue to produce and disseminate new and appropriate knowledge and encourage students to view personal success in terms of opportunities to contribute to their society. In short, universities can play a critical role in promoting a new development vision rooted in the middle path of sufficiency and sustainability.

We are still at an early stage in the difficult task of changing course, away from the path that had us barreling down a dead-end road of untenable inequalities and unsustainable consumption patterns. We launched our SEP promotion campaign in 1999, but have given it sustained impetus only since 2003. As a result, these efforts are only beginning to cumulate in discernible effects. His Majesty the King has recognized, however, that changes of such magnitudes in behaviors and values come about only slowly and that our medium-term target, therefore, must be accordingly modest. If over the coming years we can win over a substantial share of the Thai population, we will feel that we are doing well.

Some of you visiting Thailand from abroad may imagine that the Thai experience of economic boom followed in 1997 by dramatic bust was, in the Japanese phrase, a “fire across the water.” We would like you to consider the alternative possibility that our experience can serve as a wake-up call not only for us, but for others as well. The lesson we derive from our experiences, and the vision His Majesty has been propounding for over three decades, are rooted in the concept of the middle path. The SEP is not opposed to economic growth. It does, however, oppose growth that is unsustainable on environmental, economic, or social grounds.

His Majesty the King articulated the SEP in 1974 at a time when Thailand was undergoing profound economic, political, and social changes. His Majesty offered to his people a set of tools they could use to manage the complex processes of change, to protect themselves and their communities. He did not urge the Thai people to stand in opposition to the largely irresistible tides of globalization. Instead, he was urging us to study the currents and conditions carefully so that we might identify a more modest yet sustained wave on which we might surf for a long ride. If, following His Majesty’s advice, we enjoy sustainable success in our efforts to adhere to the middle path of development, perhaps our example will offer to others an alternative choice of development strategy.