

## CHAPTER 3

### THEORETICAL FRAMEWORK

This chapter describes two methodologies: the Sufficiency Economy Philosophy (SEP), and the Progressive Utilization Theory (PROUT).

#### 3.1 Sufficiency Economy Philosophy (SEP)

SEP was originated by His Majesty King Bhumibol Adulyadej after the economic crisis in Thailand of 1997. The purpose of this theory is to set guidelines for all Thai people on how to live their lives sustainably alongside the rapidly changing circumstances of the materialistic world. His idea was promoted in a speech in 1999:

เศรษฐกิจพอเพียง เป็นปรัชญาชี้ถึงแนวการดำรงอยู่และปฏิบัติตนของประชาชนในทุกระดับ ตั้งแต่ระดับบุคคล ระดับครอบครัว จนถึงระดับชุมชน ในระดับรัฐนั้น ปรัชญานี้มีความสอดคล้องกับแผนการพัฒนาอย่างสมดุลซึ่งจะช่วยลดความเสี่ยงของประเทศจากความรุนแรงอันเป็นผลกระทบจากยุคโลกาภิวัตน์

The Sufficiency Economy applies to the conduct and way of life at the individual, family, and community levels. At the national level, the philosophy is consistent with a balanced development strategy that would reduce the vulnerability of the nation to shocks and excesses that may arise as a result of globalization ("Philosopher at Work").

Wibulswasdi, Chaiyawat, Priyanut Piboolsravut, and Kobsak Potrakool state in the book *Sufficiency Economy Philosophy and Development*, published by the Bureau of The Crown Property, that SEP was created from the life experiences, accumulation of knowledge, and research conducted by King Bhumibol Adulyadej. The philosophy proposes a handful of features of a more resilient and sustainable economy (1). The

basic principles and conceptual framework of the sufficiency economy are shown in the figure below.

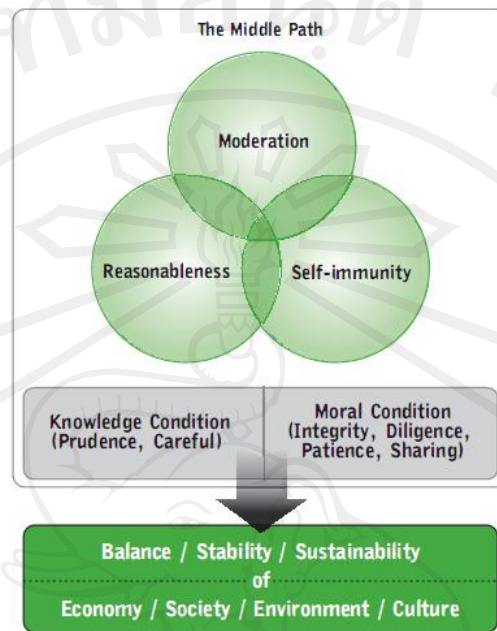


Figure 3.1: A figure showing elements of Sufficiency Economy Philosophy (SEP)

According to the figure, the concept consists of three core principles: moderation, reasonableness, and self-immunity along with the two underlying conditions: appropriate knowledge, and ethics and virtues.

In “What is Sufficiency Economy?”, the document composed by The Office of His Majesty's Principal Private Secretary, the meaning of each component is clarified:

3.1.1 The three core principles - moderation, reasonableness, and requirement to promote self-immunity.

Moderation means behaviors that are non-excessive. This is a middle path, neither austerity nor extravagance. People and individuals, both locally and globally, have to be able to depend on themselves without exceeding their own resources. Consumption, production and spending must be balanced. Also,

each person should aspire to accumulate savings and avoid debts. To live in moderation is to live within one's reasonable limitations (15). However, "Being moderate does not mean being too strictly frugal; the consumption of luxurious items is still permissible...but this should be done in moderation according to one's means" (qtd. in Royal Speech, given at Dusit Palace, 4 December 1998). Moderation is vividly depicted in *Phu Yai Lee Kab Nang Ma*, especially in scenes of villagers saving money on food because they can consume home-grown vegetables and products such as morning glory, water mimosa and the eggs produced from their own chickens. The remaining produce and products are sold to the market to supplement their income.

Reasonableness is concerned with the decision-making process on which the level of sufficiency should be considered. People must deliberate logically and consider all the related factors in order to forecast the results carefully (15). Moreover, in the article "Sufficiency Economy Philosophy: Historical Background and Interpretation," Nutthapong Thongpakdee highlights that being reasonable is to be aware of the long term effects and plan well, especially when weighing future risks (12). *Phu Yai Lee Kab Nang Ma* exemplifies the concept of reasonableness by conveying how people in the community are warned against the use of chemical insecticides. Phu Yai Lee says, "ข่าฆ่าแมลงที่คุณใช้ที่นี่ มันไม่ได้ฆ่าเฉพาะหญ้าที่คุณ มันยังฆ่าปลา ฆ่าแมลง รวมทั้งฆ่าตัวคุณด้วย" "Insecticide is not only killing grass but also killing fish, insects and yourself."

Self- immunity refers to the preparation required to deal with changing circumstances, which will greatly affect our lives. It also assists people in saving themselves from any variable s, including an uncertain future, and to possess healthy risk-management skills in order to shield themselves from the situation, which may shift suddenly (15). A sample portrayed in the story is how Phu Yai Lee still occasionally uses the buffalo even though he has a tractor. The following dialogue from the story clearly reflects the idea.

ถ้าชาวนาสมัยนี้ เห็นความสำคัญของควายเหมือนเมื่อก่อนก็คงจะดี เพราะ  
ต้นทุนจะได้ถูกลง เพราะควายไม่ ต้องใช้น้ำมัน แต่ควายสู้ควายเหล็กไม่ได้เพราะ  
ควายเหล็กเร็วกว่า ควายเลยถูกส่งเข้าโรงฆ่าสัตว์ไปหมด อีกอย่าง เดี่ยวนี้ ควายไถนา  
ไม่ค่อยจะเป็นกันแล้ว ถึงกับต้องมีโรงเรียนสอนควายกันเลยทีเดียว

It would be good if the farmers know the value of the buffalos as in the past. If so, their capital will be lower because buffalos do not need petrol. However, buffalos cannot compete with the tractor because it is faster. Buffalos are then sent to the slaughterhouse. Today, buffalos don't know how to plough and they need to be taught to plough.

3.1.2 The two underlying conditions - knowledge and morality are the basis of how one undertakes responsibilities and makes decisions.

Knowledge refers to the all-around wisdom that is acquired in the relevant fields including personal experience, and appropriate analysis ability. In order to possess skill in deliberate planning, all factors must be considered in order to weigh the causes that contribute to ideal results (16). Phu Yai Lee is trying to apply his knowledge and experience by producing a bio-insecticide from burning charcoal. This kind of insecticide will leave no residue on plants. This is a vivid example from the story of using previous knowledge to attain better results.

Morality emphasizes ethics and virtues. Honesty, patience, intention and intelligence must be promoted to live one's life well. In the past, morality was not stressed in economics. However, ethics has become a core value that must be focused on nowadays as a basis for sustainable development (16). In *Phu Yai Lee Kab Nang Ma*, Phu Yai Lee, as the leader of the community, has high moral character that enables him to better the quality of life in the community. He sacrifices himself and encourages everyone to raise domestic animals that can consume waste and weeds instead of using chemicals.

In the report “Sufficiency Economy and A Healthy Community”, Suthawan Sathirathai, a lecturer in environmental economics at Chulalongkorn University, and Priyanuch Piboolsravut, Project Director of the Sufficiency Economy Research Project, promote their interpretation of SEP. They quote an excerpt from His Majesty's royal speech in 1974 to support their point of view:

การพัฒนาเศรษฐกิจประเทศจำเป็นต้องทำตามลำดับขั้น ต้องสร้างพื้นฐาน คือ ความพอดี พอกิน พอใช้ ของประชาชนส่วนใหญ่เป็นเบื้องต้นก่อน หากแต่จะทุ่มเท สร้างความเจริญ ยกเศรษฐกิจขึ้นให้รวดเร็วแต่ประการเดียว โดยไม่ให้แผนปฏิบัติการสัมพันธ์กับภาวะของประเทศ และของประชาชนโดยสอดคล้องด้วย ก็จะเกิดไม่ สมดุลในเรื่องต่างๆ ขึ้น ซึ่งอาจกลายเป็นความยุ่งยากล้มเหลวได้ในที่สุด (พระบรม ราโชวาทในพิธีพระราชทานปริญญาบัตรของ มหาวิทยาลัย เกษตรศาสตร์ 2517)

Economic development must be pursued sequentially step by step by assuring that the majority of our population has enough to live on. Here, if one focuses only on rapid economic expansion without making sure that such a plan is appropriate for our people and the conditions of our country, it will inevitably result in various imbalances and eventually end up as a failure or crisis as has been found in other countries. (qtd. in Royal Speech, 1974)

The Chaipattana Foundation, the non-governmental organization promotes King Bhumibol Adulyadej's SEP guidelines for personal well-being, which involve the five practical points ("Philosophy of Sufficiency Economy" pars. 5).

- 1) Living without extravagance while saving is a priority. Everyone should determine their own level of consumption to decrease unnecessary expenses.
- 2) People must make a living with honesty and regularity. Gaining an advantage for oneself, without considering the effects on others, is unacceptable.
- 3) In trade and business competition, severity in business practices is not needed. Sincerity and honesty in business dealing are required in order to establish fair commerce.
- 4) Everyone should be diligent in gaining knowledge and make use of it to develop self-happiness, pride, and family income in order to have a self-sufficient lifestyle. Moreover, when one encounters hardships and difficult situations, one must keep searching for the solution without giving up.
- 5) People must rely on religious doctrines, including avoiding sin and attaining virtue. Everyone must behave in a proper manner and cease to do immoral things in order to live happily and develop the nation.

Besides, King Bhumibol Adulyadej suggests that perhaps the most pressing concern is to assist agriculturalists in building stable communities in rural areas to allow them to become self-reliant. As a consequence, the New Theory, or the three-stages concept, which aims to optimize farmland was generated ("Philosophy of Sufficiency Economy" pars. 6).

First stage: The division of land should be carried out for optimal benefits.

Ninety percentage of the land should be divided proportionally to store water and grow rice, fruits, plants, vegetables and crops for family consumption. The remaining ten percent of the land is for the residents. In the *Phu Yai Lee Kab Nang Ma*, the concept is exemplified by the farm which is divided into farming areas, pond areas, and residential quarters. More income can be generated by selling surplus crops and agricultural products. This stage aims to encourage villagers to earn extra income from what is left over after family sustenance. The quotation below from King Bhumibol Adulyadej's birthday on December 4, 1997 verifies this:

ความพอเพียงนี้ไม่ได้หมายความว่า ทุกครอบครัวจะต้องผลิตอาหารของตัวเอง จะต้องทอผ้าใส่เอง อย่างนั้นมันเกินไป แต่ว่าในหมู่บ้านหรือในอำเภอ จะต้องมีความพอเพียงพอสมควร บางสิ่งบางอย่างที่ผลิตได้ มากกว่าความต้องการ ก็ขายได้ แต่ขายในที่ไม่ห่างไกลเท่าไร ไม่ต้องเสียค่าขนส่งมากนัก (พระราชดำรัสเนื่องในโอกาสวันเฉลิมพระชนมพรรษา วันที่ 4 ธันวาคม 2540)

Sufficiency does not mean every family must produce their own food, weave their own clothes. That is too much. The point is if there is over production, it can be sold at the closest market for which we don't need to pay for freight. (qtd. in Royal Speech, 1997)

Second stage: Agriculturalists should solicit cooperation from a range of relevant groups.

Activities are based on cooperation between organizations both within and outside the community. These include management, welfare, education, religion and social development. All of these activities should be coordinated with participation by every other relevant sector, as well as government, non-government, and community members.

Third stage: Caution should be exercised regarding loans and finances.

Banks and private investors have a primary role in helping farmers expand their economic activities and make secure investments. The investment fund requires cooperation between a number of parties involved in fundraising, directing sales channels, establishing storing systems, and development. As a result, both investors and farmers share in the advantages. The benefits extend throughout the entire community. In the television show, the farmer's cooperative is organized to improve the standard of living.

King Bhumibol Adulyadej has been joined in his concern about the consequences of globalization by the Indian thinker, Prabhat Ranjan Sarkar. The purpose of the Progressive Utilization Theory (PROUT) and its application is similar to SEP in assisting all human beings to get through hardships within an unstable world.

### **3.2 Progressive Utilization Theory (PROUT)**

Progressive Utilization Theory (PROUT) was initially introduced by an Indian philosopher, Prabhat Ranjan Sarkar. In the article "The Progressive Utilization Theory (PROUT): Alternative Economic and Spiritual Model for The Welfare of All", Maheshvarananda and Branch advocate Sarkar's concept and declare that this approach promotes economic self-reliance, cooperatives, environmental balance, and universal spiritual values. PROUT could be utilized collectively at any level, including at the individual, regional, or national levels, in order to achieve self-reliance (32).



The article, “5 Fundamental Principles of Prout”, published by the PROUT Globe Organization, explained the key to the five fundamental principles of the theory (“PROUT Globe” par. 1);

1) No accumulation for self without permission

The basic necessities (food, housing, clothing, and medication) are guaranteed to all members in the community. No one has the privilege to accumulate any of those things for personal advantage. In order to make use of any resource for personal benefit, the explicit permission from others is required. The benefit of the whole community is the priority. However, it does not mean that everyone has to sacrifice everything for the community. It actually aims to have people realize more about societal happiness and the common interest rather than self-interest (“PROUT Globe” pars. 2).

2) Maximum utilization and rational distribution

PROUT asserts that the world’s natural resources are limited. If one accumulates assets for oneself, there will be less left for others, which is unfair. Therefore, to create a fair standard in society, everyone has to consider how and which resources should be reasonably distributed and to whom, in order to obtain the highest value of those resources for all. Moreover, everyone must attentively consider which resources should be logically utilized and which should be left for future development. Thus, maximum utilization and rational distribution must be ensured for the benefit of the community as a whole (“PROUT Globe” pars. 3).

3) Maximum utilization of all potentialities

Potentialities in terms of PROUT include physical, metaphysical, and spiritual

abilities. Everybody must considerably utilize all those abilities to create advantages and profits for the community. Thus, individual potentiality, which is the basis of a vigorous society, must be developed to serve a balanced and harmonious community (“PROUT Globe” pars. 4).

#### 4) Proper adjustment among utilizations

Although PROUT promotes a maximum level of utilization, a correlation between body, mind, and spirit must be able to be adjusted appropriately. If anybody has developed only physical strength but not intelligence, they will be unable to succeed at anything by themselves. Meanwhile, persons who only have the spiritual and intellectual competence are unable to fulfill their specific requirements without physical support. Thus, within the realm of the utilization, all the relevant factors are interwoven and are then adjustable to any given situation at any time (“PROUT Globe” pars. 5).

#### 5) Methods of utilization

There should be various methods of utilization that correspond to changes of time, place and human conditions. Moreover, utilization should rely on a progressive notion of nature. According to these limitations which include the impermanence of our resources and the constant increase of demand, everyone must cautiously adopt a method of utilization in order to achieve both qualitative and quantitative development (“5 Fundamental” pars.5).

In “A Brief Introduction to PROUT (The Progressive Utilization Theory),” PROUT is regarded as a social and economic theory which helps to form an economic system based on cooperation, decentralization and social justice. An understanding of

this new theory can be learned through the six important characteristics explained below ("PROUT in Brief"):

1) Spirituality

PROUT focuses on spirituality, which is a core value that enables people to ensure their physical, mental and spiritual development and reinforce a community. When everyone is spiritually developed, interpersonal relationships not only between each other, but also between themselves and the environment will change for the better. As a consequence, selflessness and consciousness are stimulated ("PROUT in Brief" pars. 2).

2) A floor and a ceiling

In a community, if everyone wants to have equality and live in harmony with each other, the restrictions on acquiring excessive possessions should be implemented ("a ceiling"). This idea will decrease the problems of inequality between rich and poor people in society, especially regarding poverty, or "the floor," in the community ("PROUT in Brief" pars. 6).

3) Economic democracy

PROUT recognizes individual abilities and decision-making rights. Everyone knows exactly what they need for themselves and their families. Community members have the opportunity to express opinions and to vote for leaders and shape an economic system to empower their communities. As a result, a dynamic economy of the people, by the people, and for the people is proposed ("PROUT in Brief" pars. 10-11).

4) Economic reorganization (decentralized economy, balanced economy and regional economic self-sufficiency)

The best way to reform the economic situation is to decentralize the economy in order to redistribute benefits throughout the society. This method is intended to help form a balanced economy between urban and rural areas. Services should be expanded to remote areas to provide more resources and opportunities for employment. Thus, a balance between industry, agriculture, and public services must be generated along with a decentralized economy in order to create a condition of well-being and self-sufficiency among the people ("PROUT in Brief" pars. 14-16).

#### 5) Moral Leadership

The upgrading of the moral standards in society should be promoted. In other words, people should have more consciousness and honesty about the social welfare of all people in society in order to better the overall economic situation. If people are well educated, and have a sense of responsibility to the community, as well as a healthy sense of morality, morale will be reformed ("PROUT in Brief" pars. 23).

#### 6) Global Governance

A crucial principle is that human beings must learn how to live in harmony with the environment. Establishing a global society with a global form of government is a possible way to decrease the conflicts between people and provide equal rights to everyone ("PROUT in brief" pars. 25).