



**UCLG**  
Committee

Social Inclusion  
Participatory Democracy  
and Human Rights

**Inclusive Cities  
Observatory**

## « THE SUFFICIENCY ECONOMY PHILOSOPHY »

Non Sila Leng, Thailand

*Period of implementation: 1970s (launch) | Study case written in 2007*

The “Sufficiency Economy Philosophy” (SEP) is a development approach based on Buddhism creating sustainable development through the integration of the physical, social and spiritual dimension. The practice concerns the application of SEP to a village community (since 1978) through a rice mill, a cattle bank, a new approach to agriculture, organic farming, a co-operative, horticulture and the maintenance of spiritual places. These activities are conditioned by the zoning of space in subsistence-, environmental- and spiritual areas. The purpose of SEP is to create self-reliance for the villagers to survive in rural areas by integrating the dimension of physical development, social development and spiritual development. Self-reliance is obtained by reducing expenses related to travel and to the purchase of expensive fertilizer, and the creation of sources of income based on local production. It is also obtained through the sustainable use of the environment involving agricultural practices and the zoning of land. Finally, self-reliance involves the creation and maintenance of a system for exchanging knowledge based on regular visits to a Buddhist temple. In this respect, the temple also functions as a demonstration area for the main principles of SEP in agriculture.



The **Inclusive Cities Observatory** was launched in 2008 by the UCLG Committee on Social Inclusion, Participatory Democracy and Human Rights with the aim of creating a space for analysis and reflection on local social inclusion policies. The initiative was developed with the scientific support of Professor Yves Cabannes (University College of London) and the Centre for Social Studies (CES) from the University of Coimbra. At present, the Observatory contains more than sixty study cases mostly developed between 2008 and 2010. Even though many of these cases refer to policies that have already come to an end, they still have much to offer: from capitalizing on the learning acquired by other local authorities to discovering suggestive and alternative means to address social inclusion challenges from a local perspective.

## Context

### *Government and decentralization context*

Local administration in Thailand is based upon the concept of decentralization, which allows local people to participate in local affairs under concerned laws and regulations. Under the country's existing administrative structure, authority is delegated from the capital to the region and then to local areas. In general, development policy and planning in Thailand is a combination of top-down and bottom-up approaches, while the public administration system of the country remains highly centralized. The Thai program of decentralization was initially referred to as *Ngoen Pan* ("Pass the Money"), or the *Tambon Development Programme*. The *Tambon* is a Thai geographic unit referring to a small group of villages. A number of *tambons* constitute a district. Most provinces have from 10-20 districts.

The *Tambon Development Programme* was initiated in 1975, but the idea of establishing basic local authorities in rural areas did not become a reality until in the 1990s, coinciding with the democratization of the political system. The Decentralization Act of 1999 set the fiscal decentralization target of increasing the percentage of local authority's expenditure to at least 20% of total national expenditure by 2001, and to at least 35% by 2006. This meant that not only the intergovernmental transfer of services but also fiscal decentralization had become an important legal mandate. The local autonomy system is distinct from the systems of central administration and local administration. It is made up of some 7,800 local authorities nationwide, and these are classified into five types. These local authorities are placed under the control and supervision of provincial governors and district officers who, along with the Minister of the Interior, have the authority to approve their annual budget plans and local regulations, dissolve local councils, and dismiss local councilors.

**Institutional level of policy development:** Subdistrict/village

## Policy development

"Sufficiency Economy Philosophy" (SEP) is an approach based on Buddhism implemented by His Majesty the King of Thailand and conceived as an alternative to mainstream development. Its underlying idea is to create sustainable development through the integration of the physical, social and spiritual dimensions in rural communities. It is based on three principles: (1) moderation is needed for sufficient protection from internal and external shocks through planning and implementation; (2) reasonableness is the application of knowledge through wisdom and prudence; and (3) self-immunity strengthens the community in order to deal with negative impacts of external events. The practice concerns the application of SEP to a village community through several projects: a rice mill, a cattle bank, a new approach to agriculture, organic farming, a co-operative, horticulture and the maintenance of spiritual places. Significantly, these activities are conditioned by a specific form of land management involving the zoning of space in subsistence-, environmental- and spiritual areas.

### *Background*

The Sufficiency Economy concept was first mentioned in 1974 when His Majesty King Bhumibhol warned enthusiastic aspirants of totally modernizing the Thai economy to consider "sufficiency" as a more appropriate objective. Since the 1950s, His Majesty had been travelling extensively throughout the rural areas in Thailand and had set up study centres in different regions to do research on the potential development of each area relevant to their resource conditions. After

the Asian economic crisis in 1997 in which numerous business organizations in Thailand went bankrupt, His Majesty reiterated the philosophy as the way to recovery that would lead to a more resilient and sustainable economy. Since 2001, a group of economists has been analyzing SEP with a view to furthering its application to the development process in Thailand. SEP is being applied to various areas of economic activity ranging from business to agriculture.

In the village under study, SEP was set up about 30 years ago by Thavorn, a Buddhist “development monk.” Upon moving to the village, the monk began to develop the village and devoted his efforts, intelligence and resources to it for nearly 30 years. Almost all of the villagers believed and participated in his development projects, involving the reduction of expenses and self-reliance. The practice is related to existing networks, which include neighbouring villages, Royal patronage and the support of the government.

### *Policy goals*

The purpose of SEP is to create self-reliance for the villagers to survive in rural areas by integrating the dimensions of physical development, social development and spiritual development. Self-reliance is obtained by the reduction of expenses related to travel and to the purchase of expensive fertilizer, and the creation of sources of income based on local production. It is also obtained through the sustainable use of the environment involving agricultural practices and the zoning of land. Finally, self-reliance also involves the creation and maintenance of a system for exchanging knowledge based on regular visits to a Buddhist temple. In this respect, the temple also functions as a demonstration area for the main principles of SEP in agriculture.

### *Scope and implementation*

The village of Non Sila leng illustrates SEP through the integration of the socio-economic, physical and spiritual dimensions with regard to human needs based on Buddhism’s compassion for humans and nature. There are 321 households in this village. The population is around 1305. Almost all of the villagers are farmers. Several practices were gradually introduced by the “development monk” Thavorn, who also became the community’s acknowledged leader.

The motto of the rice mill, a central place for rice distribution, is “happiness together.” It maintains profits for farmers by reducing the chain of intermediaries who manipulate prices and quantities. It not only serves this village but also the surrounding area. The rice is bought directly from farms and made into rice products branded in the name of the co-operative, then distributed and sold on Thai and international markets. Given the nature of organic agriculture, the ecology in the rice field is of high quality.

The bank of cattle and buffalo has been running since 2000, and currently has 1930 cows. It does not aim at making a profit. It serves the villagers and surrounding area. The farmers can loan and return a cow or a buffalo to the bank. Additionally, the farmers gain compost for their fields, which promotes SEP as organic farming and reduces the use of chemical fertilizer.

The co-operative is designed to help the farmers suffering from agricultural problems in the Northeast. The co-operative manages activities for its members; it sells members’ rice, seeds and organic fertilizer; distributes products to the rice mill; and conducts the cattle bank. In June 2006, the number of members had risen to 2315 from an initial total of 104 members. The co-operative employs 5 workers, who do not pay rent since Thavorn supports accommodation.

A spiritual development area involves four sacred spaces. The temple is a zone of nonviolence for people and the environment. Nonsilaleng temple is the central place for the exchange of

information and acts as a meeting place for Buddhist activities and village development activities. Thavorn created an annual rotation plan for the villagers to visit the temple; the villagers go to the temple in rotation to each cluster monthly and therefore know each other and share development information. In this respect, the temple functions as a laboratory in which agricultural practices are demonstrated through the collective management of a livestock area, a planting area, a growing rice area, a pond, small houses for the monks, and a pavilion on the property of a monastery. Villagers care for this place by volunteering their energy in planting and cleaning. There is also a village shrine where small animals are kept and bamboo is grown. The monk obtained the land and planned this place for meditation and as a meeting place. Additionally, the villagers come to collect bamboo shoots as a supplement to their diet. Finally, four places were established to express gratitude to Thavorn from the villagers, with elements including a monument and open space as a worship area.

Before Thavorn came to this village, many villagers suffered from debt from the purchase of chemical products in the agricultural sector. This, in turn, resulted in environmental degradation from the intensive use of fertilizers and herbicides. Consequently, Thavorn promoted organic agriculture, which creates self-immunity in terms of household savings and the health of the farmers. Simultaneously, the quality of the ecology chain has improved, and people can collect crabs and insects in the paddy fields for food.

Horticulture reduces the expenses of buying and travelling. People plant crops around their fences. As individual families are able to exchange produce based on their needs, they look after their neighbours, which enhances compassion and good community relationships.

Land management finally is implemented by zoning areas for the villagers' subsistence while maintaining spiritual practices and the environment. It involves the conversion of public spaces for villagers to practice agriculture and a buffer zone to protect the swamp area at risk of village expansion. This is to protect the environment by zoning for meditation, the cattle and buffalo bank, and the area for meeting and gathering food. Zoning is an application of the principle of moderation according to which one produces enough to live on, while preserving the integrity of the environment.

### *Stakeholders, beneficiaries and participatory methodologies*

#### **Agents involved and beneficiaries**

The SEP responds to official development policies recommended by the public administration through a local administrative office and sub-district agricultural unit. However its implementation is largely autonomous and relies on the stimulus of a Buddhist monk who co-operates with the director of the village school and the village headman. The different projects not only benefit the village population, but also involve a network of surrounding villages.

In this respect, the co-operative based at Non sila leng village currently has 2135 members, which by far exceeds the village population. Through the production of the rice mill, agricultural production also reaches a national and international market.

#### **Participation processes and financing**

Great emphasis is placed on the collective management of the production process and on an ethic of sharing and compassion. Participation is rooted in the collective management of the co-operative, the rice mill and the cattle bank. The fundamental model for participation clearly comes from the way the Buddhist temple is run. Here, individuals periodically engage in collective endeavours in order to live and demonstrate the principles of SEP. The leader and the

villagers engage in a horizontal relationship rather than a hierarchical one, which means that both villagers and leader know about the problems facing the village and agree to work together toward a development solution, following the principles of SEP. The success of this community development effort is credited to the work of a moral leader who does not directly represent an institution. The informal co-operation among village, school and temple plays a key role for community planning.

The projects run in the village are to a large extent auto-financed. In 1979, the Buddhist monk created a foundation and the project he started was under Royal patronage allowing initiation of the rice mill.

## Outcomes and reflections

### *Key results and achievements*

Globally, SEP is a practice supporting the financial and productive autonomy of the village community, while developing an environmentally sustainable economy and including all members of the community in the production and management process. In this respect, the Buddhist principle of compassion and respect for people and the environment provides an ethical foundation. Household expenses are kept low and savings can be made through the wholesale distribution of rice at the rice mill. The latter reduces the chain of intermediaries who manipulate prices and quantities to the disadvantage of local communities. The cattle bank, with its system of lending cows for traction and fertilization has proven a big success and has started to spread as a model throughout the region. The same applies more generally to the work of the agricultural co-operative, which provides farmers in the Northeast region with rice, seeds and organic fertilizer. Generally speaking, SEP has proven to be a strong instrument of economic inclusion based on principles of community participation and the participatory transfer of knowledge.

### *Main obstacles*

The co-operation between the local administration office and the village community as represented by its spiritual leader the Buddhist monk has been subject to some friction, which is due to a confrontation between the secular-modernist approach of the administration and the spiritual emphasis of community development in the village. Institutional intervention from the government seems to lack the spiritual sensibility which developing the practice has involved at the grassroots level. This is also proven by the way SEP has, in the past been instrumentalized by military governments and has been used as a business model to cover up practices of corruption.

These problems of SEP at the interface of the government, the administration and local communities also point to the conditions of the replicability of the practice. According to people at the local level, the transfer of SEP requires rethinking a spiritual model of community development in which economic, social and spiritual issues are closely interrelated.

## Further information

The narrative was written in 2007 by Pechladda Pechpakdee, PhD Research Programme at Development Planning Unit, University College London under the coordination and edition of Prof. Cabannes assisted by Yasar Adnan Adanali, at the Development Planning Unit, University College London, UK.

All narratives compiled in 2007 including this one were revised by a DPU editorial committee composed of Ernesto Jose Lopez Morales, Sonia Roitman, Michelle Pletsch, Steffen Lajoie, Luisa Dornelas, Iyad Issa and Pechladda Pechpakdee.

The original text was edited to a standard CISDP Observatory format in 2010 by Dr. Clemens Zobel at the Centre for Social Studies, University of Coimbra, Portugal.

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