

## Opening Speech: The 1999 Year-end Conference “Sufficiency Economy”\*

By

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This is a translation of speech given at the Opening Session of the 1999 Year-end Conference on “Sufficiency Economy,” co-organized by the Chai Pattana Foundation, the National Research Council of Thailand, the National Institute of Development Administration, the Office of the National Economic and Social Development Board, and the Thailand Development Research Institute, at the Ambassador City, Jomtien, Chonburi, December 18-19, 1999.

### Distinguished Conference Participants,

As chairman of the Council of Trustees of the Thailand Development Research Institute and on behalf of the Conference organizers, I am pleased to welcome all distinguished participants to the 1999 Year-end Conference.

There are three aspects that make the Year-end Conference this year a unique event—the occasion for the Conference, the organizers of the Conference, and the topic of the Conference.

First of all, the Year-end Conference this year is being held as part of the celebrations on the auspicious occasion of His Majesty the King's 72<sup>nd</sup> Birthday Anniversary. The Conference organizers feel greatly honored to be a part of these celebrations. His Majesty the King never ceases to provide guidance and strength to his nation. He has graciously devoted himself to the country's development, as well as crisis resolutions at times of political crises, natural disasters, and social crises, such as poverty, poor quality of life and well-being, to name but a few. The philosophy of the “Sufficiency Economy” is His Majesty's recent guidance, bestowed amidst the hard-hit economic crisis as an alternative direction for Thai people to carefully examine, learn from, and apply for the country's future development. For this auspicious occasion of His Majesty's 72<sup>nd</sup> Birthday Anniversary, may I, on behalf of all of us who are present here today, wish His Majesty a long life, good health and lasting prosperity.

The second aspect that makes the Year-end Conference this year special is its organizers. As in previous years, Her Royal Highness Princess Maha Chakri Sirindhorn, chairperson of the Chai Pattana Foundation, has graciously accepted the TDRI's invitation for the Chai Pattana Foundation to co-organize the Conference. Moreover, three other significant institutions have cooperated in the organization of the event. They are, the National Research Council of Thailand, the National Institute of Development Administration, or NIDA, and the Office of the National Economic and Social Development Board, or NESDB.

The third special feature of the Year-end Conference this year lies in the topic itself. During the year, the Conference organizers embarked on efforts to examine the philosophy of the Sufficiency Economy and to seek appropriate conceptual and application frameworks for it. The National Research Council of Thailand organized two discussion forums on the topic of “His Majesty's Sufficiency Economy: Economists' Perspectives” in which representatives from the TDRI, NIDA and the NESDB participated.

The NIDA has conducted research on the Sufficiency Economy as a follow-up to its study on His Majesty's New Theory. Likewise, the NESDB has started to examine the most appropriate ways to incorporate the

philosophy into the national development plan. The Conference organizers agree that the creation of a common and accurate understanding of the philosophy is important. No less important are the clarity of the conceptual frameworks of the philosophy and the appropriate application of the philosophy for future development directions. To achieve these, it was agreed that a large-scale conference on the topic should be held.

To ensure accuracy in the interpretation of the philosophy of the Sufficiency Economy, representatives of the co-organizing institutions and experts in economic and other fields had a number of meetings with H.E. Privy Councilor Dr. Chaovana Na Sylvanta, whose kind contribution needs to be noted here. The working group drafted an interpretation of the philosophy of the Sufficiency Economy. Subsequently, His Majesty's clarification was sought, and royal consent to disseminate the statement of the philosophy was requested. His Majesty graciously made modifications to the statement and granted royal consent for general dissemination of the statement of the philosophy of the Sufficiency Economy. The statement is as follows:

“*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. At the same time, it is essential to strengthen the moral fiber of the nation, so that everyone, particularly political and public officials, technocrats, businessmen and financiers, adheres first and foremost to the principles of honesty and integrity. In addition, a balanced approach combining patience, perseverance, diligence, wisdom and prudence is indispensable to cope appropriately with critical challenges arising from extensive and rapid socioeconomic, environmental, and cultural changes occurring as a result of globalization.”

A careful reflection on the philosophy will lead to one's understanding of its profoundness. In fact, His Majesty first bestowed the concept of the Sufficiency Economy in his royal speech 25 years ago, except that he did not use the term “Sufficiency Economy.” In my own personal view, I think His Majesty chooses the word “Sufficiency” with an addition of the word “Economy” to fit the context of the economic crisis in which his royal speech was given. The economic crisis, and the preceding signs of the country's economic instability, has its roots in dispositions and behaviors of insufficiency, discontentment, and most important of all, lack of moderation.

In the year 1974, Thailand was at her political crossroads. In addition, the country suffered unequal income distribution. His Majesty stressed in his royal speech that others might say Thailand was out-dated or lacked modern facilities, but let them, as long as we led a sufficient life with enough to eat and enough to live on. All along, His Majesty has tested his royal theories and projects for the sake of a sufficient life for his people. It is worth noting that His Majesty often uses words in relation to the concept of sufficiency, such as “enough to eat and enough to live on” and “sufficiency.” In his royal speech about the Sufficiency Economy given on the occasion of His Majesty's birthday in 1998, His Majesty added the word “moderation.” His Majesty's mentioning of these concepts carries profound connotations. Sufficiency leads to contentment. Contentment leads to moderation. Moderation leads to one's conscience to give. Giving leads to sharing and assistance. Subsequently, peace, strength and efficiency will be planted in a community. Ultimately, stability and sustainability will be attained.

His Majesty first mentioned the New Theory in his royal speech given in 1994, and bestowed the philosophy of the Sufficiency Economy three years later. Many people tend to relate the philosophy only to the agricultural sector. In fact, the Sufficiency Economy is a guiding philosophy in leading one's life at both micro and macro levels, and thus can be applied to all economic sectors, such as the industrial sector, the financial sector and others. The philosophy of the Sufficiency Economy stresses existence and conduct that are based on moderation, the middle path and sound decision-making. It aims for strength, stability and sustainability that are attained through readiness to adjust oneself appropriately and timeously should

uncertainties and external volatilities occur. Such timely and appropriate adjustments can be achieved only through prudence, well-versed knowledge, cooperation, honesty and perseverance, and the ability to use these traits in examining one's choices and evaluating and managing one's risks.

Once we can get a grip of these fundamentals of the philosophy of the Sufficiency Economy, we will understand that the philosophy can be applied as the development strategy in all sectors. In the social sector, the philosophy of the Sufficiency Economy can also be applied. Income distribution that balances sufficiency between those who have more and those who have less, power distribution that promotes families and societies to become strong, sustainable, consistent, mindful and rational in their decisions—these are all desirable frameworks for the country's development. Whether in a social or economic context, if “sufficiency” is a core from which moderation develops, adjustments for the future will be smooth. Every step on the way will be based on prudence and care.

One important point is worth our attention here. Although we know the philosophy by the name of the “Sufficiency Economy,” the very crucial element of the philosophy does not lie in the economic system, but in the “way of life,” the way of life of the Thai people that cuts across all social segments, ranging from individuals, families, communities and the country. I think we are too accustomed to the process of searching outside of ourselves when we want to find out what goes wrong. A ready example is a superficial understanding of the concept of karma. More often than not, we hear people blame whatever goes wrong on karma. In such cases, karma is treated as an external factor that has nothing to do with us. But what actually is karma? In Buddhism, karma is action. Whose action? Individual actions of each and every one of us, personally. I think we must change this attitude of seeking for causes of problems from the outside. Before blaming or seeking assistance from others, we must look at ourselves and make peace with our own understanding that everything that happens lies with us. That is why we have to rely on ourselves.

His Majesty once said don't breathe by others' noses and don't learn to stand on others' legs. Another step further than not standing on others' legs is to learn to stand on our own feet. We must create a system whereby each and every one of us learns and realizes that whenever a problem occurs, we must rely on ourselves and take the consequences of the risks we choose by ourselves. Apart from not relying on others, we must also form an attitude of not following others excessively. It is not right to blindly emulate others. Just because others have invested in some projects, one should not make a similar investment without careful consideration. This applies to all levels, both at the individual level and at the macro level of the entire system. We should pause a little; ask ourselves and decide things from our own strengths and weaknesses. As Phra Thammapiṭaka, or P.A. Payutto wrote in the book “Way Out From the Economic System that Dominates the Thai Society” in 1989, an understanding of economics is attained through dharma. Dharma here does not refer to ethics or morality, but truth as presented in the natural course of things. The philosophy of the Sufficiency Economy reflects the natural truth that we need to thoroughly reflect upon. It is the elements of the natural truth that we need to analyze, in order to find a way out from the economic crisis and in order to lead our lives differently from the way we used to. I quote Phra Thammapiṭaka to present to you how the philosophy of the Sufficiency Economy is a philosophy that reflects on truth. It is based on such values as mindfulness, prudence, moderation, the middle path and wisdom. It is the path that His Majesty has taken and tested in numerous royal projects until he sees that it is truly practical. Once we get to understand these fundamentals, it is our challenge, each and every one of us, to seek appropriate frameworks and tools for the best applications of the philosophy in the modern and globalized environment.

Finally, let me briefly state the ultimate goal of the philosophy of the Sufficiency Economy. If the Sufficiency Economy is the theme, practices such as the New Theory are tools. The ultimate goal lies in sustainable development. This kind of sustainability derives from awareness and understanding that resources in a society are limited and that we do not have unlimited input to use as much as we may wish to. It is the kind of sustainability that grows from an understanding that input and output need to be balanced. For these reasons, we must use our input and manage our output with wisdom, mindfulness, prudence, moderation and sufficiency.

That is all I would like to leave with you. I am certain that this Conference will serve as a fruitful and constructive forum where we will attempt to reach a thorough understanding of the meaning of the philosophy of the Sufficiency Economy. In that process, we should also try to reach both an understanding within our individual self and an understanding with one another. I urge you to reflect on applications of the philosophy for future development directions in different aspects so that our country will move ahead with

stability and sustainability in the millennium to come.

Let me now declare the 1999 Year-end Conference open.

Thank you.

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