“Sufficiency Economy”

for

The International Ministerial Conference
on Sufficiency Economy

by

Office of the Royal Development Projects Board
August 2004
# Contents

1. Background : Direction of the Country’s Development Before the Economic Crisis .................................................................................................................. 2
2. Sufficiency Economy: The Royal Initiatives and Important Principles .... 3
3. Sufficiency Economy: Application ................................................................................................................................. 6
4. Relationship between the Philosophy of Sufficiency Economy and the New Theory According to His Majesty’s Initiative .............................................................. 7
   4.1 New Theory: Sufficiency Economy for the Farmers......................................... 9
   4.2 Factors for the Successful Practice on Sufficiency Economy in the Form of the New Theory ................................................................. 12
   4.3 Obstacles in the Practice of Sufficiency Economy in the Form of the New Theory ........................................................................................................ 12
   4.4 Benefits of the Practice of Sufficiency Economy in the Form of the New Theory ........................................................................................................ 14
5. Sufficiency Economy and the Royal Development Study Centres ............ 14
6. Examples of the Successful Royal Development Projects and Farmers Who Apply the Concept of Sufficiency Economy ............................................................ 18
   6.1 The Wat Mongkol Chaiapattana Area Development Project,
       Chalerm Prakiet District, Saraburi Province .................................................. 18
   6.2 The Ban Daen Samakkhee New Theory Demonstration Project,
       Khao Wong District, Kalasin Province .......................................................... 20
   6.3 The Model Farm at Nong Mak Thao According to Her Majesty the Queen’s Initiative, Muang District, Sakon Nakhon Province ............................ 22
   6.4 Mr. Prayong Ronnarong, a farmer in Cha-vang District, Nakhon Si Thammarat Province .............................................................. 23
7. Conclusion ................................................................................................................................. 24
1. Background:

**Direction of the Country’s Development Before the Economic Crisis**

The target of Thailand’s development in the past decades was to boost economic growth with the Gross Domestic Products or known as GDP being the principle indicator. In order to ensure continual economic growth rate, expansion of production was accelerated relying on human beings and natural resources as major production inputs. During the period of the Fifth to Seventh National Economic and Social Development Plans, Thailand’s economic growth had increased respectively, particularly as a result of the policy to promote domestic investment during the Sixth National Plan. The policy made the economic growth rate increase to 10.4 percent and maintained it at 8 percent on average. Consequently, during the Seventh National Plan, Thailand was able to free herself from the World Bank’s poor countries list. Given the GDP per capita of 77,000 Baht per year, it was highly expected that Thailand would step forward to become a NIC or the Fifth Tiger of Asia.

Due to acceleration of the economic expansion, Thailand opened toward the free trade system and was subject to the world market mechanism. There had been free movement of huge amounts of capital between Thailand and other countries both in the form of long-term investment such as investment in the production industry and short-term investment such as investment in stock markets and real estate which concentrated on short-term transfer of assets coupled with stimulation of stocks to make profits. At the same time, the enforcement of regulations concerning money and finance was considerably loosened so as to promote investment. It was during the period of the Sixth and the Seventh National Plans that witnessed the occurrence of a full form of ‘bubble’ economy.

In the year 1996, Thailand faced recession of exports, resulting in the floating of Baht. Finally in 1997, the ‘bubble’ economy collapsed and economic crisis took place. Baht fell 40 percent, increasing the public debts risen from loans during the economic expansion to approximately 3.8 millions of million Baht. With such heavy burdens, Thailand was then forced to come into agreement with the International Monetary Fund or IMF for the restructuring of the country’s economy. This meant Thailand’s freedom in the implementation of various economic and financial policies was limited.
It can be said that the country’s development for almost fifty years had created great material wealth, especially infrastructure which was considered the important factor for development. However, due to unbalanced development process and lack of the use of holistic approach in dealing with problems, the development in other areas such as education, democracy, and environmental conservation could not keep pace with the material wealth that occurred. All these circumstances led to the conclusion of the country’s past development as “Good Economy, Problematic Society and Unsustainable Development”.

2. Sufficiency Economy: The Royal Initiatives and Important Principles

While the former governments had tried to develop the country in an attempt to change its fundamental economic structure from agriculture to industry in order to modernize the country and enable it to become self-sufficient in production for uses and consumption, His Majesty kindly suggested guidelines for the country’s development based on moderation. This was reflected in an excerpt from His Majesty’s speech given on July 18, 1974:

“Development of the nation must be carried out in stages, starting with the laying of the foundation by ensuring the majority of the people have their basic necessities through the use of economical means and equipment in accordance with theoretical principles. Once a reasonably firm foundation has been laid and in effect, higher levels of economic growth and development should be promoted. If we were to concentrate only on fast economic progress without allowing the plan of operation to harmonize with the conditions of the country and people, an imbalance in various aspects would be caused and may bring about failure in the end, as witness the serious economic crises currently faced by many a developed country.”

When the Thai nation faced the big economic crisis from 1996 to 1998, His Majesty the King gave spiritual support and initiatives concerning “Sufficiency Economy” on the
occasions of His Majesty’s Birthday Anniversary both in the year 1997 and 1998. His Majesty explained further about the phrase “having enough to eat and to live” which has broader meaning than “self-sufficiency” in a royal speech given on December 4, 1997 as quoted:

“...a self-sufficient economy does not mean that each family must produce its own food, weave and sew its own clothes. This is going too far, but I mean that each village or each district must have relative self-sufficiency. Things that are produced in surplus can be sold, but should be sold in the same region, not too far so that the transportation cost is minimized.”

Afterward, the Office of the National Economic and Social Development Board or NESDB invited experts in economics and other fields to work jointly in compiling and synthesizing His Majesty the King’s royal remarks on sufficiency economy on various occasions. The synthesis of sufficiency economy was then submitted to His Majesty for royal consideration. Then His Majesty graciously made a final revision and the royal approval has been granted on November 21, 1999 for further dissemination to be guidelines for all the parties involved as well as for the general public as follows:

“Sufficiency economy” is a philosophy that stresses the middle path as the overriding principle for appropriate conduct and way of life of the entire populace. It applies to conduct and way of life at 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. “Sufficiency” means moderation and due consideration in all modes of conduct, and incorporates the need for sufficient protection from internal and external shocks. To achieve this, the prudent application of knowledge is essential. In particular, great care is needed in the application of theories and technical know-how and in planning and implementation. At the same time, it is essential to strengthen the moral fibre of the nation so that everyone, particularly public officials, academics, business people, and financiers adhere first and foremost to the principles of honesty and integrity.
A balanced approach combining patience, perseverance, diligence, wisdom, and prudence is indispensable to cope appropriately with critical challenges arising from extensive and rapid socio-economic, environmental and cultural change occurring as a result of globalization.

From above, the philosophy entails three important principles:

1) Moderation
2) Reasonableness
3) Self-immunity

If the philosophy of “sufficiency economy” is used in analyzing the causes of the economic crisis that occurred in the past years, we will find that the past development process had ignored the important fundamental principle on sufficiency economy. Sufficiency economy means not only “the ability to be self-reliant”, but also “moderation and reasonableness”, unselfishness, extravagance, and “the middle path”. This is because over-investment while the majority of the people cannot stand on their own securely would result in lack of “self-immunity”. Therefore, the crisis caused by external factors that struck Thailand had severely affected the way of living of the people of all levels as stated in an excerpt from His Majesty’s speech:

“The important thing for us is to have a self-supporting economy. A self-supporting economy means to have enough to survive.”

The development in accordance with the philosophy of sufficiency economy is thus the development of oneself which extends to the level of the families, communities as well as
the level of nation. His Majesty stresses that development must be done step by step starting from building a good basis for the people to enable them to have enough to live on and enough to eat and then to become self-reliant.

To fulfill His Majesty’s initiative on development, the NESDB humbly applies the philosophy of sufficiency economy as the guideline for the development and administration of the country by incorporating it in the Ninth National Economic and Social Development Plan which covers the period from 2002 to 2006. Based on the concept and principle of sufficiency economy, a balanced development framework in all important aspects: human, social, economic and environmental, is stressed. The middle path is followed as the main guiding light to free the country from crises as well as to ensure its secure, balanced and sustainable development.

3. Sufficiency Economy: Application

The philosophy of sufficiency economy which is advised by His Majesty as guidelines for conducting daily life for the people of all levels from the family level, the community level to the national level has the following principles:

At the family or individual level: Each individual must have conscience in their daily conduct, and lead a happy, joyful and moderate life. One should carry out a simple life, be engaged in a proper career to raise oneself and his family at a sufficient level and refrain from taking advantages of other people while being generous to them.

At the community level: The people must join hands in their activities, participate in the decision-making process in the community, develop mutual learning process, and appropriately apply the technology in the development of the community. The principle is that the applied knowledge and know-how must be economical, simple, and locally available. The
point is one must learn to apply what is available in the region to solve the problems without having to rely on high investment or the use of complicated technology.

At the national level: A holistic development process should be promoted to create balance. The social, economic, and resource capitals should be taken into consideration. In the promotion of production, the potentials of the country’s domestic factors should be analyzed to guide types of merchandises to be promoted. Importantly, all merchandises produced should first meet the demands in the country before being exported. In the management, low risks should be encouraged. That is, we should not over-invest because such act will lead to debts which could increase beyond our capability to manage.

The country should have careful planning, keep pace with changes in the world and be able to use the natural resources in a worthwhile manner while conserving and preserving the environment. In addition, social capitals such as the educational system and the local wisdom should be developed in order to uplift the country’s capability in creating innovation and technology which is appropriate to the country as well as cost-saving and simple. The purpose is to reduce imports of technology and dependence on other countries as stated in a following excerpt from His Majesty’s speech:

“In creating things to develop the country and the people’s livelihoods, we should observe our work implementation. Apart from great and advanced technology for use in huge productions which require tremendous outputs, each individual should also take into account and discover simple technology in order that businesses with low capitals can conveniently and practically apply it.”

4. Relationship between the Philosophy of Sufficiency Economy and the New Theory According to His Majesty’s Initiative

Having suggested that the country’s development must be done in steps, starting from enabling the people to have a sufficient living, His Majesty the King introduced the New Theory in order to restate his first initiative on the philosophy of Sufficiency Economy in
1974. Since then, the concept has been included in His Majesty’s speeches every year. Furthermore, His Majesty proposed that the Royal Development Study Centres act as the experimentation and result extension unit. When Thailand experienced high economic expansion to more than 10 percent in three consecutive years from 1988 to 1990, the majority of the people were satisfied with the situation and especially, the socially, economically and politically privileged groups enjoyed a luxurious and extravagant lifestyle. However, most people in the rural areas were still poor, not self-reliant and faced with the fall of the family institution as well as the community.

After having advised on the experimentation of the “the New Theory” which is a means to achieve “Sufficiency Economy” granted since 1974, His Majesty the King promoted “the New Theory” as the concrete agricultural practice of “Sufficiency Economy” among the country’s high ranking officials as well as the general public. He continuously stressed this idea as a reminder that the bubble economy Thailand enjoyed during between 1993 to 1996 did not last and could cause tremendous loss because of some people’s greed which, according to His Majesty the King, “...was disaster caused by the human mind which can be solved, but harder than that caused by nature...” However, His Majesty’s warning was not well responded until the economic crisis occurred in 1997. The economists began to realize the importance of His Majesty’s speech given in the past years. However, there had been confusion and misunderstanding because the people were still familiar with the definition of the concept of “Self-Sufficient Economy” as being isolated as commonly explained by the Westerners. In this regard, His Majesty the King suggested the increase of the proportion of Sufficiency Economy which seemed to be neglected earlier as the country had been emphasizing only on production for commercial purposes. According to His Majesty the King, the country’s economy should be changed to production for economic stability which is an important meaning of Sufficiency Economy as stated in the following excerpt of His Majesty’s speech granted on December 4, 1997:

“...If the situation can change back to an economy that is self-sufficiency – it does not have to be a hundred percent, or even fifty percent, but perhaps only twenty-five percent – it will be bearable. The remedy will take time; it will not be easy. Usually one is impatient because one suffers, but if it is done from this moment on, the recovery is possible...”

Although the meaning of Sufficiency Economy according to His Majesty the King began to be understood, some
people still apply the concept only with their agricultural activities implemented on their own land instead of balancing the proportion of activities that promote trade economy and activities that promote sufficiency economy. This led His Majesty to deliver a new explanation of Sufficiency Economy in 1998 which comprises two meanings: first, **moderation, honesty, unselfishness and not exploiting others**; and second, **moderation and reasonableness** which might be more understood among the economists.

Therefore, **the New Theory is a way to achieve Sufficiency Economy**. Its objective is to solve a major problem facing Thai farmers from the past to the present which is the shortage of water supply for agricultural activities. The impact is severe for the agricultural areas which rely heavily on rainwater. Unfortunately, such areas where there is little precipitation constitute a predominant part of the country with mostly rice and field crop farming being implemented. Such a condition limits farmers from carrying out their cultivation to only once a year during the rainy season. Moreover, farmers were exposed to high risks and damage due to adverse environmental conditions of the soil, climate, and inconsistent rainfall patterns. Although efforts have been made to counter water shortage problems, for example by digging ponds to store water, appropriate sizes or systems have never been determined. There were still other factors which magnified the shortage of water such as unsystematically planned crop cultivation or monocropping farming systems.

### 4.1 New Theory: Sufficiency Economy for the Farmers

From his frequent visits to the people in the rural areas throughout the country, His Majesty found that the majority of his subjects who are engaged in agriculture and produce foods to feed the people all over the country and the world are still in poverty. It is owing to the problem regarding their occupations as a result of unproductiveness of their lands or water shortage. His Majesty then granted a royal initiative concerning the “New Theory” on December 4, 1994. The New Theory is a set of systematic guidelines for proper management of land and water resources which ensures sufficiency economy for the farmers in order to enable them to become self-reliant, to have security in their occupations and to strengthen their families and communities. The complete New Theory agriculture has three stages:
First stage: Sufficiency at the household level or the state of self-reliance

In order for the farmers and their families, each of whom holds an average of 10-15 rai or 1.6-2.4 hectares of land for making a living, to become self-reliant, the land should be divided into 3 parts:

The first part: about 30 percent or an area of about 3 rai or 0.48 hectares is for digging a pond of 4 meters deep to store water for agricultural uses.

The second part: about 60 percent or an area of about 10 rai or 1.6 hectares is for agriculture. 30 percent of this is for rice cultivation and the other 30 percent is for growing field and garden crops which may differ according to the conditions of the area and the markets.
The third part: about 10 percent or an area of about 2 rai or 0.32
other activities such as growing garden crops and raising animals.

The land division into parts as mentioned above enables the people to make a living at a moderate and economical level. This is based on the assumption that rice farming in an area of 5 rai or 0.8 hectares can yield sufficient rice produce for all year round consumption the surplus of which can then be sold in markets to earn extra income that can be used as funds for other activities.

Second Stage: Sufficiency at the community level or group forming

After security at the family level has been enhanced, the farmers in the community must form groups to support production and marketing. The aim is to create sufficiency at the community level by diversifying their economic activities to cover various means for making a living. This may include integrated farming, handicraft making, food processing, business, tourism etc. Once the community is strengthened, the people will be able to develop the welfare, the educational as well as the public health systems which will guarantee that the community will develop with stability and sustainability.
Third Stage: Sufficiency at the national level or opening to the outside world

After the community has been strengthened, the people can then proceed to the third stage which involves creating contacts and building networks with the outside sources, and also expanding their activities. The community is encouraged to cooperate with both the private and the public sectors, and the non-governmental agencies in such activities as funds raising, marketing, production, management and information system. To successfully reach this point, the community must have unity and join hands in a collaborative way to create security in the community, to conserve the natural resources and the environment, to develop the participatory process and the learning process of the people based on the local wisdom as well as to maintain valuable traditions and culture.

4.2 Factors for the Successful Practice of Sufficiency Economy in the Form of the New Theory

1. The farmers should be diligent and determined. They should also own a piece of land and have some capital.
2. The farmers should have the correct understanding of the New Theory, know how to practice farming and be ready for new knowledge.
3. In practicing the New Theory, the public sectors, the private sectors, the community and the farmers must work hand in hand seriously and continuously in many aspects such as budgeting for work implementation and marketing.
4. The allocation of agricultural land must concern about the environment and can be adapted in accordance with the climatic and geographical conditions of each area.
5. The implementation of activities relies on the process which promotes people participation and brings about the unity among the group members before expanding to the outside.

4.3 Obstacles in the Practice of Sufficiency Economy in the Form of the New Theory

1. To build understanding about principles, concepts and main ideas of the New Theory among the people, both the farmers and those engaged in other careers, as well as
agencies concerned, good public relations is needed. Today, it is noticeable that despite an increase of news and information on Sufficiency Economy, there still are different understandings of the New Theory, especially among the farmers some of whom do not understand the actual objective of the New Theory.

2. The fact that the farmers have their residence and rice fields in the different places could hinder good results from their agricultural activities.

3. Some farmers understand that the agricultural practice according to the New Theory focuses primarily on trade instead of sufficient consumption. As a result, the New Theory is not applied according to its principles. Therefore, clear understanding that products should be produced firstly for household consumption after which the surplus can be sold should be promoted among the farmers.

4. Some farmers have either inadequate or aged labor force in their families which obstructs the implementation of long-term agricultural activities in a sustainable manner.

5. The fact that the farmers have inadequate understanding of the New Theory results in the ineffective use of production inputs. When receiving free-of-charge production inputs, the farmers often neglect them and do not use them in their agricultural activities. This is considered the waste of the country’s resources.
4.4. Benefits of the Practice of Sufficiency Economy in the Form of the New Theory

1. The New Theory enables the people to lead a ‘sufficient’ life which is economical, unscathed by privation and hunger, in line with the theory of ‘Sufficiency Economy’.

2. Despite a lack of water during the dry season, cultivation of crops and even rice can be feasible without having to rely on irrigation because the water stored in the farm pond can be utilized.

3. In a year with plenty of seasonal rainfalls, the New Theory can generate high income and consequently enhance wealth.

4. In case of flooding, farmers can recover from the damage and depend on themselves at a certain level of sustenance without having to rely on too much assistance from the government. This helps to save the national budget.

5. Sufficiency Economy and the Royal Development Study Centres

According to the major principle of Sufficiency Economy, the state of self-reliance at the family and the community levels should be achieved first. Once the family and the community are strengthened and secure, they can expose to the outside world. The development patterns derived should be appropriate with the socio-economic, cultural and topographical conditions of the community to ensure continuous and sustainable development which forms the important foundation for the overall development of the country. It can be seen that the implementation of the Royal Development Projects clearly reflects the principle of Sufficiency Economy. That is, the implementation of the Royal Development Projects adheres to the important principle of development which emphasizes that “Development of the nation must be carried out in stages according to the necessity”; should be “simple and economical”; should be in accordance with the physical environment, the sociological environment and the cultural environment; and also should take into consideration...
promotion of the suitable knowledge and techniques. In this relation, the Royal Development Study Centres or RDSCs have adopted His Majesty’s concept of Sufficiency Economy to develop many areas and generate optimal benefits for the people.

Well aware of the problem of the lack of knowledge, equipment and technology in making a living faced by the majority of his subjects living in the rural areas as well as the topographical problem of each specific area, His Majesty the King understands the necessity of creating the “models of success” for the Thai farmers to study and follow the examples in the development of their own agricultural activities. Being the model of success, each Royal Development Study Centre conducts the study of the physical problems of the area as His Majesty said about the objectives of the centres as follows:

“The purpose of the Royal Development Study Centres is to develop farmers’ land by means of land development, water resources development, forest rehabilitation and application of production techniques in agriculture and animal husbandry and to use the donated funds as the operation cost of the centre. The centres will also serve as a central office to conduct development activities to improve the well-being of the people in the surrounding areas. Once the farmers have upgraded their living standard, they might consider setting up a rice mill and rice bank in each village to get an opportunity to train themselves, to finally become self-supporting…”

The first Royal Development Study Centre is the Khao Hin Sorn Royal Development Study Centre established on August 8, 1979 and situated at Khao Hin Sorn Subdistrict, Phanom Sarakarm District, Chachoengsao Province. Until now there are altogether six Royal Development Study Centres situated in all the major regions of Thailand. These Centres include:
1. Khao Hin Sorn Royal Development Study Centre
2. Pikun Thong Royal Development Study Centre
3. Kung Krabaen Bay Royal Development Study Centre
4. Puparn Royal Development Study Centre
5. Huai Hong Khrai Royal Development Study Centre
6. Huai Sai Royal Development Study Centre

Characteristics of the Royal Development Study Centres

1. “Models of Success”

“There is one principle about the Royal Development Study Centres. If the activity yields good results, these results must be recorded in the form of a textbook. All textbooks are derived from experiences. One advantage of the Royal Development Study Centres is that they are not experimental stations in the formal sense, but informal experimental places as the people commonly call.”

The work implementation of the Royal Development Study Centre emphasizes conducting of studies and experiments to seek guidelines for the development of agriculture which is suitable with the conditions of the areas and offers the use of simple, appropriate and economical technology. The successful results of the Centre’s works then become the “models of success” that the farmers and the general public can apply to create benefits. By contrast, the results which are not successful can also be useful as the cautions in the implementation; or otherwise, the techniques can be modified to provide other suitable alternatives as stated in the following excerpt of His Majesty’s address:

“...if anything fails at these Development Study Centres, there will be no punishment. We will just learn that this activity is not productive. Once we see that, we may continue on to prove that it does not work. This can also serve as a textbook to make us accept the fact that the activity is not really practical.. ”
2. “Living Natural Museums”

The work implementation of each Royal Development Study Centre is the display of the physical, economic and socio-cultural conditions of each particular area. The purpose is to enable the people to study and understand the situations from real demonstrations. This will in turns help improve the quality of life, the social aspects as well as the local wisdom of the people in the regions. The Centre’s activities are implemented in a continuous manner as if it was a Living Natural Museum.

3. “One-stop Service”

Since each Centre involves representatives from the government agencies dealing with many different fields of development such as the Royal Irrigation Department, the Land Development Department, the Department of Livestock Development and the Department of Agricultural Extension, it provides the people with various agricultural services all in one single place or as called “one-stop service”. This form of service significantly helps reduce the repetition and complications which the people may encounter while seeking services from government agencies. This characteristic is expressed by His Majesty in the following excerpt of his speech:

“…the Royal Development Study Centres gather in one place officials and experts from every department and division in various fields; agricultural, social and related educational promotion. This means the people can obtain different fields of knowledge at the same time. It is like two poles. One is the officials who work together in one place. The other is the general public who acquire benefits…

4. “Innovation of Administration and Management”

Since the agricultural development projects in general consist of many elements which are interrelated such as water, land, plants, animals, fish as well as marketing, the projects must be implemented in a holistic or integrated manner. The Centre has thus adopted
this theory in its management. It mobilizes officials from various agencies in the public sector, the private sector or the non-governmental sector, to come to work together. Meanwhile the Chaipattana Foundation and the Office of the Royal Development Projects Board act as the coordinating agencies. This innovation of the country’s administration and management is considered the horizontal work pattern which truly targets at the effectiveness of the work implementation and which was not supported by the country’s traditional bureaucratic system.

6. Examples of the Successful Royal Development Projects and Farmers Who Apply the Concept of Sufficiency Economy

6.1 The Wat Mongkol Chaipattana Area Development Project, Chalerm Prakiet District, Saraburi Province

In line with the royal initiative to promote cooperation among home-temple-government (School) or Baan-Wat-Ratchakarn, the areas of about 32 rai (5.12 hectares) within Wat Mongkol Chaipattana in Huai Bong Subdistrict, Chalerm Prakiet District, Saraburi Province was developed into a model for integrated development in a symbiotic manner which would lead towards sustainable development. The Project which started operation in 1989 had an objective to develop a small area which is arid to be a service centre for agricultural and other activities with demonstrations on farming occupation development patterns which people can apply to their career and enable them to become self-reliant, based on frugality and unity. The development area at Wat Mongkol Chaipattana has been divided into two plots for carrying out studies and demonstrations of agricultural practices from which farmers can learn and apply on their own land.

Plot 1: Integrated farming demonstration plot

This part covers an area of about 16.5 rai (2.64 hectares) with activities focusing on increasing organic content in the soil. Since then, the area has been used for studying and demonstrating the cultivation of various crops and plants. There is also an experimental plot where trees are planted on raised beds at different levels. A pond was
dug for fish raising, and around the edge, Vetiver grass is grown to prevent soil erosion and for soil and water conservation purposes. The intention is for those who are interested in studying and applying the demonstrated cultivation techniques on their own land.

Plot 2: The “New Theory” demonstration plot

The area covers about 15.5 rai (2.48 hectares) and is used for farming according to the “New Theory” practice as suggested by His Majesty. It is a new way for farmers to manage land and water resources for agriculture. The theory provides a development guideline for farmers who own a small piece of land of approximately 10-15 rai (1.6-2.4 hectares), which faces shortage of water and soil nutrients. The land’s fertility is to be improved to promote optimum use in order to enable the farmers to become self-sufficient all year round. In this connection, it is suggested that the land be divided into four parts at a proportional ratio of 30:30:30:10.

Part 1: An area of about 3 rai (0.48 hectares) is used as the site for constructing a pond of a depth of at least 4 metres with a water storage capacity of 18,000 cubic metres. The water may come from rainfalls or outside sources such as Huai Hin Khao Reservoir through the pipeline system. Therefore, the people will have water supply not only for agricultural purposes all year round, but also for fish raising and aquatic plants growing.

Part 2: The area of about 5 rai (0.8 hectares) is allocated for growing rice for household consumption. The surplus can be sold. After the rice harvest, the area can then be used for growing rotational field crops or vegetables including mung bean and soybean to increase income and soil nourishment.

Part 3: An area of about 5 rai (0.8 hectares) is used for integrated farming in order to provide income all year round.

Part 4: An area of about 2 rai (0.32 hectares) is set aside for a residential area, infrastructure and a vegetable garden.

Case Study: Mr. Tongsuk and Mrs. Sawang Pimsarn, the farmer couple who own a piece of land that is adjacent to the New Theory plot within the area of the Wat Mongkol Chaipattana Area Development Project.
Initially, the couple received support for the construction of a water source and other needed infrastructure from the private sector. Their 19 rai (3.04 hectares) of land is divided into 5 rai (0.8 hectares) of rice, grown during the rainy season and replaced by vegetables during the dry season; 6 rai (0.96 hectares) of fruit crops; 1.5 rai (0.24 hectares) of Jasmine; and 1.5 rai (0.24 hectares) of pond for agricultural uses and fish raising. The rest of the land is dedicated for the house, roads, space for multi-purpose uses, ditches as well as earthen embankments. Before implementing the New Theory, they earned no more than 30,000 Baht per year from selling rice produce. However, after applying the theory, they earned about 300,000 Baht a year from selling various products which tremendously helped uplift their living standard. Although not rich, they are not poor and live a sufficient life.

6.2 The Ban Daen Samakkhee New Theory Demonstration Project, Khao Wong District, Kalasin Province

His Majesty the King suggested the experimentation of the New Theory in the Northeast of Thailand for the first time in 1993. The theory was to be experimented at Ban Daen Samakkhee, Moo 13, Kum Kao Subdistrict, Khao Wong District, Kalasin Province under the name of The Ban Daen Samakkhee New Theory Demonstration Project. The project operation involves display of the experimental plots or demonstration plots to assist the farmers who faced problems of growing rice. The major problem often found was that the ears of paddy contained no rice grain due to water shortage. Therefore, a pond was dug on the area of 3 rai (0.48 hectares) with a water storage capacity of 12,000 cubic metres to retain solely rain water which is enough to feed 3.75 rai (0.6 hectares) of rice and 6 rai (0.96 hectares) of field crops. Even during the driest period, there will be water left in the pond 1.5 – 1.75 metres deep. After digging the pond, further implementation according to the New Theory (30:30:30:10) will be proceeded by dividing the land of 13.75 rai (2.2 hectares) into 4 parts as follow:
Part 1: Pond of an area of about 3 rai (0.48 hectares) to be water source for agricultural purposes, consumption and fish raising

Part 2: Rice field of an area of about 3 rai (0.48 hectares) for growing rice and field crops after rice harvest

Part 3: Integrated farming plots of an area of about 6 rai (0.96 hectares) for growing fruit crops, field crops and vegetables

Part 4: Residential area, roads and infrastructure of an area of 1.75 rai (0.28 hectares).

The operation is in the form of integrated farming which involves intercropping of plants and raising of pigs together with fish. The emphasis is on the use of factors from land. According to the result of the project implementation, the royal initiative on the New Theory is appropriate to the land without water sources to support agricultural activities. The pond will provide water to the rice fields throughout the planting season, resulting in 70% increase of rice yield. It can be said that even in a restricted area, rice can be grown and produces enough yield throughout the year. The water left from growing rice can be used for field crops, fruit crops and vegetables cultivation. Consequently, the farmers have food to consume all year round and still have the surplus to sell.

**Case Study:** Mr. Tian Paisan, 70 years old, and Mr. Yai Laepadung, 56 years old, the farmers who successfully apply the New Theory farming practice.

At first, the government through Khao Wong District Office supported with a pond of 1 rai (0.16 hectare). Then, they began to practice the New Theory on the land along the sides of the pond. Each has 11 rai (1.76 hectares) which includes 8-9 rai (1.28-1.44 hectares) of rice field, 2 rai (0.32 hectares) along the pond edges for growing horticultural crops such as chilly, eggplant, galingale, lemongrass, and fruit trees such as sweet tamarind, coconut, papaya, guava and mango. Besides, they raise various fish species such as Nile Tilapia,
Common Carp and Barb in the pond, as well as indigenous chickens and ducks. This is different from the old days when they relied only on rice farming and had nothing to do after harvesting rice. Practicing the New Theory keeps them busy all year round because after rice harvest, almost all kinds of vegetables and some of fruit trees like banana start to give yield. Therefore, there is always food to consume throughout the year. The more diligent the farmers are, the more products they will have for selling to increase the family’s income.

6.3 The Model Farm Project at Nong Mak Thao According to Her Majesty the Queen’s Initiative, Muang District, Sakon Nakhon Province

Due to the 1997 severe economic crisis which particularly affected Thailand’s industrial sector, the rising unemployment rate forced many people to return to work in the rural areas. While visiting the people in the Northeast, Her Majesty received petitions from the villagers asking for help in their occupations. Her Majesty then graciously granted assistance by initiating the setting up of a model farm at Nong Mak Thao, Na Dam Village, Huai Yang Subdistrict, Muang District, Sakon Nakhon Province. The farm then began its operation in 2001 and was named “The Model Farm at Nong Mak Thao According to Her Majesty the Queen’s Initiative”.
Objectives

1. To create jobs for the villagers who are poor or face economic problem and wish to obtain agricultural knowledge for making a living.

2. To demonstrate the use of appropriate agricultural technology for producing non-toxic food.

3. To show the process and methods for adopting the modern applied technology that can be followed by the farmers.

4. To be the demonstration place for appropriate production technology for the visitors and the interested public.

The Implementation

The work implementation of the model farm applies the concept of integrated agriculture with the combination of various principles in order to produce pesticide-free products, to make affective use of land and to bring about good results, for example;

1. Cultivation of vegetables, fruit trees, and ornamental plants; raising of animals and fish as well as mushroom culture in a continuous manner which will give yield on a daily basis.

2. Cultivation of plants at different levels by intercropping legumes with anti-insect plants by taking into consideration the co-existence nature of the plants.

3. Implementation of the project according to the principle of sustainable agriculture which takes into account sustainable consumers, sustainable producers and sustainable environment.

4. Use of bio-control technology introduced by the Department of Agriculture.

5. Implementation of the project based on the philosophy of Sufficiency Economy by emphasizing the diversity rather than the quantity of food resources and their processing to add the value.

6. Implementation of Phase 2 of the New Theory once the model farm has established a larger network.
6.4 Mr. Prayong Ronnarong, a farmer in Cha-vang District, Nakhon Si Thammarat Province

Mr. Prayong Ronnarong, a 67-year-old farmer living in Mai Reing Subdistrict, Cha-vang District, Nakhon Si Thammarat Province, is the 2004 Magsaisai Award’s winner in the category of Community Development and also a recipient of many other awards and certificates. Mr. Ronnarong has dedicated himself working for the community for 20 years. He lives his life according to the concept of “Sufficiency Economy” His story began when he faced the problem of rubber production which, despite the major occupation of the Southern people, was unstable because the product depended heavily on the weather conditions, the market prices, and the stability of the government’s policy. Farmers who managed a rubber plantation did not have the opportunity to decide for their own future. As a result, with the intention to solve this problem, he cooperated with farmer leaders who ran a rubber plantation in Nakhon Si Thammarat Province to set up Thai Rubber Development Plan. Beginning with assembling to build a network in order to help each other and promote mutual learning, the group was developed into Mai Reing Rubber Network which enables the farmers to solve the problems concerning prices and others. Nevertheless, it is warned that the farmers in the South should not rely solely on rubber plantation because, instead of being able to be eaten directly like rice, rubber must be changed into money first, after which the money will be spent to buy things for consumption. The Community Building of Learning Project was therefore set up and later became the origin of the community’s master plan.

In addition, the Mai Reing Community Study and Development Centre was founded to serve as a learning centre for the people in the community. Here, the philosophy of Sufficiency Economy according to His Majesty the King is applied in formulating eight programmes for developing the major, secondary and supplementary occupations which include non-toxic vegetables plantation, fresh water fish culture, indigenous chicken raising, mushroom culture, pork raising, animal food production, rice processing, Thai-style medication and herbal plants for health. All programmes emphasize the learning by doing method and aims for occupational development among the farmers in the community to be put into practice. Moreover, there is the expansion of the relationship linking in the form of networks at the community, district, provincial, national and international levels which brings about several cooperative activities among agencies. One example is “Yommana Network,” a
network of cooperation between 3 occupation groups which concern rubber plantation, fruit trees plantation and rice plantation to set a place for learning and studying about worthwhile agricultural products management and also to serve as a model of the community enterprises.

Therefore, it is obvious that Mr. Prayong has diversity of experiences. Although having the chance to gain benefits from doing business, he has instead been determined to transfer to the next generations his experiences and knowledge which comprise 5 aspects: organizational management and administration, formulation of the community’s master plan, rubber management, community enterprise, and management of the community learning centre. All of this knowledge enables the community to have enough to eat and to live on, and to be self-reliant. Thus, this is considered the economic development from the grassroots’ level which applies the philosophy of “Sufficiency Economy” in the work implementation.

7. Conclusion

On December 4, 1997, His Majesty the King graciously granted a royal speech which is still fresh in the memory of all Thai people as quoted in the following excerpt:

“I repeat myself again and again on the subjects of trade, goods consumption, production, and sale because I think that everyone is concerned with the crisis. All people – from the have-not to the well-to-do – are in trouble. But if the situation can change back to an economy that is self-sufficiency – it does not have to be a hundred percent, or even fifty percent, but perhaps only twenty-five percent – it will be bearable. The remedy will take time; it will not be easy. Usually one is impatient because one suffers, but if it is done from this moment on, the recovery is possible…”

Therefore, the adjustment of the country’s development direction as well as its economic and social structure to include only about one-fourth of Sufficiency Economy is a big and complicated task which is related to the decision of not only the whole system of the public sector but also that of the private sector which has for long time been involved in the country’s economy beyond their capacity. To create a balance by maintaining the middle path, both in the household and business sectors, harmoniously with every step of production capacity in the whole economic system, one needs time and diligence as stated in the aforementioned royal speech.
Thanks to His Majesty the King’s further explanation of Sufficiency Economy in the form of the New Theory as well as advanced Sufficiency Economy, Thai society has something to hold on which will bring about good governance, economic analysis on the level of production and optimization through proper risk management in the future.

The application of Sufficiency Economy in the form of the New Theory the successful results of which are being demonstrated at six Royal Development Study Centres needs adjustment according to the conditions of each area and depends on the administration and management of the public sector and various development agencies in order to promote the expansion of the community network. The examples are the pilot development project at Wat Mongkol Chaipattana and the Baan Dan Samakkhee New Theory Demonstration Project.

Most importantly, the New Theory Agricultural Project has been set as the National Sustainable Agricultural Development Plan under the responsibility of the Ministry of Agriculture and Cooperatives. The objective is to build up to 8,000 New Theory Agricultural Demonstration Centres with the support from the Office of the Prime Minister as well as from the Office of the Royal Development Projects Board through the Contest for Outstanding New Theory Plots organized to celebrate the occasion of His Majesty the King’s Sixth Cycle Birthday Anniversary in 1999. It can be said that His Majesty’s initiatives concerning Sufficiency Economy and the New Theory are compared to the highly important “National Agenda” which should be done and forever followed as a guideline.
Office of the Royal Development Projects Board. Monitoring and Evaluation Division.  

________________________________. Monitoring and Evaluation Division. Summary Report: The 
Evaluation of the Pond Excavation Project According to the New Theory, Khao Wong 

________________________________. Monitoring and Evaluation Division. Manual of the 
Study and Development of the Puparn Royal Development Study Centre Project and the 
New Theory According to the Royal Initiatives. [n.d.]

________________________________. Monitoring and Evaluation Division. Sufficiency 

________________________________. Monitoring and Evaluation Division. The New Theory 
Demonstration Project at Ban Daen Samakkhee, Khao Wong District, Kalasin Province: 
Demonstrating Area on Water and Land Management for a New Alternative on 

Chaipattana Foundation. “The New Theory… As Told by the Farmers”. Chaipattana 