

SUFFICIENCY ECONOMY PHILOSOPHY: CONCEPTUAL BACKGROUND & INTRODUCTION

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Abstract – Introduced over the backdrop of collective humanity’s semi-conscious march towards unsustainable future by His Majesty King Bhumibol Adulyadej of Thailand, **SUFFICIENCY ECONOMY PHILOSOPHY (SEP)** posits an alternative path. In a **SUFFICIENCY ECONOMY**, economic *drives & decisions, processes & institutions, systems & dynamics* are grounded upon the triple intersecting imperatives of **MODERATION**, **REASONABLENESS** and **IMMUNITY/RESILIENCE**. Here, **MODERATION** may be thought of as a pragmatic embodiment of ‘middle-path’ thinking, albeit much, much more subtle and discriminating than the oft-dangerous heuristics of finding the ‘middle ground’ between two polar opposites or extremes. **REASONABLENESS** embeds the very notion of causality or causal nexus between actions and consequences, intended or otherwise. And **IMMUNITY/RESILIENCE** underlines the recognition that risks and systemic fragilities, financial or otherwise, often times cannot be managed exogenously *ex post*, but can and ought to be immunized against endogenously *ex ante*. **IMMUNITY** is as much a programme as it is a phenomenon; and **RESILIENCE** is a goal as much as it is an outcome. Moreover, SEP insists on **PRUDENCE** vis-à-vis the application of knowledge to the planning and execution of enterprises, concomitant with **INTEGRITY** instilled and reinforced as moral foundation of the nation, as the paired requisite conditions by which such a **SUFFICIENCY ECONOMY** may achieve balanced prosperity, as well as be prepared for rapid *material, social, environmental and cultural* changes taking places globally. In short, with **MODERATION**, **REASONABLENESS**, and **IMMUNITY/RESILIENCE**, an **ECONOMY** is said to be **SUFFICIENCY ECONOMY**, or abiding to the **SUFFICIENCY ECONOMY** principles. A **SUFFICIENCY ECONOMY** that operates with **PRUDENCE** and **INTEGRITY** is then on the path to **SUSTAINABLE DEVELOPMENT**, that is, to prosper inclusively and sustainably.

This article introduces the readers to the fundamental concepts and principles of SEP and so serves as definitive references for further exposition in this nascent investigation into the link between **SUFFICIENCY ECONOMY PHILOSOPHY**, in essence “*Economics of Moderation*”, and the ever evolving Sustainable Development paradigms and modalities.

1) INTRODUCTION

SUFFICIENCY ECONOMY PHILOSOPHY (henceforth abbreviated to **SEP**) refers to the body of thoughts and treatises on economic aspiration versus the reality of economic growth and development seminally attributed to His Majesty King Bhumibol Adulyadej of Thailand. **SEP** was introduced over the years---conspicuously during His Majesty's annual addresses and exigently embodied in His Majesty's myriads of sustainable development projects, especially in neglected rural areas---above the backdrop of Thailand (in particular) and collective humanity (in general) progressing assuredly towards unsustainable *social-economic-environmental* future.

As compelling as the key message is, somehow the precise handle on **SEP** has perhaps eluded many professional economists and laymen alike. To begin with, there remains a diversity of opinions out there as to what *exactly* is **SEP**. To some, it recalls a specific rebuilding programme for Thailand, especially in the aftermath of the *1997 Asian Financial Crisis*; to others it is a timeless "economic sustainability" platform that is all the more timely today vis-à-vis the on-going global dialogue on "sustainable development". To some, it represents, at least partially, a reaction or retrenchment to runaway consumerism and rampant market capitalism alike; to others it is a wholly free-standing ideation, an internally consistent construct setting the stage for a coherent set of normative prescriptions in its own right. To some, it is a bird's eye-view organising principle for unifying an eclectic set of economic perspectives, some mainstream, some on the fringe; to others it is nothing short of a singular overarching economic paradigm, albeit one whose corollaries (necessary to account for economic phenomena as well as to direct economic policies) are yet to be fully fleshed out by academic scholars and policy researchers. To some, it appears to be a secularisation of Buddhist precepts applied as ethos for our daily economic lives; to others, the emphasis of human value over the materialism, balance over extremism, and contentment over conflicts can be seen echoed in many and diverse spiritual traditions, secular or otherwise. To some, it is but a collection of traditional-folk wisdoms, repackaged, retouched and retold; to others it represents a culmination and encapsulation of lessons for humanity that categorically informs us all, here in the present, precisely how we should view ourselves, in balance with ourselves, in relation to nature, as well as to the future of humanity.

The purpose of this article is to introduce the readers to the fundamental precepts and principles of **SEP**---along the way defining the key terms and tracing them to the original Thai vocabulary---and so serve as conceptual references for the chapters that follow in this volume. We begin with the "dual" nature of **SEP** in Section 2 (**SEP** as "philosophy") and in Section 3 (**SEP** as "economics").

Section 4 defines the key concepts, while Section 5 demonstrates how the pieces fit together to form a coherent whole.

2) THE PHILOSOPHY OF SUFFICIENCY ECONOMY

To begin with, a good point of entry might be to treat SEP as firstly a *manifesto*. That is, it is a vested statement, a bold declaration of what is and what ought to be. Whereas (i) enabling humankind to exert control over nature, (ii) achieving the most economic means of production via the most efficient form of capital allocation, or perhaps (iii) financing state wars, conquests and explorations, and so on, might have, at one time or another, been the central paradigm, in this PHILOSOPHY, achieving SUFFICIENCY is the *optimal paradigm* for our world ECONOMY, now and into the future.

“Sufficiency Economy” is a philosophy that stresses the middle path as an overriding principle for appropriate conduct by the populace at all levels. This applies to conduct starting from the level of the families, communities, as well as the level of nation in development and administration so as to modernize in line with the forces of globalization.

“Sufficiency” means moderation, reasonableness, and the need of self-immunity mechanism for sufficient protection from impact arising from internal and external changes. To achieve this, an application of knowledge with due consideration and prudence is essential. In particular great care is needed in the utilization of theories and methodologies for planning and implementation in every step. At the same time, it is essential to strengthen the moral fibre of the nation, so that everyone, particularly public officials, academic, businessmen at all levels, adheres first and foremost to the principle of honesty and integrity. In addition, a way of life based on patience, perseverance, diligence, wisdom and prudence is indispensable to create balance and be able to cope appropriately with critical challenges arising from extensive and rapid socioeconomic, environmental, and cultural changes in the world.”

Box 1: “Sufficiency” and “Sufficiency Economy” — Dharmapiya, Priyanut (2004), “An Introductory Note on Sufficiency Economy”, *ASEAN Economic Bulletin* (renamed: *Journal of Southeast Asian Economies*), vol. 21, no. 1 (April).

But a manifesto is only the point of departure. It is not much use until supported by evidences, theoretical, empirical, intellectual, mathematical, or otherwise. Then it becomes a compelling degree of truth, thence transforms a statement of hope into knowledge, into “philosophy”.

Thence it is proper to take SEP wholly at its face value: SEP is the PHILOSOPHY of a SUFFICIENCY ECONOMY, for this PHILOSOPHY says that an ECONOMY should aspire to SUFFICIENCY. Indeed, a stronger form of this statement could read: this PHILOSOPHY sees any ECONOMY that does not aspire to SUFFICIENCY as an intrinsically *unsustainable* proposition.

3) THE ECONOMICS OF SUFFICIENCY PHILOSOPHY

ECONOMICS, the art and science of how an ECONOMY runs, or should be running, fundamentally investigates matters such as: What underlines and motivates economic drives? What governs and arbitrates economic decisions? How economic institutions and processes develop and function in practice? And how economic dynamics and systems evolve and behave over time?

To wit, Utility Theory and Marginal Analysis are fine examples of intellectual achievements by economists to grapple with economic *drives & decisions*. Agricultural Economics, Industrial Economics, Monetary Economics, Financial Economics and Economics of Innovation emerged out of economists’ attempts at specialising studies w.r.t. various economic *processes & institutions*, while applications of economic theories to such topics as Financial Stability, Economic Crisis, and Sustainable Development frame the subjects, or rather objects, of investigation in terms of economic *systems & dynamics*.

If by ECONOMICS we refer to the *art & science* governing (a) humankind’s *drives & decisions* towards material well-being, (b) civil societies’ *processes & institutions* for ensuring acquisition, accumulation and distribution of such material wealth, and (c) resultant polity’s *systems & dynamics* by which creation, possession and exchange of control over such material wealth take place, then SUFFICIENCY ECONOMY is the manifest aspiration of an ECONOMY in which the whole of economic *drives & decisions, processes & institutions*, as well as *systems & dynamics* are intrinsically grounded upon the triple intersecting imperatives of MODERATION, REASONABLENESS and IMMUNITY.

Such a SUFFICIENCY ECONOMY, i.e. presupposed by PRUDENCE (vis-à-vis the application of arts and sciences to the planning and execution of all matters of enterprises and human endeavours) as well as conditioned by INTEGRITY (instilled/reinforced as national character/coré value, especially amongst the ranks of government/academic/business professionals), then stands the best chance to achieve

balanced growth and development, to face eminent and rapid global *changes* w.r.t. the physical/social/cultural environments, and thereby to ensure *equitable* and *sustainable* prosperity.

Thence it is possible to appeal *SEP* to the pragmatists in all of us: *SEP* is the *ECONOMICS* of a *SUFFICIENCY PHILOSOPHY*, for in this paradigm, the end game, so to speak, is to seek the translation of *SUFFICIENCY* from *PHILOSOPHY* into *ECONOMIC* reality. Indeed, a stronger form of this statement could read: this *ECONOMICS* sees any *PHILOSOPHY* that does not inspire the translation of *SUFFICIENCY* thinking into reality as an intrinsically *futile* intellectual exercise.

Moreover, any economic theory can be broad (answering broad questions and/or along many lines of inquires, like what makes for an efficient allocation of factors) or it can be narrowly focussed (answering a few specific questions and/or along a few specific lines of inquiries, like what type of implicit contract underlines oligopolistic collusion). Likewise, any economic theory can give us top-level (general, pedagogical) pictures or it can give us in-depth (specific, phenomenological) descriptions.

SEP has the potential to be *broad* as well as *narrow*, pedagogical as well as phenomenological. Nonetheless it must be said that to date, much of *SEP* writing has focused on economic *drives & decisions*, but regrettably not nearly as much on economic *processes & institutions*, and perhaps less still on economic *systems & dynamics*. And it is probably this scarcity of “application literature” that has led most casual observers to view *SEP*, quite unfairly but at the same time quite understandably, as something rather vague, lacking in concrete phenomenological descriptions. To an extent, the efforts of the authors of this volume have been motivated by the desire to fill such gaps.

Finally, as a body of economic theory or a framework of economic ideation, *SEP* is very *scalable*. *SEP* applies to the levels of the individual person, the individual household, to small and medium enterprises, to corporate entities, to national, transnational and global economies. At the very minimum, *SEP* “engine” runs on the *MODERATION*, *REASONABLENESS* and *IMMUNITY* precepts, together with *PRUDENCE* and *INTEGRITY* conditionalities, and the contexts in which these are interpreted and applied naturally vary for different levels of economic units.

4) THE VOCABULARY OF SUFFICIENCY ECONOMY

The task we have set for ourselves herewith is to discuss the very vocabulary of *SEP*. Like any body of thoughts whose exposition relies on expediting a set of words already existing and used in common parlance, much insight is to be gained (and misunderstanding avoided) by focusing on the

precise connotations of a few very important keywords. Moreover, this is also an opportunity to attribute the conceptual keywords to the original Thai words and phrases adopted by Thai SEP scholars.

We begin with what is collectively referred to as the “filters” (and perhaps affectionately as the *triple* “hoops”), namely MODERATION, REASONABLENESS and IMMUNITY.

- MODERATION – from the Thai “ความพอประมาณ”

The Thai word for MODERATION is comprised of 3 parts: “ความ” /kwam/ + “พอ” /paw/ + “ประมาณ” /praman/. Here “ความ” /kwam/, simply turns the adjective into noun. The word “พอ” /paw/ literally means “enough”, and “ประมาณ” /praman/ means “roughly” or “quantitatively”. Together they imply the sense of “quantitatively/roughly enough-ness”, *quantitative sufficiency*.

Almost paradoxically, the *Oriental* notion of MODERATION is simultaneously *absolute* and *relative*. To judge whether we have “quantitatively sufficient” amount of anything, it is gauged *relative* to the “needs”, but *absolute* against “wants”. If “needs” were *absolute*, then one size would indeed fit all. If “wants” were *relative*, then we shall have to “keep up with the Jones”. If “needs” were *absolute*, then a single transportation solution, be it a bicycle or a family sedan, would suffice a wealthy single college student living on campus and a middle-class father of two with daily 10km commute alike. If “wants” were *relative*, then, then a wealthy single college student living on campus can justify a family sedan perhaps just as easily as a middle-class father of two with daily 10km commute can justify a two-seater sports car.

- MIDDLE PATH – from the Thai “ทางสายกลาง”

The Thai word for MIDDLE PATH is comprised of 3 parts: “ทาง” /tarnɡ/ + “สาย” /saii/ + “กลาง” /ɡlanɡ/. The word “ทาง” /tarnɡ/ means “way” or “path”, “สาย” /saii/, means “line”, and “กลาง” /klanɡ/ means “middle”.

As SEP is first and foremost grounded in MIDDLE PATH thinking, it is crucial that we take care of semantic clarification right away. Unfortunately, the very word MIDDLE PATH can and often does lead to conceptual misunderstanding, quite probably because the *Oriental* sense of the word “middle” is semantically quite different from the *Occidental* connotation.

In the *Occidental* tradition, “middle” is rather relative and so essentially quantitative in nature, i.e. in the sense of “point A lying halfway between point B and point C”. Here, a point of balance can be arrived by way of symmetry: halfway between too far on the right and too far on the left.

As a practice, this in itself is rather dangerous, for it perversely rewards “radicalisation” of already polar positions, as in: “These days the right has gone so far to the extreme right that the old right has essentially become the new middle”.

In the *Oriental* tradition, “Middle” is rather absolute and thus qualitative in essence, i.e. in the sense of there being the one correct “path A” lying between “path B”, which veers off-course to the left, and “path C”, which likewise veers off-course but to the right. Here, a balanced path cannot be located by symmetry, but by inherent quality of the path itself, namely that only the correct path shall lead to the desired *destination*.

The relative “Middle” is more akin to the *Occidental* notion of “Moderation”. For example, moderate consumption of alcohol is interpreted as somewhere between total abstinence and drinking excessively. Hence, it can be construed (often deliberately misconstrued) to sanction a degree of latitude or complicity (take the lesser of two evils, meet corruption halfway, and so on).

The absolute “Middle” is more in line with the *Oriental* notion of “Enlightenment”, as in “it would be equally unenlightened to pursue a path of self-indulgence as it is to pursue a path of self-degradation; the enlightened path is to pursue neither,” hence cannot be cited as basis for fallaciously resolving moral ambiguity.

MIDDLE PATH Economics only *appears* to be positioned “quantitatively in the middle” of two extremes insofar as by being qualitatively *balanced* in and of itself, resultant policy prescriptions and optimal parameters would tend to, unsurprisingly, be neither extreme “this way or that”. The key is to understand that in any application context whatsoever, **SEP** solutions are not categorically arrived at merely by way of cutting a naïve compromise, or by numerical averaging between two polar extremes.

■ **REASONABLENESS** – from the Thai “**ความมีเหตุผล**”

The Thai word here is comprised of 4 parts: “**ความ**” /kwam/ + “**มี**” /mee/ + “**เหตุผล**” /hedphol/. Again, “**ความ**” /kwam/ here simply turns the adjective into noun. The word “**มี**” /mee/ means “have” or “in possession of”, and “**เหตุผล**” /hedphol/ means “reason”.

But the word “**เหตุผล**” /hedphol/ itself is comprised of 2 parts that may be separated herewith: “**เหตุ**” /hed/ (which means “cause”) + “**ผล**” /phol/ (which means “effect”).

Thus **REASONABLENESS** hereby connotes not merely the sense of purpose (i.e. reason for doing something) or logic (i.e. that which stands to reason, that which stands up to reasoned scrutiny,

etc.), or propriety (i.e. that which is reasonable, hence “reasonableness”), but recalls the very notion of causality or, to borrow the Buddhist term, **DEPENDENT ORIGATION** (i.e. nothing is without its causal foundation, enabling factors and/or root causes of some kind, themselves subject to their own **DEPENDENT ORIGATION** phenomena).

The closest, albeit rather unwieldy, terminology in Western tradition would be **CAUSAL NEXUS**.

Now, a popular prescription (more like convenient phraseology) is to advocate “solving the problem precisely at (to) the point (of the problem)”. Amongst **SEP** scholars, it is said in jest that a genuine **SEP** proponent never solves any problem “at the point (of the problem)”. Whatever the problem is, it is merely a causal conclusion, a culmination of a multitude of factors. If the factors cease, so do the problems. Of course this immediately runs into two problems. One, a single problem rarely implies single causal factors. Two: each causal factor is itself a causal conclusion, and so subject to *its* own causal factors, and so on *ad infinitum*.

This is where/how modally **REASONABLENESS** works in tandem with **MODERATION** and **PRUDENCE**: **MODERATION** tells you when you cannot go after *all* factors, nor can you always trace all the way back the “origin of origins”, so to speak; **PRUDENCE** tells you which subset of factors, which level of “causality back-tracing” yields a set of effectual yet *manageable* factors for the “problem solver” to tackle directly.

■ **IMMUNITY** – from the Thai “**ความมีภูมิคุ้มกันในตัว**”

The Thai word here is comprised of 4 parts: “**ความ**” /kwarm/ + “**มี**” /mee/ + “**ภูมิคุ้มกัน**” /phoom-khum-gun/ + “**ในตัว**” /nai-tonn/. The new words here are “**ภูมิคุ้มกัน**” /poom-khum-gun/ which means “immunity”, and “**ในตัว**” /nai-tonn/ which means “in(by) oneself”.

Thus early on in **SEP** literature, this was translated to “Self-Immunity”, but the term was found awkward (and the proximity to “Auto-Immune” did not help), so a less-literal translation, i.e. **IMMUNITY**, suffices.

Another choice of word which also works well in this context is **RESILIENCE**, this despite the fact that **IMMUNITY** is derived from a French word for being exempt---as in “exempt from tax or duty”, and only later on in the sense of being “exempt from (catching) contagious disease, due to prior exposure or inoculation”---whereas **RESILIENCE** is derived from a Latin word meaning “rebound”. The subtle, but crucial, element here is to forgo the notion that **RESILIENCE** is an ingrained feature, as in “these indigenous tribes are resilient, bouncing back from natural catastrophes, one after another”. Rather, **RESILIENCE** can be instituted, much as immunity from vector-borne diseases can

be worked into the human bodies through a process of “controlled” pre-exposure, i.e. inoculation. In this sense it may be said that in [SUFFICIENCY ECONOMY PHILOSOPHY](#), the very attribute [RESILIENCE](#) is an input, rather than an outcome.

One befitting analogy is that of the Post-WWII Japanese industry’s quality innovation (attributed to Deming, Juran, Crosby, *et al.*), whereby quality, despite it being a measurable *result* of re-engineered manufacturing-management processes, is considered as an *input* to the entire enterprise to begin with. When quality ingrained at the beginning, one does not go on manufacturing parts and performing assembly with the hope that quality issues can be caught at the end of the day. The total handle on *uncertainty and its adverse impacts* does not rely on corrective risk mitigation at the end, but enters the calculation from the very beginning.

Likewise, when [RESILIENCE](#) is ingrained at the beginning, one does not go on incurring risks with the hope that all risks can be hedged out at the end of the day any more than one goes on pursuing rapid developmental programmes with the hope that adverse economic-social-environmental-cultural impacts can be extenuated at the end of the decade. Indeed, referring to the original wording in Thai, it is in this sense that “immunity” is said to be “in oneself”.

Thus [IMMUNITY](#) hereby subsumes the contemporary notions of *risk management* and *mitigation*, but goes much further, which is especially relevant given the recent evidence that most of our modern risk management and mitigation tools were engineered with oft-implicit *reliance*, indeed total *dependency*, on *critical-but-fragile* model assumptions.

We saw, for instance, the extent to which [Financial Engineering](#) and [Risk Management](#) programmes served, if not as the principal cause, then as the catalyst, for the *2006 Global Financial (nee US Subprime Mortgage) Crisis*. One financially engineered instrument in particular, the ubiquitous *Collateralized Debt Obligation (CDO)*, furnished the financial mechanics by which monetary imbalances could “build up and link up”. As a financial *derivative*, its value was *derived* from other random phenomenon, in this case defaults in any number of credit-risky bonds used to define the CDO “pool”.

It was not that CDO risk was not considered. It was. It was not that CDO valuation was not carried out meticulously with high degree of precision. It probably was. But the entire derivative pricing edifice here rested on *critical-but-fragile* assumption that a scalar parameter representing a static quantity called “default correlation” was sufficient to capture the risk of multiple defaults in any given “pool” of credit-risky bonds. Not only was one scalar parameter insufficient, it was not as static quantity, and the derivative pricing “house of cards” quickly flattened.

Perhaps an analogy is useful here for contrasting the **SEP** notion of **IMMUNITY** against the mainstream financial literature's notion of Risk Management. In the 70's, the success of Japanese 'Quality Innovation' was compared with the failure of US 'Quality Control', especially in the auto industry. Whereas the US auto industry saw 'Quality Check' as the post-production process, the Japanese auto industry saw 'Quality Programme' as intrinsic to the process, from beginning to end.

Likewise, whereas Risk Management programmes are based on assumptions that risks taken on can be broken down into parts, and stable relationship (be it derived from statistical basis or by assuming existence of "complete" market that guarantees absence of financial "arbitrages", etc.) exist amongst risk factors, so that there is always a well-defined, almost mechanical, recipe for using "replica" of risk components to mitigate any amount of risk one incurs. **IMMUNITY**, on the other hand, compels financial engineers to ask what he/she would do (what would happen to the portfolios under his/her care) should this and that assumption breakdown, correlated variables no longer moving in correlated manners (or worse move in opposite manners), and *vice versa*.

As a postscript, it is a good sign that since the *2006 Global Financial Crisis*, Risk Management programmes worldwide were increasingly complemented with "Scenario Analysis", which at least in spirit, tests the assumed *dependencies* that lie embedded in (to varying degrees) all quantitative Risk Management models.

To be sure, the **IMMUNITY** concept operates at two levels. On one level, **IMMUNITY**, as we have just seen, is integral to **SEP** thinking. Those who apply **SEP** thereby immune themselves against downside risks. But on a higher level, there is also a need for **IMMUNITY** that protects **SEP** mindset from the lure of consumerism and commercialism. In other words, there have always been agrarian as well as urban communities who live and breathe **MODERATION** and **REASONABLENESS**, not so much as a result of conscientiously following principles outlined by **SEP**, but as a matter of evolved survival strategy. The way of life characterised by **MODERATION** and **REASONABLENESS** have served them well for hundreds of years, 'immunizing' them from uncertainties posed by the natural environment and perhaps even civil unrests. But their characteristic **MODERATION** or **REASONABLENESS** was not 'immunized' against the drive of 20th century consumerism and commercialism. In this sense, **IMMUNITY** is the ring that binds **MODERATION** and **REASONABLENESS** together to form a 'triple whole'.

Likewise, what passes as MODERATION and whatever mechanism for guaranteeing IMMUNITY must also abide by causal or causality reasoning, hence it can equally be said that REASONABLENESS is the ring that binds MODERATION and IMMUNITY together. And of course, the whole of SEP construct is anchored around the very notion of MODERATION, hence it can equally be said that MODERATION is the ring that binds REASONABLENESS and IMMUNITY together. This mutual relationship between 3 objects, any one of which can be considered the link that binds the other 2 is often represented symbolically by the “Borromean Rings” (Figure 1)

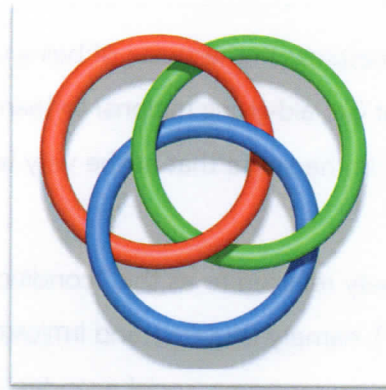


Figure 1: (mathematical) Borromean Rings

With that, we now discuss the very term SUFFICIENT and SUFFICIENCY at length.

■ SUFFICIENT – from the Thai “พอเพียง”

The Thai word for SUFFICIENT is comprised of 2 parts: “พอ” /paw/ + “เพียง” /piang/. The word “พอ” /paw/ simply means “enough”. The word “เพียง” /piang/ also means “enough”, but it also means “just” or “precisely”. Together they come to mean “sufficient”.

Interestingly, instead of putting “พอ” /paw/ in front of “เพียง” /piang/, one could also put “เพียง” /piang/ in front of “พอ” /paw/, but the result “เพียงพอ” /piang-paw/ + “พอ” /paw/ = “เพียงพอ” /piang-paw/ may take on two connotations. In specific context, “เพียงพอ” /piang-paw/ means “precisely enough”, as in “we have precisely enough provision for 3 more days at sea”. In general context “เพียงพอ” /piang-paw/ is taken means “barely enough”, as in “subsistent”, hence NOT “sufficient”.

In short, we say “พอเพียง” ≠ “เพียงพอ” /piang-paw/; “sufficient” ≠ “subsistent”.

■ DEPENDENCY ECONOMY – from the Thai “เศรษฐกิจพึ่งพา”

The Thai words for DEPENDENCY ECONOMY are “เศรษฐกิจ” /set-tha-git/ + “พึ่งพา” /peung-pah/. Here “เศรษฐกิจ” /set-tha-git/ is the Thai translation for “economy”; and “พึ่งพา” /peung-pah/ means

“dependent” or “characterised by dependency”. Interestingly, “พึ่งพา” /peung-pah/ is itself comprised of 2 parts: “พึ่ง” /peung/ (meaning “depend”) + “พา” /pah/ (meaning “bring along”)

Two fine points are worth noting right away. First, the Thai word for “depend” thus implies a sense of movement, as in “one depends on one another to make the journey”. Second, and the more critical point to observe here is that **DEPENDENCY ECONOMY**, not “Insufficient Economy” or “Insufficiency Economy”, is the conceptual antithesis to **SUFFICIENCY ECONOMY**. This, in turns, underlines that a **SUFFICIENCY ECONOMY** is NOT in pursuit of total “self-sufficiency” in the economic “Autarky/Robinson Crusoe” sense.

Whereas a **DEPENDENCY ECONOMY** is helpless in the sense of being unable to move forward (i.e. develop) without an external pillar (i.e. aid-giving nations) to lean on or to become dependent on, **SUFFICIENCY ECONOMY** is hopeful in the sense that at the very least it must be able to stand and mover on its own two feet.

We now follow with what is collectively referred to as the “conditionalities” (and perhaps affectionately as the *double* “knots”), namely **PRUDENCE** and **INTEGRITY**. It is crucial that the two conditions do not merely say that policy programs, social agendas, or individual actions must be carried out with **PRUDENCE** and **INTEGRITY**. That much is true, but the essence of these two conditions lies in the subtleties with which we approach, and the pragmatism associated with, the notions of **PRUDENCE** and **INTEGRITY**.

■ **PRUDENCE** – from the Thai “รอบรู้ รอบคอบ ระมัดระวัง”

The 3 Thai words here are “รอบรู้” /raub-rooh/, “รอบคอบ” /rob-khob/, and “ระมัดระวัง” /ramud-rabung/. The second word “รอบคอบ” /rob-khob/ means “thorough, diligent” and the third word “ระมัดระวัง” /ramud-rabung/ means “careful, cautious, vigilant”.

The most interesting part here is the first word “รอบรู้” /rob-rooh/, which itself is comprised of 2 parts: “รอบ” /raub/ + “รู้” /rooh/. Literally, “รอบ” /raub/ means “around” or “circumferential”, and “รู้” /rooh/ means “(to) know” or “knowing”. Stuck together, “รอบ” /raub/ + “รู้” /rooh/ = “รอบรู้” /raub-rooh/ therefore means “knowing (what is) around (the corner)” or “circumferentially”.

This notion of “knowing *circumferentially*” is critical to our deeper understanding of **SEP**, for the critical point is not that an expert must really know things in his/her area of expertise really well (that should go without saying), but that he/she recognizes *what is out there*.

Thus **PRUDENCE** hereby refers to wisdom “in action”, i.e. the kind that not only informs us of the body of knowledge and knowhow necessary to formulate policy framework and implementation

measures, and so on, but also reminds us to recognise the boundary of applicability w.r.t. said body of knowledge and knowhow. So the essence of **PRUDENCE** does not connote mere possession of knowledge (which again should go without saying), but the very boundary, applicability, and utility of specific pieces of knowledge at any one time in any given context. Here one adage best describes one of the consequences of knowledge or knowhow without **PRUDENCE**:

“If all you have is a hammer, then all problems look like nails to you.”

In this sense, in being “**รอบรู้**” /*raub-rooh*/ or “knowing *circumferentially*” one automatically becomes “**รอบคอบ**” /*rob-khob*/ or “thorough, diligent”, as well as “**ระมัดระวัง**” /*ramud-rawung*/ or “careful, cautious, vigilant” in the application of (one’s own) knowledge.

■ **INTEGRITY** – from the Thai “**ความซื่อสัตย์สุจริต ความอดทน ความเพียร**”

The 3 Thai words here are “**ความซื่อสัตย์สุจริต**” /*kwam-seue-sutt*/, “**ความอดทน**” /*kwam-ot-thon*/, and “**ความเพียร**” /*kwam-pean*/. Here “**ซื่อสัตย์สุจริต**” /*seue-sutt*/ means “honest, acting with integrity”, “**อดทน**” /*ot-tonn*/ means “(to) bear, forbearance, grit”, and “**เพียร**” /*pean*/ means “industrious, hard-working, conscientious”.

Thus **INTEGRITY** here does not mean mere possession of ethics (that should go without saying), but rather the set of basic mental characters that motivates, inculcates, and necessitates us to act with **INTEGRITY**. **INTEGRITY** does not just mean honesty, but remaining true to the cause. This component of “forbearance” or “grit” is very critical part of **SEP** prescription.

■ **NEW THEORY** – from the Thai “**ทฤษฎีใหม่**”

The 2 Thai words here are “**ทฤษฎี**” /*thrit-sa-dee*/ (meaning “theory”, *alternatively* “hypothesis”) and “**ใหม่**” /*mai*/ (meaning “new”)

In **SEP** literature, **NEW THEORY** refers to an application **SEP** to create a developmental template for small, almost atomistic, unit of rural agricultural household, as prescribed in many royally-sponsored pilot programmes.

So what is “new” about the **NEW THEORY**? Once again difference between Eastern and Western semantics accounts for the confusion.

In the *Occidental* tradition, “new” connotes a sense of innovation. Something “new” is something never seen before, not invented up to now. In the *Oriental* tradition, “new” connotes a sense of renewal, more “anew” than “new”. Something “new” is the something not seen for a while, not necessarily newly invented. When someone recites that tomorrow brings a “new

morning”, that person cannot possibly be claiming that there will be an event unlike anything hitherto. In fact, every day begins with a “new morning”. So to say there is nothing “new” about the **NEW THEORY** is to miss the point, much like it is pointless to refute “new morning” on account of there being one every day.

Moreover, sometimes something “new” is not so much against something “old” as it is something different from “mainstream/orthodoxy/status quo”.

Thus instead of **NEW THEORY**, a decidedly clumsier term could read “theory or hypothesis that is new in the sense of being different from mainstream/orthodoxy/status quo”.

With that, let’s ask again, meaningfully, what is “new” about the **NEW THEORY**? What is it new “against”? To answer that, we need to recall the established post-war orthodoxy, which partitioned the world into 3 pieces of real estates, the advanced-industrialised/democratic-free states “to the right”, the communist/socialist/totalitarian states “to the left”, and the undeveloped world “somewhere in the middle”. Whereas the former two represent two poles, the latter represent a transient state of being: the undeveloped world had to get up and move, either “to the left” or “to the right”. To move “to the left” would have been a mistake. To move “to the right” meant *retracing* the developmental-industrialisation process/journey undertaken a hundred years or so prior by the advanced-industrialised/democratic-free states. Except with the path proven and clearly marked, it would take decades, not a hundred years. Parts and parcel with that orthodoxy was an exercise in replication. To replicate the success of the advanced economies mean adopting their economic *drives & decisions*, install their economic *processes & institutions*, and emulate their economic *systems & dynamics*. With that orthodoxy came the orthodoxy of agricultural industrialisation. Agriculture had to be industrialised, the scale had to be big, and the basic unit of agricultural production was a chemically-conditioned farm. Farmers owning tiny patches of land were the opposite of progress. Such patches were to be consolidated, or at best used as residential basis for providing labour to farming elsewhere on an industrialised scale. By surrendering land and offering labour, subsistent farmers would earn wages to support their households. And because industrialised farming also freed labours for non-agricultural industry and urban-based service industry, the national economic expansion would bear fruits, and these fruits, when trickled back to rural economies, were larger than any fruits they or their ancestors could even imagine.

NEW THEORY was “new” against *this* orthodoxy.

5) THE LOGIC OF SUFFICIENCY ECONOMY

For pedagogical purposes, it may be useful also to make the somewhat artificial distinction w.r.t. how the concepts of MODERATION, REASONABLENESS and IMMUNITY are invoked *versus* how the concepts of PRUDENCE and INTEGRITY are invoked.

It is as though there is a two-step qualification involved: (1) an ECONOMY first qualifies as a SUFFICIENCY ECONOMY if it passes the MODERATION, REASONABLENESS and IMMUNITY tests; (2) said SUFFICIENCY ECONOMY then goes on to achieve *balanced* growth and development, thereby prosper *equitably* and *sustainably*, if it is accompanied by PRUDENCE and INTEGRITY proper. In other words, MODERATION, REASONABLENESS and IMMUNITY only get an ECONOMY to SUFFICIENCY. PRUDENCE and INTEGRITY then deliver said ECONOMY, characterized by SUFFICIENCY, to an ECONOMY that achieves lasting (mental) health and (material) wealth for its people in a *balanced, equitable* and *sustainable* manner.

Moreover, SEP proponents expound on the *immediate* benefit of employing a sort of SEP -based *template* for decision-making. Let us see how it works.

Suppose that we have arrived at a junction where some economic decisions have to be made, and we are presented with a possible solution or a set of alternatives. Now examine each proposition relative to, respectively, MODERATION, REASONABLENESS and IMMUNITY *filters*. Ordinarily, applying three pass-fail filters independently would result in there being $2^3 = 8$ possible outcomes. For example, suppose we ask the questions, (1) are you male? (2) are you retired? (3) do you live an apartment? A retired factory worker who lives in an apartment with his only son who is working at a factor would answer “yes-yes-yes”, his son would answer “yes-no-yes”, and the granddaughter who is away at a boarding school would answer “no-no-no”.

However, MODERATION, REASONABLENESS and IMMUNITY do not represent three *independent* criteria. That is, no case ought to pass on one while failing the other(s). There are only two outcomes: “pass” or “fail”. When a solution fails, it fails. But when a solution passes, it may pass *strongly* on account of MODERATION, REASONABLENESS and IMMUNITY *all together*, or *strongly* w.r.t. REASONABLENESS and IMMUNITY, with MODERATION temporarily taking the back seat, or in any combination. So in practice it is useful to draw the ‘Venn Diagram’ with three hoops depicting eight areas, whose artful depiction by mathematicians is known as the ‘Borromean Rings’ (Figure 1).

Having passed the aforementioned filters, we arrive at a proper means to the proper ends. But for the desired means to achieve the desired end two further conditions, namely PRUDENCE and INTEGRITY, must be met; these conditions must *both* apply. In essence, each of these two conditions

functions as a 'Logic Gate', and they are joined together by the 'AND' conjunction, meaning that passing any one gate but not the other just will not do.

6) CONCLUDING REMARKS

The wealth and wisdom of SEP and SEO-inspired sustainable development programmes can be difficult to fathom, and this present volume represents but the beginning of a journey for readers interested in not just understanding SEP, but appreciating how SEP thinking presents itself as necessary shift in humanity's "global mindset" about what sustainable *material, social, environmental* and *cultural* well-being is ultimately all about. This chapter presented the key conceptual architecture underlying SEP, namely the triple hoops of MODERATION, REASONABLENESS and IMMUNITY plus the double conditionalities of PRUDENCE and INTEGRITY, along the way giving semantic account of how the meanings (and phraseology) came to be.

