

Sufficiency Economy

Good morning Ladies and Gentlemen. It is certainly a great honor to be here and speak before a big forum of international delegates. The topic I would like to share with you today is about *Sufficiency Economy*. In Thailand, it was in the year 1998 that the Thai people heard about the idea of *Sufficiency Economy* from His Majesty the King for the first time. I remembered that it was after the big economic crisis we called 'tom yum kung'. Anyone familiar?

But when I come to really think about it, *Sufficiency Economy* is really not a new issue at all. His Majesty the King himself said that he introduced this idea since the year 1969. And for those who have a chance to read about His Majesty's development works, I'm sure would agree that, *Sufficiency Economy* is the principle which His Majesty adheres to all along.

Sufficiency Economy can be regarded as both a philosophy and a principle of *dharma*. Therefore it can be a useful guide for everyone, whether you are a businessman, a farmer, or any profession, to lead a proper life.

However, to help better understand and get to the heart of the philosophy of *Sufficiency Economy*, it is perhaps wise to look at the big picture first. That is, we need to consider what our world has become today. Some of us lead our lives day by day. Have you ever stop to think why you and I are still breathing and living today? And please don't answer that 'Because I'm not dead yet!' We are still living today or mankind till exists, because the world still exists! Therefore how our lives turned out to be definitely depends on what the world will become.

We human beings consume everything on earth, by the hours, by the minutes, and by the seconds. We breathe air from earth in order to have oxygen. We drink water, eat food, and wear clothes, which we get from earth in order to sustain our lives. We are using every kind of natural resources that this earth has to offer. And after we eat or make use of things on this earth, we create wastes, be it in the forms of gas, liquid, and solid.

Today the world population numbers to over 6,000 million people with the human consumption ratio of three to one. Man consumes at the rate of three units while the earth can reproduced such loss at the rate of one unit. We are over consuming our capital by the rate of two units and are in deficit.

If we over consume and continues to create supply shortages, survival of mankind would surely become a deadly issue. We would open an endless battle for resources, be it energy, water, or everything which is vital to life. Another chapter of battle among mankind for the survival of the fittest would be unavoidable. When that day comes what will become of us?

I want to raise energy as an example. At present the rate of energy consumption is rocketing. Look around us, every life's commodity relies on energy supply to operate.

What makes it worse is that every country in this world wants to achieve growth and prosperity; every move is targeted to wealth. The scary thing is nothing gained on this earth is for free. There's always a trade off, in most cases a cruel trade off at the expense of nature.

Statistics show that there is the relation between levels of desired growth and prosperity and its effect in terms of global warming which has become a hot daily issue. Suppose we are modest and target economic growth at the point of zero or no growth, the global temperature rises slowly. But as we attempt to achieve just a two or four percent increase in growth, the global temperature will increase at a faster rate. The dangers of global warming I'm sure does not need much explanations. The global weather would be extremely heated. Trees and plants on this planet cannot give good yields. The water dries up but simultaneously the icebergs at the North Pole melt. Some parts of this globe will be underwater whereas some parts become barren. **What would become of our world!** You, me, everyone on this planet will be exposed to the most dangerous and highly risked situation ever faced mankind.

Take a look at our daily life and how we make use of energy. If we are honest to ourselves, I think most of us would admit that most of the times we still use energy unwisely and superfluously. Take driving our car to work as an example. Once you start your car, already 60% of the fuel has been used to get the engine start. If you live in a tropical country zone like Thailand, the next immediate thing you do is turn on the air conditioner to cool down the heated weather – there another 20% of fuel is burned. And when you are driving your car, there is a tire friction which burns another unnecessary 15% of energy. All of these are needless waste of energy because to get you and your car moving on the road it really only requires 5%.

The same waste of energy is when you want to turn on a light. As you switch on the light, the underlying process before giving you the desired brightness already consumed 100% use of electricity. But the fact is, in order to create brightness; it really takes only 10-15% of electrical energy.

In Thailand, there are altogether 16 million households. If every household leaves one – 40w light bulb on all day, we then create an unnecessary loss of energy which is comparable to wasting 9,600 tons of coal per day.

With these tremendous wastes of energy through our daily activities, can't we do anything to change it or minimize it?

OF COURSE, WE CAN DEFINITELY DO SOMETHING ABOUT IT!
And there are many places in this world which recognize the dire need to conserve energy. The ING Bank in the Netherlands invested US\$700,000 on installing an energy saving technology in their new office building which has an area of 50,000 square meters and 2,400 employees working. Within three months they got back return on this investment because the Bank can reduce energy consumption by 92%.

In Denmark, the country was able to reduce energy use by 74%, because she implemented a nationwide effort to create uses of electrical appliances in a more appropriate and efficient manner. Denmark motivated the people to switch from traditional uses of electrical appliances to more energy-saving appliances, such as, from 350 kilowatt – refrigerators to 30 kilowatt – refrigerators, from 400 kilowatt – washing machines to 115 kilowatt – washing machines, and from a 700 kilowatt – stoves to only 280 kilowatt – stoves.

Another case is in the town of Chicago, U.S.A. A 12- storey office building found that by using double glazed window glasses to shield heat penetration can help save energy consumption of the air conditioners. Traditionally they used 750 tons - air conditioners for the whole office. But after installing the double glazed window glasses, the office building is able to switch from the use of old 750 tons - air conditioners to only 200 tons – air conditioners, in turn lowering electricity by 72% and at peak demand up to 76%.

At a national level, if we can create a switch from the uses of regular light bulbs to energy-saving light bulbs, which about 230 million bulbs are currently being used, we can help our country reduce power by 300 megawatt, a capacity comparable to one whole power plant.

Overall it can be seen that there is definitely an inseparable connection between economy, society, politics, natural resources, and environment. The world economy today is dominated by materialistic consumption, which is very dangerous. Everyone is heading in the wrong direction and only concerned about achieving unlimited economic growth and wealth, without any consideration for the environment. The trend of superfluous consumption is creating global pollutions and environmental deteriorations, which for developing countries would be very difficult to resolve. Many global economic crises occurred because we are focusing too much on superficial economic growth without considering whether such growth would be sustainable or not.

For Thailand, I remember that period prior to the last economic crisis which we called the 'tom yum Kung' crisis; we enjoyed unbelievably high economic growth for three consecutive years, at 11.6-12.3-11.3% during the years 1994-1996. Everybody was excited and enjoyed high salaries increase, which led to heavy spending in the market. The real estate sector was very vigorous, buying and selling occurred every three days. But who would have thought that this brightness would be the last glowing light before a big blackout? The bubbles busted into flames in 1997 and the economy of many countries within this region crumbled.

After countless economic lessons, isn't it time that we reshape our ways of thinking, reconsider the philosophy to guide our lives, and most importantly, reform development approaches to help man live a sustainable, balanced, and quality life.

The old approach was to solely establish boundless quantitative growth which proved to be a failure. We now have to reconsider our approach and take into account the linkage among the three cycles influencing man's life which is the cycle of economy – natural resources – society. Westernized countries work with the three cycles with a focus on establishing economic growth in order to create prosperity and wealth. For these, GDP level is used as an indicator to measure success. Perhaps it is time to reconsider the idea that just pure decent quality of life and happiness may be a more viable indicator to measure sustainable success in life.

Reflecting that thought His Majesty the King of Thailand thus kindly bestowed upon us the philosophy called *Sufficiency Economy* to serve as a guide to developing the nation and as an approach for everyone to practice in daily lives. It is an alternative way to conduct our lives which would lead towards true, secured, balanced, and sustainable happiness, not only for individuals but ultimately works for the whole world.

This philosophy adheres to the three principle basis of *dharma* – moderation, reasonableness, and self-immunity or risk management. The first rule is moderation which I think is not too difficult to understand. Moderation, middle path, balance, and equilibrium; all these four words have the same meaning. Lord Buddha has taught us how to walk on the middle path life for 2550 years, but for some reason, today, we still don't get it. This is because we are lured by the fads of overly materialistic consumptions and lead every aspect of our lives in excess. Moderation is really simple and has no hidden agenda. Take for example, if we eat too much food more than the body needs, what happens to us? We feel sick and uncomfortable. Vice versa, if we eat too little and less than what the body needs, we become very hungry and under nutrition. Middle path can be applied to other aspects of life apart from our daily eating and living. The rule of moderation can be applied to all aspects in life – to the way we speak, the way we act, or the way we invest. If we follow it, we can lead a sustainable life.

The second rule of reasonableness or rational is also easy to understand and practice. IT'S QUITE COMMON SENSE. Let's go back to my over and under eating example. Through that example, my message is to stress QUANTITATIVE CONSUMPTION of food. I said if we eat too much or too little, it's bad for us. So if we attach the idea of reasonableness to the example, we are now talking about QUALITY of our intakes. Most of us eat without knowing what we are putting into our mouths. We eat expensive food because we think it is good for us. In truth that 'good because is expensive food' may not be valuable to our health at all. Expensive steaks may not be as nutritious as low price - high nutrition fish dishes. The exposure to the risk of over consumption may be reduced if we use rational and conscience instead of using impulse and emotions in all our decision makings.

I want to elaborate a little more about moderation and middle path because the level of needs for one person may not be the same for others. This depends on the how much savings each person has and also depends on the background of that person. So it is necessary to do a self assessment first in order to know where and how to position ourselves. The same goes for organizations and companies; even the state has to perform national assessment to position the country for further development. Once we determined our position and knows our capacity and grounds, then we can set our middle path or moderation point and stay far from excessive conducts which can put our lives or organizations at risk.

When I talk about risks, a phrase comes to my mind. It is that 'uncertainty is the most certain thing in life'. Changes can occur at any time and at an unexpected rate. Therefore we need to create a shield to immune ourselves or our organizations from such unavoidable and sudden changes. If we cannot create self-immunity for our own life or our organizations, then we are exposed to grave risks and ensuing disasters. By creating immunity we are in a way performing risk management.

At an individual level, it is highly necessary to be cautious and save for the future needs and spending. You have to create insurance and also have alternative plans in life. Just in case something goes wrong, you will not be personally affected. Every company, retail store, organization, all have a team known as the risk management committee to monitor for sudden negative changes in order to respond accordingly and timely.

Apart from the three *dharma* principles of moderation, reasonableness, and self-immunity, His Majesty the King also suggested two more important points. The first point is that we need to have well-rounded knowledge and be careful as well as cautious for every step we take at all times. As I said, the world changes rapidly and constantly.

The society is filled with competition and has become a knowledge society. You have to be alert as well as open-minded to catch up with the changes happening around the world. You cannot live isolated from the rest of the world, so you have to keep informed all the time and be careful of every move you make. The world today is filled with traps so every step forward must be made carefully.

The other criterion is highly significant. Even though you conduct yourself accordingly to the aforementioned principles, if you or the organization you work for does not have any ethics and morale, you or the organization cannot survive. You cannot live alone in this world or work by yourself in your organization. Good governance or corporate governance is a must for everyone and every organization. We often heard news about public figures or multinational companies who conduct themselves or manage their companies without good governance. The consequences that follow suit are the depressing downfalls of the company's CEOs and the company itself. Today the global trend favors extreme consumption which everyone's increasing production capacity. We should learn by now that high growth does not last. It's like gravity, the higher the growth, the more the damage done when it falls.

Therefore isn't it time that we give the philosophy of *Sufficiency Economy* a serious thought for the concept encourages us to lead our lives in moderation, with a balance, and in a sustainable manner. Conducting our lives in such manner will make us happy and physically as well as mentally strong. We will live in a world with clean environment, under peaceful surroundings, and with less conflict of interests. The path of *Sufficiency Economy* should lead us to a wisdom society.

Ladies and gentlemen, you have the rights to choose your path of life. You can choose to follow the trend of extreme consumption and impulsive happiness under globalization which shadows the world today or you can choose to give it a change to adapt your life and dare to make a courageous turn onto a path filled with moderation, balance, and sensibility. You can choose to use conscience and wisdom to guide you in a quest for serene and purified life, not solely for your personal gain, but for the benefits of next generations to come. You can help to make a difference!

THANK YOU!