



“Everybody should regularly heed their acts prudently with their own wits. All those acts should be justifiable, always being conducted with full consciousness and awareness in order to overcome all evils, which would eventually lead to true success in careers and lives.”

*H.M. the King's Address
in a convocation ceremony of
Chulalongkorn University, 1973*

DEVELOPMENT NEWS BULLETIN

Monthly Report on
National Economic and Social Development
by Public Relations Section

National Economic and Social Development Board

Vol. 24 No. 1 : January 1 - February 15, 2007 ISSN 1985-2869

Inside.....

- *Sufficiency Economy Watch*..... 2
- The Sufficiency Economy Movement Sub-committee to Promote Sufficiency Philosophy among Thai People..... 3
- Government Sector Solicits Efforts to Move forward Sufficiency Economy at Community Level..... 6
- Chiang Mai University Develops a set of tools for Evaluating National Development Results under Sufficiency Principles..... 6
- NESDB Cooperates with World Bank in Thailand's Infrastructure Development..... 7
- Thailand Moves toward Knowledge-Based Economy..... 7
- Q&A on Sufficiency Economy..... 8
- Special Report**
- UNDP Report Calls for Action Under Sufficiency Economy Philosophy..... 4



Preparation for Movement of Well-Being Strategies

On February 22, 2007, **Mr. Kosit Panpiemras**, Deputy Prime Minister and Minister of Industry, presided over a Meeting of the Well-Being Strategy Movement Committee, at 301 Meeting Room, Government House. Issues brought up for discussion at the Meeting included alternative processes and mechanisms to move forward well-being strategies, and a budget proposal over Baht 5,000 Million for subsequent actions.

Dr. Ampon Kittiampon, Secretary General of the National Economic and Social Development Board (NESDB), said in a press

conference after the Meeting that the Meeting was in agreement with the proposed principles of well-being strategies. These should be used as a general framework for the development of villages and communities, social welfare provision, and poverty alleviation, under a people-centered approach. The local people and their families should be able to adjust themselves towards a self-reliance status. All these strategies, he added, would be implemented under five major programs, i.e., the Sufficiency Economy, Community Development and Empowerment, Community Resources Rehabilitation, Welfare for the Underprivileged

(see page 8)

Sufficiency Economy Principles For Community Business Management and Social Development



Mr. Paiboon Wattanasiritham, Deputy Prime Minister and Minister of Social Development and Human Security, said in a recent interview that His Majesty the King has initiated the Sufficiency Economy, based on his former experience in Royal Development Projects, being carried out under sound prudence, knowledge and wisdom. Emphasis has been placed on suitability to the surrounding, as well as geographical and social conditions. All projects have been implemented gradually with care and under low risk, being decent and justifiable.

His Majesty has evidently put everything in order. The general framework for the Sufficiency Economy Philosophy would cover decency, reasonability, immunization, knowledge and morals, all of which have integrated what His Majesty has initiated and implemented.

His Majesty has continuously recommended the “Sufficiency Economy”, as a Dharma, for applicability by everyone, under an individual context. Under the Sufficiency Economy, all of us should look at ourselves, under our own surrounding, and identify a state of decency, reasonability, immunization, prudence, knowledge and virtues. What would be comparable to His Majesty’s recommendation? Should there be any of our actions comparable to His Majesty’s initiatives, it would be assumed that we have been moving in the same direction. On the other hand, if ones considered nothing consistent, or nothing had been done yet, or success had not been reached, we would see room for improvement and development.

Actually, the context of “**Sufficiency**” should refer to a state of sufficiency, suitability and decency, including balance and security. From the management point of view, regardless of social development, all economic and business activities would aim for security, balance and sustainability, which would stem from decency and balance. As a result, the Sufficiency Economy Principles can go hand in hand with economic and business management. A good business should be stable.

No one would expect for a fluctuating and unstable business. Sustainability would be a primary target for all businesses, but a state of sustainability should be reasonable. Ones should prefer a gradual but reliable flow of profit to skyrocketing profits in some years, before collapse.

Let’s put it this way. The **Sufficiency Economy Principle, especially a decent and reasonable trend, should fit business management well.** This is to avoid extremity in everything. Both supply of goods and sale target should be reasonable. Likewise, raw materials and machinery should be kept at a reasonable level. Only sound equilibrium that counts.

As for “**reasonability**”, ones should have clear reasons for their actions, and then we would be able to make some proper decisions for business management. “**Immunity**” would be of vital for a business. A good business should avoid all types of risk. When we want to borrow money from banks, we have to provide sufficient collateral, including some proper prevention for any unexpected circumstance. In trading, we should have proper alternatives when the market stagnates. All of these would involve risk hedging. A good business must have sound risk hedging. We have to use our “**knowledge**” with care in any business venture. Finally, we have to duly respect “**morals**”, virtues and integrity, including perseverance, stamina and wisdom.

Some businesses have collapsed, after years of success, because of frauds, which can easily bring a big market leader down to earth. For this reason, the Sufficiency Economy Philosophy would be applicable in all aspects of the economy and business.

The Sufficiency Economy Philosophy, in fact, is applicable for the whole world, because the current state of the global economy, society and environment is not as certain as they should be. There are a lot of problems out there, i.e., security and fluctuating economy. The Sufficiency Economy can also fit the global context well, thereby leading to a sharing and happy planet. Both security and sustainability would be restored. The whole world is now in a state of over-consumption, beyond basic requirements in life.

In the social development context, under responsibility of the Ministry of Social Development and Human Security, emphasis should be definitely placed on sufficiency, which would lead to a happy coexistence in society. Lifestyles of people from all walks of life should be on the Sufficiency Philosophy. This is a primary target of the Ministry. The Sufficiency Economy Philosophy would be pursued in social development. The community should be empowered, with sound security, and people can live happily and equally in there. The Sufficiency Economy Philosophy can be a key to decency and mutual contribution. Then, happiness can be shared for all, regardless of individual greed, which would lead to disintegration in society.

Subsequently, it should be noted that the Sufficiency Economy Philosophy would be appropriate for social development and human security of the country.



Sufficiency Economy Movement Sub-committee to Promote Sufficiency Philosophy among Thai People : Special Documentary to be Launched from March 1st, 2007



The Sufficiency Economy Movement Sub-committee, in cooperation with JSL Co., Ltd., held a press conference to launch a “Sufficiency Year” project, at Thevet Room, the Office of the Crown Property. Participating in the press conference, on January 23, 2007, included famous movie stars, singers, students and representatives of sufficiency communities.

Dr. Chirayu Isarangkun Na Ayuthaya, Chairman of the Sufficiency Economy Movement Sub-committee told the press that, in the past, the Sub-committee had continuously launched many activities to create some knowledge and understanding among Thai people, so as to urge them to realize the values and benefits of the Sufficiency Economy. These activities included a documentary program on “Follow Sufficiency Economy”, or the publishing of some interviews of those who have successfully applied the Sufficiency Economy in real life in Praew Magazine. The “Sufficiency Year”

Project will broaden such knowledge through various activities in the pipeline, which would join in the celebrations of the 80th Birthday Anniversary of His Majesty the King, this year.

Also participating in the press conference, **Dr. Ampon Kittiampon**, NESDB Secretary General, said that His Majesty the King had granted royal permission for NESDB to publicize the Sufficiency Economy Philosophy since November 1989. NESDB, he added, had also adopted the Sufficiency Economy, as the main theme of the Ninth and Tenth National Economic and Social Development Plans, in order to create a happy society in Thailand.

NESDB Secretary General continued, as saying that the Sufficiency Economy is applicable for everyone. In January 2007, the United Nations Development Program (UNDP) released a report that the Sufficiency Economy is not only suitable for Thai people but also for the whole world.

There would be five activities under the “Sufficiency Year” Project, i.e., (1) **“Sufficiency Year” Variety Talk Show Program**, to be on air every Sunday, from 18.05-19.00 Hrs., at TV Channel 5, starting from January 7, 2007.

(2) **Short TV Documentary Program on “Sufficiency Land”**, in 2 minutes, totaling 334 sequences, to be broadcast by Thai TV Pool, from March 2007 to January 2008. The documentary will be divided in two sets. Sequences 1-167 will be broadcast via Thai TV Channel 3 (during prime times), Channel 5 (12.00 Hrs.) and ITV (18.58 Hrs.), and the remaining 168-334 will be broadcast via Channels 7, 9 and 11. In addition, it would be on air everyday by TRUE VISION Channel 7, and Parliamentary TV (PTV). Other channels include (3) www.pp-gen.com, (4) **Mobile Sufficiency Activity**, and (5) **Sufficiency Wristband and Manual**, to be sold to the general people to participate in a “Sufficiency People” campaign. ♦♦

Thailand Moves towards *(from page 7)*

A knowledge-based economy, or an economy driven by knowledge would tend to increasingly rely on innovations for business undertakings, including production and procedures to ensure higher profits and productivity. Scientific and technological know-how should be exchanged and shared for wider applications. The development of human capital would be a major key for the knowledge-based economy, when compared with machinery advancement.

NESDB Deputy Secretary General said that the knowledge-based economy should aim at raising efficiency of technology to ensure higher returns from productivity, innovations and diversity in production systems. These would require closer cooperation among the public sector, private business, educational institutions, and research institutes. The government, he said, would have to ensure a surrounding favorable to exchange of views and know-how, which would lead to effective applications of R&D outcomes. Universities, research institutes and

private business should emphasize innovations, and cooperate in ensuring R&D efforts in line with business requirements.

Besides, the seminar brought up for consideration a comparative study of Thailand’s international competitiveness and other economies in the Far East, together with a case study of a country successfully developing itself as a knowledge economy. Many economies in the Far East, especially China, is now moving very rapidly towards a knowledge economy. Thailand, on the other hand, would have to hastily increase its productivity and international competitiveness, through technological upgrading and improvement in working skills.

Mr. Arkhom said finally that Thailand had markedly developed its human capital and exported some technology-oriented, or highly capitalized products. However, many newly emerging economies, especially China, India and Vietnam, with a comparable number of engineers and abundant cheap labor, had been increasingly competed with Thailand in many of the hi-tech products. To ensure the sustainable development of the country, Thailand would have to produce sufficient number of engineers and high skilled labor, while hastening its R&D capability. The private sector should be encouraged to play a greater role in promoting research activities and upgrading of Thai labor skills. ♦♦

UNDP Report Calls for Action Under Sufficiency Economy Philosophy

Realizing the value of Sufficiency Economy Philosophy for improvement in quality of life and national development in a globalizing era, the United Nations Development Program (UNDP) recently launched the Thailand Human Development Report 2007. It identified six key messages about the Sufficiency Economy. Derived from these messages are specific actions that communities, corporate entities, civil society and government in Thailand can undertake now to move Sufficiency Economy forward. In brief:

1. The Sufficiency Economy is central to alleviating poverty and reducing the economic vulnerability of the poor. Some action points include, i.e., the Sufficiency approach should be made central to government anti-poverty policy through schemes to build local capacity for self-reliant production. Then, the land-less and land-poor should be provided with land from the extensive reserves of land that is unused. There should be the community control over local resources that was promised in the 1997 Constitution by passing the community forestry bill and other enabling legislation. Furthermore, relevant parties should ensure development spending is not skewed to certain provinces with political clout, but is equitably distributed, targeted at areas of real need, and used more creatively.

2. The Sufficiency Economy is means towards community empowerment and the strengthening of communities as foundations of the local economy: Some action points include, i.e., there should be target community development efforts, urban and rural, towards building capacity for self-help and sustainable economic activities. It would be necessary for strengthening community capability to manage finances, and investigating feasibility of converting village funds into local banks in order to promote savings. Then ensure local government bodies provide opportunity for community participation. In addition, relevant parties should facilitate efforts to share learning and best practices of successful community groups, and replace handout policies with schemes that strengthen communities' own capacity to provide for all of their members' need. Then encourage corporate entities to support community projects in line with the Sufficiency Principles as part of corporate social responsibility.

3. The Sufficiency Economy takes corporate responsibility to a new level by raising the strength of commitment to practices conducive to long-term profitability in a competitive environment. Some action points, as recommended by UNDP, included, i.e., the Sufficiency Principles should be incorporated into training for corporate directors and into the code of corporate governance enforced by the Stock Exchange of Thailand. Major business associations should be persuaded to propagate the Sufficiency Principles among their members. Relevant parties should provide more widespread publicity for businesses of all sizes that have utilized the Sufficiency Principles in ways that benefit both the business and society at large. Then create an advisory service to help corporate entities align their social projects

with the Sufficiency Principles.

4. The Sufficiency Principles are vital for improving standards of governance in public administration.

Some action points are to find ways to immunize the institutions that monitor corruption and malfeasance in public services

from political contamination and influence. There should be the integration of the Sufficiency Principles into Public Administration Plan, including key performance indicators used for the evaluation of government departments and personnel. Moreover, relevant parties should create a framework based on the Sufficiency Principles for monitoring decision-making and implementation in public sector projects. Then, UNDP recommends a reform of the Freedom of Information Act so that it truly serves its objective of ensuring that people have access of information.

5. The Sufficiency Economy can guide macroeconomic policy making into immunize a country against shocks and to plan strategies for more equitable and sustainable growth. Some action points are to ensure implementation of Thailand's Tenth Plan fulfill its commitment to the Sufficiency Economy and meets the aspirations of all who have contributed to the drafting. There should be a policy initiative to reverse the decline in the domestic savings rate so that the economy is more self-reliant for capital and households are better prepared for the future. Then, they should pursue a more consistent energy policy focused on greater self-reliance by accelerating research on substitute fuels and finding more economies in energy usage. Next is to further develop the deservedly popular universal health scheme using the Sufficiency Principles to ensure it is efficient and sustainable.

6. Sufficiency thinking demands a transformation of human values, a "revolution in the mindset", necessary for the advancement of human development. Some action points are to upgrade the quality of education, including both content and pedagogical methods, to fulfill the key preconditions of knowledge and integrity for successful operation of the Sufficiency Economy. The application of the Sufficiency Principles should be expanded in the management and administration of schools. Then is to provide more support for non-formal education, which responds to the needs of communities for life-long learning, and to explore ways to promote Sufficiency thinking within the mass media including more airtime for programming with social content and public participation. UNDP also recommends to provide social recognition for people in communities, business, public service and other sectors, who act as leaders or role models of the Sufficiency Economy. ♦♦



From the initial concept, coupled with the “Sufficiency Economy” dimension, there would come to a new economic tool, entitled “SEMs” (Sufficiency Economy Matrices). These had been based on some measurement tools for social development, or the so-called SAMs (Social Accounting Matrices). Both would be used for planning and executive decision making at different levels, for maximum benefits according to visions of the 10th Plan. Then, there would be greater consistency with the Sufficiency Economy, from community to national level.

Dr. Ampon Kittiampon, NESDB Secretary General, said in a press interview that it was really interesting to see a presentation of the Sufficiency Economy as an economic model. This had been based some economic fundamentals, especially (1) market failures in an economic structure, (2) externalities in the economy, society and environment, and (3) consumer surplus. Chiang Mai University would set up ISERP to undertake relevant studies, research and development of knowledge and tools, including personnel development at different levels, which would lead to concrete implementation of the Sufficiency Philosophy in Thailand.

NESDB Secretary General continued saying that the research framework had defined some key terms for sustainability and balances, which would not imply only balances in quantitative terms, but also balances in rationality and immunization. As a result, the Sufficiency Philosophy would be a basic concept for sustainable happiness in life, which would be meaningful for everyone. This would be a brilliant opportunity for NESDB to be an ally in this development effort.

Prof. Peter Calkins told the press that the new institution would focus mainly on the Sufficiency Economy. His Majesty the King, he added, has emphasized human-centered development and a balanced pattern of growth as central importance in national development. Attempting to set a main theme for the institution, Chiang Mai University held several discussions with relevant parties, most of which were about the definitions and principles. No one would ever talk about an experiment, implementation or measurement, which would let us know what would be deliverable, or vice versa. A proper way to make the Sufficiency Philosophy sustainable is to prove that the philosophy is possible and explainable, which should be understandable worldwide. This would be a way for foreign researchers and bankers to show gratitude and appreciation to His Majesty the King of Thailand.

For this extent, it would involve an effort to create a set of tools for development planning and measurement for concrete implementation of the Sufficiency Philosophy. Chiang Mai University had induced a new dimension in development effort, which never before had created by other educational institutions in Thailand. To this end, Chiang Mai University had coordinated with other institutions, involved in implementation of the Sufficiency Economy, such as the National Institute of Development Administration (NIDA) and Kasetsart University, in establishing a network to propel the Sufficiency Economy into action. A key role of each institution had been set, according to its respective specialization. Chiang Mai University specializes in Econometrics and Quantitative Economics, together with well-trained instructors and advanced economic software, so it pledged to push forward relevant research in this respect.

Nonetheless, the institution was still in a nascent period, which, by nature, would involve some innovative and challenging tasks. Success factors would not only involve academic strengths, but also common understanding and concerted efforts of all allies. They should join in the move for concrete implementation of the Sufficiency Economy. This would let the world know that the Sufficiency Philosophy is not just an ideal framework, but a foundation for neo-economic theories, which would lead to balances and sustainability of mankind.



NEWS through Lens



Survey of Potentials for Industrialization in Southern Seaboard Areas:

On February 8, 2007, **Mr. Kosit Panpiemras**, Deputy Prime Minister and Minister of Industry, accompanied by **Dr. Ampon Kittiampon**, NESDB Secretary General, went to Krabi and Nakhon Si Thammarat Provinces to study potential of industrial development in the Southern Seaboard areas, especially the highway No 44 (Land-bridge -Au Luek - Khanom). Mr. Kosit and his mission also attended a briefing on expansion of petrochemical industry by high-ranking executives of the PTT Plc., at Khanom Separation Plant, together with a joint meeting with Krabi Provincial Governor at the Highway Construction Office.



Q4/2006 GDP Expanded by 4.2 Percent, and Likely to Grow 4.0-5.0 Percent Next Year:

On March 6, 2007, **Dr. Ampon Kittiampon**, NESDB Secretary General, accompanied by relating NESDB Executives, presided over a press conference for Thailand's GDP expansion in Q4/2006, standing at 4.2 percent. The year-on-year growth record for 2006 would be 5.0 percent, higher than 4.5 percent recorded in the year before. An average growth rate of 4.0-5.0 percent was anticipated for 2007.



NESDB Surveys Development Thai-Lao Border Trade Zone:

During February 2-3, 2007, **Mr. Arkhom Termpittayapaisith**, Deputy Secretary General of NESDB, led a mission of officials from NESDB, the Department of Highways, and the Ministry of Foreign Affairs in surveying the area in Uttaradit Province and People's Democratic Republic of Laos. The survey was aimed at deriving basic information for upgrading a temporary border checkpoint at Chong Phu Du as a permanent border pass, and improvement of road construction from Chong Phu Du to Paklai city of Laos, in order to link Chaiyaburi and Laung Prabang. A mission of local government officials and people of Uttaradit Province, led by Uttaradit Vice Provincial Governor, greeted the mission, led by Mr. Arkhom upon arrival at Uttaradit.

Government Sector Solicits Efforts to Move forward Sufficiency Economy at Community Level



Prof. Dr. Kasem Watthanachai, Privy Councilor, presided over a meeting on “**Movement of Sufficiency Economy in Communities**”, at Dej Sanidvongse Conference Room, the Office of the NESDB. Participating in the meeting included representatives from the Ministry of Interior, Ministry of Agriculture and Cooperatives, Ministry of Social Development and Human Security, Ministry of Public Health, Ministry of Education, Department of Religious Affairs, Bangkok Metropolitan Administration, the National Buddhism Office and NESDB.

The Meeting was aimed at creating common understanding among all parties concerned about the movement to put forward the Sufficiency Principles into action, and also recognizing implementation among some key agencies for movement of the Sufficiency Economy in communities. Also, they took this opportunity mobilizing ideas and recommendations for actions in a more holistic way in order to empower the local communities under the

Sufficiency Principles. These would eventually lead to thriftiness in resource utilization, as well as reduction of redundancies and confusion at a community level.

Prof. Dr. Kasem Watthanachai voiced his comments towards actions for moving forward the Sufficiency Principles in Human Development Report of Thailand 2007, by UNDP, on the topic of “Sufficiency Economy and Human Development”. UNDP presented **six major policy issues** (more information in a special report in this issue). The Sufficiency Economy can be applied as national policy to immunize the whole country against any unexpected turbulence. All ministries should study proper ways to apply the Sufficiency Principles to their respective policies and plans, while promoting common awareness to implement the Sufficiency Principles on a continual basis.

After acknowledging reports on actions by relevant ministries, departments and agencies, the Meeting came up with an agreement to move forward the Sufficiency Economy in many issues. They are, i.e., (1) to develop human beings, with respect to morals, ethics and living in line with religious principles, together with proper understanding about the Sufficiency Principles. Second, there should be a search of archetypal families / communities, with material applications of the Sufficiency Principles, to be promoted as a resource center for the Sufficiency Economy in community. Third is to develop the Sufficiency Economy course at all levels of educational institutions, especially education among the youth. Fourth is to promote community research for creation of knowledge. Fifth is to apply all kinds of media for disseminating the Sufficiency Principles and application, and sixth is to adjust a conceptual framework, operational approach and management mechanism to propel the Sufficiency Economy. Lastly, there should be a community master plan, under a participatory approach, in concerted efforts with plans of other involved agencies at all levels and sectors. ♦♦

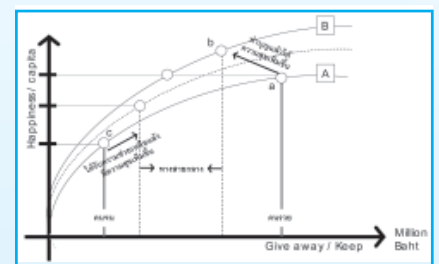
Chiang Mai University Develops a set of Tools for Evaluating National Development Results under Sufficiency Principles

Recently, the Northern Economic and Social Development Office of the Office of the National Economic and Social Development Board (NESDB), in cooperation with the Faculty of Economics, Chiang Mai University, organized a workshop, entitled, “The Sufficiency Economy Philosophy for the Quantitative Implementation of the Tenth 5-Year Plan”, at the Faculty of Economics, Chiang Mai University. It was aimed at mobilizing some useful comments and recommendations for implementation of the Sufficiency Philosophy. There was also a move to solicit cooperation in setting up the Institute for Sufficiency Economy Research and Promotion (ISERP). This would be an academic initiative to develop a set of tools for a planning process and practical implementation of the Sufficiency Economy, which would be measurable. Participants in the workshop, totaling 60 persons, included Vice Provincial Governor of Chiang Mai, representatives from the World Bank and other involved agencies in the North, as well as academic experts of Chiang Mai Province and NESDB officials.

Prof. Dr. Pongsak Angkasit, President of Chiang Mai University, reiterated a primary intention of Chiang Mai University to strengthen academic research efforts in response to the Sufficiency Philosophy, by academic experts of the

Faculty of Economics, Chiang Mai University and Prof. Peter Calkins, Director of an International Program of the Faculty.

A researchers’ team proposed primary economic theories, showing a comparison between capitalism theories and theory applications, based on some key variables between happiness and capital, under a “well-being” vision of the Tenth Plan. This would reflect that “a state of decency” under the Sufficiency Principles could actually lead to happiness in life, without lower accumulation of capital.



The team used a graph to show relationship between capital in financial terms and capital in terms of happiness in life. Along A Curve, spot “a” would represent a maximum satisfaction among rich people from accumulated wealth. This would imply a level of marginal satisfaction, as increasing wealth would no longer cause more happiness in life. Instead, if they make more financial donation, they would end up having more happiness in life. Then shift to a new spot “b” on the new satisfaction “B” curve, where people can have more happiness in life. Meanwhile, the poor at “c” would receive more contribution, which would lead to more happiness, as well.

(see page 5)

NESDB Cooperates with World Bank in Thailand's Infrastructure Development



On January 31, 2007, the NESDB, in cooperation with the World Bank, organized a seminar, entitled "Country Development Partnership - Infrastructure (CDP-INFRA)", at the Shangri-La Hotel, Bangkok. **Mr. Phanas Simasathien**, Chairman of the National Economic and Social Development Board, presided over the opening of the seminar.

Delivering a report to the Chairman, **Mr. Ampon Kittiampon** said that this would be a cooperative scheme to assist the government of Thailand in formulating a policy and plan for infrastructure development. It would also strengthen efficiency of major supervisory bodies of the country. The World Bank, he added, would provide consulting service, study the problems, and present some analytical views concerning infrastructure development, to strengthen real sectors in Thailand. In turn, these would enhance international competitiveness of the whole country, eradicate poverty, and eventually raise standard of living among Thais.

CDP has been initiated since 2000, as a cooperation mechanism between Thai government and the World Bank. CDP is, in fact, a cooperation framework between WB and middle-income countries. The relationship between Thailand and WB had started since 1949. As a poor nation, Thailand had to borrow money from WB

for investment and national development. After rapid economic prosperity during the last few decades, the country's financial standing and per capita income had markedly increased, the creditor-debtor relationship between Thailand and WB had increasingly shifted to a partnership status. Under a new relationship scheme, WB had initiated a new development cooperation framework, being called shortly as CDP, to be used as a mechanism / framework for consulting services and assistance in which WB specializes.

Secretary General of NESDB continued that public utilities and infrastructure in Thailand had been modernized to reach a certain level of efficiency, when compared with some neighboring countries, especially the highways and inter-provincial road networks, as well as air and water transportation, telecommunication system and water supply system in urban areas. Problems remained in some areas of facilities, notably the chronic traffic problems in Bangkok and high logistic costs. Demand for energy in Thailand had been increasing by 8 percent on average each year (outclassing the national economic expansion), and Thailand had to rely heavily on energy imports. There was only minimal progress in search of alternative energy sources within the country. When the global crude prices increase, the Thai economy will be affected. The government had, therefore, sought some proper remedial measures to avoid bottlenecks for economic expansion in the long run.

CDP-INFRA comprised five areas of cooperation. First would be an analytical assistance in advocate to government service deliveries, through the formulation of the national infrastructure development plan and implementation. Second was technical assistance for development of alternative energy sources. Third was technical assistance for the development of transports in Bangkok Metropolitan Region. Fourth was also technical assistance for strengthening efficiency of the Office of the National Telecommunications Commission, and fifth was assistance for water supply provision in rural areas, to enhance income generation for farmers. WB had come up with an idea to use water for anti-poverty campaigns in the remote rural areas.



Thailand Moves towards Knowledge-Based Economy



On January 29, 2007, NESDB and the World Bank together organized a seminar, entitled "Towards a Knowledge-Based Economy in Thailand", at the Grand Hyatt Erawan Hotel, Bangkok. This would be a venue to present

a complete report on "**Towards Knowledge-Based Economy in Thailand**", and to exchange views and experiences of the knowledge-based economy with experts from renowned organizations / institutions in both public and private sectors, both at home and abroad.

Deputy Secretary General of NESDB, **Mr. Arkhom Termpittayapaisith** said in his introductory address to the seminar that Thai government had placed top priority to improvement in knowledge-based infrastructure and productivity. The knowledge-based economy was, in fact, a primary objective of the 10th Plan, specifying the knowledge-based economy as a major key for national development. The study results and recommendations from the seminar would be of great importance for implementation under the government plan and the 10th Plan.

(see page 3)



For Official Use of
Office of the National Economic and Social Development Board

If not delivered, please return to the Public Relations Section
Office of the National Economic and Social Development Board, 962 Krung Kasem Road, Bangkok 10100
Tel. 0-2280-4085 Ext. 1303-5 Facsimile : 0-2628-2846 Internet : <http://www.nesdb.go.th> e-mail address: pr@nesdb.go.th



Q: Does the Sufficiency Economy Principle contradict profit-based business?

The Sufficiency Economy Philosophy has defined that “Both development and national administration should go through the golden middle path, especially in the national economic development, to catch up with the rapid globalization process.” “Government officials, theorists, and businessmen at all levels should respect morals and integrity. They should have proper knowledge, and live their lives with perseverance, wisdom and prudence.”

From both definitions, *the Sufficiency Economy Philosophy realizes significance of business. It does not contradict a profit-based target, but the profit*

should be appropriate and justifiable. Without profit, a business cannot move on in the long run. *It should avoid some unfair practices in order to achieve the maximum profits, regardless of any adverse consequences.* Such an appropriate profit level can be referred to as a “normal profit”, in an economic point of view, which would be sufficient for investment or dividend payments for shareholders. Such profits should not stem from any deceptive or illegal efforts.

Community profits should be equitable and beneficial for community development, which would lead to an empowered community and eventually a community enterprise.

Nonetheless, all parties and allies concerned must understand commonly that the “Sufficiency Economy” refers to an *appropriate level* of self-reliance of an economy, not a 100-percent state of self reliance. It does not mean to stop using money, not to trade, or not to meet with anyone. This is, not at all, the Sufficiency Economy. To apply the Sufficiency Philosophy, all parties must clearly understand its merit. They have to adapt it to fit their own occupations.

On top of that, *the Sufficiency Economy Philosophy also requires that a businessman must respect morals,* notably integrity and sharing in business undertaking. To this end, each business has to remain accountable to its shareholders and all stakeholders in business undertaking, such as employees, consumers and the society at large. *An equitable distribution of business profits among all stakeholders* is a fundamental principle under the Sufficiency Economy.

Preparation for Movement (from page 1)

and the Elderly, and Basic Public Service Deliveries. In addition, the Meeting endorsed mechanisms to be used at provincial and district levels, including budget allocation criteria.

The movement effort *should start from the local people,* by the communities and local administrative organizations. In case where a *community plan is in place,* it should be used as a tool for designating development activities and projects, in conjunction with a development plan of each Tambon Administrative Organization (TAO). Without any *community plan,* relevant parties should create a learning process, which would lead to the formulation of development activities / projects, under sound quality and oversight, for instance, the rollout of development results of Mai Rieng Community in Nakhon Si Thammarat Province.

Besides, a mechanism at the district level should be used as a focal point to integrate well-being projects, village and community development, social welfare provision and poverty eradication. There should be a working group at the district level, mainly represented by Kamnan and Village Heads, with the prime duties to screen and integrate all project initiatives by the local communities and Tambon, which should serve as a proper learning process for District Director, as well.

Dr. Ampon continued that the Meeting also endorsed the budget allocation criteria of Baht 5,000 Million to all provinces nationwide in FY2007. It would enable Provincial Governor to manage the integration of community plan and TAO plan, together with enhancement of the learning process in the local community in case where a community plan has not been in place.

The budget allocation criteria for FY2008 would mainly consider the outcome in 2007. Attention would be duly paid to success, in any province in promoting proper community adjustment in the learning process of the integration between community and TAO plans. This would be the main criteria for FY2008 budget allocation for provinces, and also a major indicator for quality management of the entire process.

