

**The Sufficiency Economy Philosophy as an Approach to Social Innovation: Case
Studies of Local Governments in Thailand**

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Abstract

The late Thai King Bhumibol Adulyadej formulated the Sufficiency Economy Philosophy (SEP). “Sufficiency” means balancing reasonable moderation in production against the need for protection from sudden internal and external shocks. SEP follows the middle path as a guiding principle for all classes of society and government. Knowledge, thoughtfulness, prudence, and ethical integrity are essential to achieve the middle path. This paper explores the use of SEP as a method of social innovation for enhancing delivery of public services and for localizing the process of sustainable development. Such innovative use of SEP is illustrated by three exploratory case studies of local administrative organisations (LAOs) in Thailand.

The first case shows how a local administration built a program to produce renewable energy (household cooking gas) from pig farm waste while earning revenue from carbon credits. The second involves a local administration setting up a community welfare fund to reduce an inequality of people whose basic welfare needs had not been met. The third study focuses on a local administration’s encouragement of residents in building their own recycling project rather than waiting for top-down government action. All three LAOs have mayors with significant entrepreneurial talent useful in teaching entrepreneurial action to their residents, their staff, and other local leaders. Together, these cases show the potential of SEP as a method of bottom up social action and sustainable development.

A brief discussion of the wider need for and use of innovation, including social innovations, and underpinning entrepreneurship, is included prior to the Thai case studies. There is also a short section examining similar types of activities to those observed in the cases in the European context by way of comparison.

Keywords: Innovation; Social Innovation; Entrepreneurship; Sufficiency Economy Philosophy; Sustainability; Local Administrative Organisations; Thailand.

Introduction

Innovation is at the heart of Thailand 4.0, a government model for enhancing the country’s competitiveness in order to achieve the goal of becoming a developed country with security, prosperity and sustainability in accordance with the teachings of His Majesty King Bhumibol Adulyadej the Great. Innovation also figures largely in the Sufficiency Economy Philosophy (SEP) in the National Strategy Plan (2018-2037). Various SEP guidelines aim to promote people’s awareness, to embed social values and culture through family upbringing, and to encourage public sector personnel to opportunities for innovation in their day-to-day jobs.

Besides mobilising the Sufficiency Economy Philosophy at the national level, the government now also encourages local administrative units to apply SEP. SEP follows the “Middle Path” of Buddhist thought. Balancing and integrating reasonable moderation in production against the need for protection from sudden internal and external shocks; and knowledge, thoughtfulness, prudence, and ethical integrity are essential to achieve the Middle Path. Some local governments received the Royal Award (Department of Local Administration, 2010) from the Late King in 2010 for using SEP as a new public management tool such as an innovation for local

development. Some used both SEP and innovation to address community problems for which their limited budget had previously seemed inadequate. The community and innovation elements are necessary qualifications for a Good Governance Award which has been awarded by the Office of the Decentralization to the Local Government Organization Committee (ODLOC) for more than 20 years. (ODLOC, 2022). Some local governments received both Good Governance and Royal Awards, with SEP being the more important qualification for the latter.

There have been no prior studies on the relation between innovation and Thailand's SEP. This paper explores the use of SEP for social innovation in enhancing delivery of public services and for localizing the process of sustainable development. Such innovative use of SEP is illustrated by three exploratory case studies of local government in Thailand. Data were collected through observations of activities of local government and in-depth interviews with leaders of politicians, public managers and community.

As stated, this paper focuses on an examination of social innovation, aimed at delivering enhanced outcomes of public services at the local level in Thailand. It may be thought possible that Thailand may lag behind some more advanced nations in its innovatory activity at both high level industrial settings and at local levels. Bearing that in mind it seems prudent to examine briefly some of the literature on the role of innovation in general and its incursion into activities at the level of local administrative units in a wider setting, before focussing on the impact of Thailand's SEP philosophy at the local level.

Innovation has long played a crucial role in private-sector sustainability efforts. Innovation drives long term profit by producing change to enlarge the market and make sustainability cost effective. In terms of competition, it occasionally leads to win-win outcomes where losers, the same as winners, are better off than they would have been had there been no change.

While key aspects of innovative thinking may have originated in a private sector context, there is no reason why such thinking may not apply equally well in a public sector setting. Simply put, sustainability linked to efficiency may be thought to be needs for all modern organisations. As a result, public-sector innovation is now visibly gaining in importance, as a means of promoting welfare and sustainability objectives while simultaneously meeting the need for efficiency (Osborne and Brown, 2013; Saari et al, 2015). At its simplest, innovation in the public sector can be seen as a process of creating new ideas and turning them into public value (Bason, 2010: 34), because innovation can at root be seen to be in two parts: project innovation (creating new products); and process innovation, developing new processes for the delivery, widely couched, of a product or service. It has been seen as one of the vital tools of the so-called New Public Management (NPM) since the late 1980s. (Osborne and Brown, 2013)

The current public sector paradigm has been influenced by the belief that, where public goods and services can be delivered through markets, they should be privatized in some form or other. According to this model, those functions which remain within the public sector should be redesigned so as to make them behave as if they were subject to (quasi) market forces and to become more 'business like'. This has resulted in considerable

redesign of public sector organizations and institutions and modes of policy delivery in order to make them more efficient, effective and economic, thereby giving value for money to the taxpayer. (Parsons, 2006)

Many recent literature reviews have confirmed that a business model construct that includes a full range of stakeholders in an interdependent activity system of a firm has not yet been applied to the public sector. (Axelson et al, 2017; and Osborne and Brown, 2013 as examples) The business model perspective seldom includes innovation into public organizations because there are two economic challenges related to state involvement in the economy. The first one is an incentive problem, the influence of the self-interested behaviour of voters, interest groups, politicians, and government officials. The second one is an information problem; governments cannot centralise knowledge and therefore, in the absence of market feedback, may struggle to make correct measurements and assessments. (Axelson et al, 2017)

Although there is a growing recognition of, and awards to highlight, the best examples of public-sector innovations, especially in the USA and Europe, governments' actual ability to innovate remains quite limited. There are calls for finding better ways to foster innovation such as creating awareness of governments' ability to reinvent themselves in order to adapt to new challenges and opportunities. In the face public bureaucracies' inherent resistance to change, it will take practice to embed innovation as a core activity in public organizations. (Bason, 2010)

Another challenge is to enhance the role of government as a facilitator of learning. "This would involve gathering both knowledge of 'how things are' and 'how things ought to be' in regard to governments' capacity to learn, to transform themselves, to be resilient, and to create space to be creative – to allow emergence to occur." (Parsons, 2006: 3) Such ability can bring about collaborative processes and mutual learning within groups and communities. It will require building capacity among leaders and employees to enable this transformative function to take place, as we shall see exemplified in our case studies.

Public organizations usually involve a dual leadership of politicians and public managers, especially in local government. The implementation of innovation therefore requires the support and joint action of both parties. The majority of empirical studies of public organizations and innovation focus on political actors rather than administrative ones. Political actors are incentivized to advocate innovation by enhancing performance/delivery that precedes and underpins the reputational benefits and possible consequent benefits such as better prospects in upcoming elections (Korac et al, 2017). For example, the mayor of Seoul ran a successful "Social Innovation Plan" from 2006 to 2010 to improve the city on the basis of brainstorming ideas from staff and stakeholders (Berman and Chan-Gon, 2010). Overall then we see a process of migration of the notion of innovation, aimed at sustainable development of local economies in a wide setting: our focus will be on such development in the context of rural Thailand. It is true to say that where there is successful innovation, be it social or otherwise, it will typically be allied the presence of an entrepreneurial spirit amongst those who seek to implement such innovations, see for example Foster and Watkins Mathys (2020). This again will be seen both in our Thai cases and in the reportage from the European setting in the penultimate section.

The remainder of the paper is organised as follows. The next section describes a research programme on a mobilization of Thailand's Sufficiency Economy Philosophy (SEP) among local administrative organizations in Thailand and a system analysis of the SEP. The third section presents three case studies of innovative development from this programme, the examples being set in three different but neighbouring provinces in central, northern Thailand. We then present a section looking briefly at the literature on Europe's local, social innovation picture as a comparator to the Thai experience described. Finally, the paper offers a conclusion on its innovation relation with SEP and how creating value brings interdependence and happiness.

The paper describes a piece of exploratory research which brings together secondary data in the form of what is essentially a literature review and primary data from three case studies examining projects emanating from the SEP experience in a local area context. Primary data was collected using: participatory action, with associated observations; focus group interviews; individual interviews; and non-participatory observation. Triangulation of data from the various collecting methods was used to test the validity and reliability of the data sets. The Conclusion seeks to bring together the two data strands and compares the findings with those discovered from literature related to the European experience. The analysis is essentially organising and synthesising the two strands of data, secondary and primary.

A Systems Analysis of the Sufficiency Economy Philosophy and outline of a research programme on the mobilization of SEP among local administrative organizations of Thailand

The philosophical underpinning of SEP and its application in principle

The late Thai King Bhumibol Adulyadej proposed the Sufficiency Economy Philosophy (SEP). With great foresight, the sufficiency principle was designed to counter the negative effects of unrestricted globalization. Non-sustainable practices, often a feature of western planning, are recognised as being responsible for many social and economic ills (Brayshay and Nigel, 2009; Milanovic, 2003; Rose-Ackerman, 2002; Wilpert, 2009, as cited in Wheatly, 2010: 9-10). The concept of "Sufficiency Economy Philosophy" can be summarised in the following official version of 1999 (NESDC, 2017 as cited in Puntasen, 2017: 39):

'Sufficiency Economy is the Philosophy that addresses the way of living and practice of the public in general from the family unit and the community, to the national level, in development and management of the country towards the middle path especially in developing the economy to keep up with the world in the era of globalisation.

The word "Sufficiency" means moderation and reasonableness including the need to have self-immunity to be ready against any internal and external shocks. In addition, the application of theories in planning and implementation requires great care and good judgment at every stage. At the same time, all members of the nation –especially officials, intellectuals, and business people – need to develop their commitment to the importance of knowledge, ethics, integrity, and honesty to conduct their lives with perseverance, toleration, Sati

and Pañña (wisdom and knowledge), and precaution so that the country has the strength and balance to respond to rapid and widespread changes materialistically, socially, environmentally, and culturally from the outside world'

Sufficiency Economy Philosophy (SEP) goes straight to the heart of protection against what researchers call the short-term view (Dolan and Raich, 2009, as cited in Wheatly, 2010: 10), and drives to a sustainability framework (Song H., 2020) by infusing with Buddha Dhamma such as 'moderation', the 'middle way' (Feigenblatt, Cooper and Pardo, 2020: 310), Sati and Pañña, as mentioned earlier, and other facets. Sufficiency in SEP is also in line with Western Scholars' concept such as Thomas Princen's definition (2005: 6) is built out of a kind of home-grown philosophy: 'it is the sense that, as one does more and more of an activity, there can be enough and there can be too much', and Bouckaert et. al (2008: 3) define frugality as an ideal and an art de vivre, which implies low material consumption and a simple lifestyle, to open the mind for spiritual goods as inner freedom, social peace and justice or the quest for God or 'ultimate reality'. However, human beings generally are unable to acknowledge that they have 'enough' of some things, and proceed to demand/produce/consume more (what he calls 'too muchness', where the principle is excess) (Princen, 2005) and frugality is a spiritual virtue or rational virtue to enhance happiness which is need to reintroduce into economic life (Bouckaert et. al, 2008)

SEP was conceived and implemented more than 30 years ago by the late king's experiment comprising a new theory of agricultural practice for re-creating self-sufficient conditions on his own lands at his palace. It also set up as a learning centre where people could come and learn this method as an alternative to mainstream community development. Some business organizations incorporated SEP during economic or business crises, putting placing an emphasis on risk management to build greater resiliency (Puntasen et al 2003). SEP is holistic and flexible enough to deal with virtually any situation (Feigenblatt et al, 2020: 310) which is applied in every economic activity, not only consumption but also production and exchange. SEP has become an official part of national policy instruments such as the 20-year National Strategy (1997-2036), since the 8th National Economic and Social Development Plan (1997-2001). In order to prevent SEP as a 'fragment' breaking apart among pillars (self-immunity, moderation and reasonableness) and conditions (Ethical Integrity and Knowledge), and being treated as an instrument rather than a goal, a system analysis of inputs, outputs and final result is needed to articulate the whole as shown in Figure 1 (see the Appendix). The process is explained in detail in the following paragraphs.

From the Figure 1 diagram, inputs of SEP can be divided into two conditions, namely knowledge and ethical integrity. Knowledge consists of wisdom (*Pañña*), due to consideration and prudence (*Sati*). This necessary condition of knowledge can be interpreted as *Pañña* working under the control of mindfulness or *Sati*. This condition will ensure that any best possible result of knowledge or understanding is one that is generated through mindfulness. This, in turn, becomes necessary for the cultivation of ethical integrity - the other condition as inputs for the process of Sufficiency Economy. This is because without *Pañña* being controlled by *Sati*, ethical integrity will not make much sense to those who are strongly wealth-oriented. If *Pañña* is controlled by *Sati*, it will be very difficult to justify the accumulation of wealth at all cost. On the other hand, ethical integrity can be classified further into honesty and integrity, patience, diligence

and compassion. These are the four qualities of a person who acts with compassion in an ethical and honest way not only for his own good but also for the good of others.

The condition of ethical integrity is sufficient for continuing the process that can be called the middle path - the path or core process that does not involve the two extremes that work against the development of *Pañña*. Within this middle path in Buddha Dhamma, there are three related sub-processes starting from the most practical and easy one, the "way of doing" or being self-immune and self-reliance. The "way of thinking" is the understanding of the concept of sufficiency or moderation and the regular practicing of the concept until it becomes "the way of living" - the component known as awareness of causal relationships. These three components together form one process known as the middle path.

Self-immunity and self-reliance in one's "way of doing" is the first step in the direction of Sufficiency Economy. The main purpose for that is the ability to face unforeseeable events and still be able to flourish in the long run. The result of this ability is a long-term benefit through avoiding short term risks. It may be called a risk aversion attitude or behaviour, and serves purely for the sake of protection. There are also other methods for doing. However, once one begins with the sub-process of self-immune and self-reliance, it can be rightly considered that such person has already moved in the direction of Sufficiency Economy. Hence, the practice of self-immunity and self-reliance alone for whatever motivation can be considered to be a "partial practice" of Sufficiency Economy.

The real understanding of Sufficiency Economy comes from the fact that actually sufficiency means moderation - a natural law for optimal living with regard to life itself, for all living things. Anything that is either too little or too much is not beneficial for any life: the point of optimality must be the one that lies between the two points. For example, having too little food is not good for life and neither is having too much. The moderate amount of food is good for the body and the life involved. We can think of almost anything relating to life in these terms: too little or too much rest, too little or too much exercise, too little clothing or too much clothing. This, of course, applies also to too little wealth and too much wealth. If a person's mind is controlled by ignorance and/or greed, he would try to accumulate more than what is optimal for his life out of insecurity. This unnecessary accumulation has become part of the global crises nowadays. It requires panna controlled by sati to be able to determine the point at which having something is optimal for one's life. If sufficiency or moderation is understood this way, it can be considered a "way of thinking," and such practice as an act of "comprehension."

With such a thorough understanding of Sufficiency Economy, a person may cultivate good causes and good supporting factors in order to achieve good results in return. Through such practice, he will come to understand the reasonableness or "awareness of causal relationships" or from his good deed, which is the last process in the Middle Path of Sufficiency Economy. Having experienced prior good consequences, a person logically is inclined to continue this practice as his "way of living." This level of practice of the Sufficiency Economy may also be called an "inspiration". The understanding and practising of ethical integrity as a way of living with the aim of avoiding any undesirable results will most likely yield only right livelihood. It can be seen as an ideal way to live one's life

All the three components discussed are part of the process of the Middle Path, that will lead to the output from the Sufficiency Economy process. Output of this nature is the same as sustainable development that consists of the balanced development of the four pillars, namely, economy, society, culture and environment. As for Sufficiency Economy, it is the process leading to the output of sustainable development in such a way that the economy, society, culture, and environment are sustainable, balanced and stable. Such output can be interpreted as the process that results in at least the maintenance of all forms of capital or the increase of some or all forms of the following: human capital, social capital, environmental capital and physical capital. Human capital implies increase in human knowledge skill as well as work satisfaction that would lead to increase in productivity. Sufficiency Economy considers human capital to be the most important one among the four, as it places greatest emphasis on human happiness. Social capital is the capital that results from human interaction in ways that capitals can be generated. In this respect, culture is also considered as an aspect of social capital. In the West, for instance, trust is considered as one of the most important components of social capital because it results in significant reduction of transaction costs in the market. In Thailand, apart from trust, the more important aspects of social capital are compassion, mutual help or assistance and unity or social cohesion. These various aspects of social capital will contribute to the increase in productivity of social organizations. Unlike capitalism that regards physical capital as the only relevant form, Sufficiency Economy ranks physical capital as the least important one as it prioritizes human and social capitals. Environmental capital and physical capital, which include financial capital, can always be regenerated if human and social capitals are most efficient in the production process. Therefore, Sufficiency Economy ranks human capital, social capital, environment capital and physical capital respectively. The increase in at least one form of capital while the rest remain same implies sustainable output of this system.

SEP can be adopted for practical purposes at all levels of every unit, starting from an individual, a family, a community, an organization, a society, a nation and the world, in the end, the outcome will be the achievement of happiness of all of these related units. At the individual level, the outcome will be a happy life or a "good life", a dependence happiness from good working condition in Buddha Dhamma. At the family level, the outcome will be a happy family. At the community level, the outcome will be a happy community, and so on to national and global levels. However, Sufficiency Economy's emphasis is rather on inputs and process in order to ensure that sustainable development will be the output, and that the outcome of moderation will lead to a balanced and happy life. Additionally, Sufficiency Economy does not stop at happiness of the unit who practices the concept, as there also exist unhappy persons who for some reason do not or cannot practice Sufficiency Economy at the levels of self-immunity and self-reliance, and moderation. The question of stability arises as vulnerable ones remain in the community or society, ones who would need external support to reduce their own suffering or unhappiness. The additional concept for this situation is "*prayote sukha*" or independent happiness from being useful to others. If the concept of reasonableness or awareness of causal relationships is practised as a way of living, it will bring about happiness not only for the one who practices it but also for others who are still suffering or unhappy for various reasons. If an increasing number of persons constantly do good things not only for themselves but also for all the others, the community and the society will achieve stability from "*prayote sukha*" or independent happiness from being useful to others. In this way, sustainability, balance, and stability will be attained goals. This

last part would be impact of SEP.

A systems analysis of SEP at Figure 1 can prevent people from missing or over-looking the interrelatedness of the pillars and conditions, the instrumental, fragmentary approach limits the degree to which SEP can apply by using moderation in a way of thinking for self-immunity and self-reliance and embedding the reasonableness from his good deeds in a way of living life and of conducting everyday affairs (Prayukvong 2013). Therefore, Puntasen (2017) classified three levels of practice for SEP: (1) partial practice; (2) comprehension; and (3) inspiration. (See Figure 2 in the Appendix) Partial Practice follows the method of prudence. Practitioners at the level of Comprehension use the method of prudence and have moderation as a mindset. At the level of Inspiration where SEP is a way of life, practitioners add reasonableness (or wisdom) to prudence and moderation. If a practice has not reached the third level of Inspiration, it is inadequate to mobilize SEP for developing toward the sustainable goals and strategies of the national long-term plan.

An Application of Sufficiency Economy Philosophy at the highest level – Inspiration – becomes a way of living and working. When local governments and administrative units have reached the level of Inspiration, they are aiming not merely to complete a task or achieve a certain output; they aiming at the interdependent happiness of people both inside and outside the organization. This interdependent happiness is achieved when people work as co-creators and co-producers in achieving SEP.

The research program on “Mobilization of Sufficiency Economy Philosophy among Local Administrative Organizations (LAO) of Thailand” has been conducted to identify SEP successes which can serve as models for other LAOs (Puntasen, 2022). The focus was on how well LAOs succeeded in applying SEP in continuously phased periods since 2018. So far, the SEP activities of 302 LAOs have been assessed. Of those shown in Table 1, in the Appendix, 62 LAOs achieved the Inspiration level, 177 achieved the Comprehension level, and the remainder are either at the Partial Practice level or else not practising SEP at all. The aim of this research program is to continually study SEP-LAOs to see whether there is a critical point where enough have reached a high level the SEP will be self-sustaining. At that point, SEP would be self-mobilizing because it had become a way of life with related, varied, and continuous activities being carried on so as to bring LAO employees and community members interdependent happiness.

At the level of the LAO economic units within which change might be essayed, the SEP programme can be seen, in summary, as the interaction of what is essentially Buddhist philosophy for living and micro-economic work. This has been described elsewhere as Buddhist Economics and its related management of the micro-economic unit, which can be usefully understood as an overall process with a multi-attribute utility function, based around non-commensurate output measures: on the one hand economic benefits and on the other hand social benefits which cover "prayote sukha" or independent happiness derived from being useful to others (as mentioned in the previous section); that usefulness to others could be for both consumers of the end products and the employees, see Prayukvong and Foster (2014). Nor should one forget the owners or leaders of the economic units who could reap personal well-being from the fact that they have helped to deliver such benefits to their local or national society.

Outline of the sample's choice process and its components

The three LAOs with the highest SEP index scores in the research programme were selected with specific purpose (Yin, 2003), and are presented as case studies in this paper, based on three criteria. 1) These three local governments are each responsible for a provincial sub-district or Subdistrict LAO. 2) They are in three different provinces located in the same region (central mid-northern Thailand) as shown in Figure 3 (See the Appendix). 3) They were conducted as a sample of research in the first author's research or a sub-project of this programme. (Prayukvong et al, 2022) Methods used to calculate the SEP index scores included participatory action, focus group interviews, individual interviews, and participatory and non-participatory observations. Triangulation of data from various collecting methods was used to test the validity and reliability of the data sets. Descriptive and content analysis were employed to study SEP innovations and how they are affected by SEP-index factors such as incentives, strategy, conditions (enabling environment), resources, and the process of networking and collaboration.

Results of the Study: three case studies of Thai LAOs

Tha Manao Local Administrative Organization (TM-LAO)

Tha Manao LAO has about 3,000 people or 1,400 (less than 3 persons per household) households who are mainly farmers. Therefore, TM-LAO is a small local government organisation which has an annual budget of less than one million US dollars. The current mayor used to be the appointed head of the sub-district and, after the establishment of the LAO, has been elected ever since. Prior to being a local political leader, he formed and was a leader of informal and voluntary groups of young people in Tha Manao which supported volunteer and merit activities for the community as his father and his ancestors did.

Pig farming is one way for farmers to diversify and reduce risk of relying solely on growing rice or other crops. Unfortunately, pig farming has negative environmental and social impacts mainly driven by the spread of faeces and waste to surrounding neighbourhoods with resultant air and water pollution. Tha Manao has pig farms with all the resulting pollution and especially a foul odour.

Instead of using a restricted zoning law or not allowing a pig farm to operate in an existing location, the mayor of TM-LAO found an innovative solution based on co-creation and co-production by stakeholders and people in the community. The process began with a survey of about a quarter of the households in Tha Manao. This was part of a CSR project by PTT Public Company Limited, a Thai, state-owned, SET-listed oil and gas company, called "84 Tambon (or sub-district) under the Sufficiency Economy' project." The project was initiated in 2011 on the 84th birthday of His Majesty the late King Bhumibol Adulyadej the Great. The project management team adopted the royal philosophy of the sufficiency economy as its core operating principle. (PTT, 2010) TM-LAO has received consulting support from The PTT Company since its application for support was accepted.

The household survey identified the unpleasant odour of pig farms as a major concern of the people of Tha Manao. PTT introduced the idea of turning pig waste into biogas for use in cooking, which would have the additional environmental benefit of replacing bottled cooking gas (propane or a propane-butane mix, with its polluting need for extraction) and charcoal. However, this idea was not implemented as a one-off project but as part of a continuously integrated development programme. Therefore, a process began of constructing a biogas system and gas lines from a few pig farms to deliver biogas as a cheaper, cleaner, and safer cooking gas to each household. The aim is to bring more people and more pig farms of which there are about 20 with some 10,000 pigs into the system, as it expands its service area.

Such continuity, linkage and focus on expanding positive outcomes has made TM-LAO a well-known model of community enterprise. TM-LAO is a model for how to build a biogas solution to cover a whole sub-district. It has accumulated knowledge about carbon credits through the Thailand Voluntary Emission Reduction Program (T-VER) (TGO, 2016) and has passed the savings on to the community as extra income. In addition, TM-LAO has initiated the use of solar cell panels to reduce energy costs for government administrative offices, for many local residents, and for farm operations.

All of the follow-on work from the initial pig farm projects provides tangible evidence that Tha Manao and its people have reached the level of “Inspiration.” They have embraced SEP as a way of life which fosters resiliency in their community. They have localized the Sustainable Development Goal (SDG) to tackle climate change.

TM-LAO is spreading the word. Nowadays, there are 15 learning places for other communities and people to learn about SEP and the ways it is lived in Tha Manao. These learning sites are managed by volunteers from the teams operating the energy saving projects. The Sufficiency Economy Philosophy is a way of life for the TM-LAO mayor, for many of his staff, and for many members of the community.

Tar-Ngam Local Administrative Organization (TN-LAO)

The elders of Tar-Ngam say that the area’s first residents came about 170 years ago from what is now Laos. Today, there are about 5,000 people or 2,000 households (2.5 persons per household), mainly farmers. Therefore, TN-LAO is a small-to-medium sized government with an annual budget of about one and a half million US dollar. Although the current mayor was born here, he left for Bangkok in order to obtain education and work experience. But he returned in order to look after his ailing and bedridden grandmother. His father, a village headman, supported him to be elected as a member the council of TN-LAO, then vice-chairman of the council, and now, mayor for four terms totalling 17 years.

Although Thailand has some schemes for social welfare and insurance programs, there is not universal coverage for the whole population. More than 10 million Thai people are not covered, including especially farmers and people in rural areas. The Thailand Social Investment Fund, with assistance from the World Bank, was created after the Tom Yum Kung financial crisis or Asian financial crisis of 1997. Its mission is to encourage social capital formation since traditional social bonds were thought to have been frayed by the financial crisis and ongoing economic development.

Soon after TN-LAO’s mayor heard that the national government had backed the idea,

he decided to try to create a social welfare fund in Tar Ngam. On the surface Tar-Ngam was a nondescript place of unaffiliated people without any prominent local cultural assets. Therefore, a survey was undertaken to gather local wisdom in each village of the sub-district. It also aimed to learn how much ability and interest people would have in participating in the establishment of a social welfare fund in the community. Elders participated in the survey of social capital and then helped set up the fund.

The project for “Valuable Giving and Receiving with Dignity” began with the establishment of a funeral fund. Community members contribute one baht a day, or 30 baht (US\$ 1) per month. (Petmark, 2007) The national government matches that contribution, and TN-LAO’s mayor has arranged for the local annual budget to match it as well. As a result, every baht contributed by a community member adds that will be totally 3 baht to the fund. The fund now covers not only funeral expenses but also births, illness, and other emergencies. The fund started with about 300 members 15 years ago and now has 1,700 or about half the total residents in the sub-district. The total amount in this fund is now about 5 million baht (US\$133,000).

The fund has taken on new projects as well. A committee of volunteers works with TN-LAO’s mayor and his team to create innovative welfare programs during emergencies such as floods or the Covid-19 crisis. The fund also provides loans for entrepreneurial projects such as purchasing new varieties of seeds and plants, digging wells, and providing Tar-Ngam residents with good quality drinking water. It also operates a coffee shop near the TN-LAO administrative headquarters. Finally, a savings group has been formed. By putting in one baht a day, residents learn savings discipline and reduce their chance of incurring debt at some future time.

The exemplary success of Tar-Ngam’s community welfare fund has been recognized by several national awards. TN-LAO’s mayor highly values the fund as a way to reduce inequality. All of its work has been carried on with transparent and honest management as well as a high level of resident participation which are necessary conditions of the Sufficiency Economy Philosophy. SEP is clearly a way of life to the TN-LAO mayor and his staff.

Pradu Yuen Local Administrative Organization (PY-LAO)

The area of Pradu Yuen Local Administrative Organization was originally heavily forested and was settled by migration from nearby more than 100 years. There are about 6,000 people or 2,300 households (2.6 persons per household) who are mainly farmers. Therefore, PY-LAO is a small-medium local government with about two million US dollars as an annual budget. The current mayor used to be a vice mayor and was elected mayor after his predecessor’s death.

The Thai national government committed a policy of local autonomy and decentralization in 1991, and progress has been gradual if not slow. The 1999 Decentralization Act was amended in 2007 (8th January) with the effect of transferring responsibility from national to local government units along with associated financial and human resources. In 2016 the Thai government issued the National Plan of Community Solid Waste Management (Department of Local Administration, 2016). Local administrative organizations were obliged to undertake this policy, but they were slow to do so because they lacked staff and equipment such as garbage trucks. This was

the case with the PY-LAO.

The mayor and his team attended a workshop on how to manage a community without garbage bins and trucks. The aim was to develop an innovative project for managing households' solid waste at the original source instead of recruiting more staff and purchasing a garbage truck, which was the conventional method. PY-LAO's mayor invited official and unofficial local leaders to make study visits to other communities with successful programs for solid waste management. They also organized a contest for residents of PY-LAO to present ideas for handling solid waste.

More than 70% of households participated, resulting in a 13% decrease in solid waste in the first year and even more in the second year. Villagers discovered several innovative ways to reduce, reuse and recycle (3Rs) for solid waste management. Recognition awards were established, and Pradu Yuen became a learning centre for solid waste management with visitors from other parts of Thailand. In addition, each village in the sub-district built its own learning centre for innovation of 3Rs in solid waste management rather than waiting for top-down government action.

Pradu Yuen's work on solid waste disposal led to new social capital formation in the spirit of SEP which in turn led to new projects. Several committees were appointed as sub-teams to run these projects. The committees drew their members from PY-LAO and from social organizations including the temple. The members and other active citizens have collectively supported several developing projects in order to form crucial social capital. One exemplary project in the past was conducting a household survey (just as TM-LAO had done) which resulted in a community enterprise, a farmer cooperative to produce several products such as fish sauce and curry paste etc. The farmer cooperative also operates a community petrol station to reduce their daily expenses. A community saving group and a community welfare fund were also established (similar to those in TN-LAO). The goal was to develop Pradu Yuen as a role model of a self-reliant community. Most of the new programs continue to operate and have brought benefits to the community ever since, showing that for the PY-LAO mayor, staff, and active citizens, the Sufficiency Economy Philosophy has become a way of life.

Europe's social innovation picture: a comparator to the Thai experience

As we outlined in the Introduction, social innovation and sustainability are issues firmly planted on the global agenda and hence Thailand's activity in this area is just one part of the global jigsaw so to speak. The EU is now one of the biggest economic groupings in the world and if we consider Europe as a whole – this adds in the UK, Norway, Switzerland and some Balkan states - its economy is even larger. It makes sense therefore to consider European experience in our field of study as a kind of benchmark.

In this section we shall look briefly at high level governance issues and then some examples of experience from three countries: the Netherlands, Finland and Germany. McCann and Soete (2020) produced a report for the European Commission on location based innovation aimed to deliver sustainable outcomes. Emphasising just how important the social innovation- sustainability area is seen to be, they wrote (p.8): "The new Commission has made sustainable development, together with the digital agenda,

the core element of its overall growth strategy for the present decade.” [There is a certain irony here related to the concatenation of the words ‘sustainable’ and ‘growth’ but we make no further comment on that.] They later expressed one of their key findings, in our view, thus (p.32): “the European Green Deal might not trickle down well at national or regional level but needs first and foremost a bottom up approach: exploiting “chimney” rather than trickling down effects.”

Kern (2019), again taking the EU as their context, argue that it is important to build on local experiments but to then back them up through the embeddedness of cities *and their networks* in the hierarchical governance structure of the EU, with all its various levels. The cities are to work as the chimney so to speak.

Evans et al (2006), in a project co-funded by the European Commission, conclude, *inter alia*, that confident local government is crucial to the successful development of institutional capacity and to engendering institutional learning. This need for effective and sympathetic activity by local government agencies resonates with the picture which we observed in and around our own case studies in Thailand.

Still working at a more macro level, Groot and Dankbaar (2014), ask whether social innovation (SI) requires social entrepreneurship (SE) to succeed. Their answer to the question is ‘in part’ or, in other words, they find that SI is a necessary condition of SE but is not sufficient. This is because they suggest that any kind of entrepreneurship can lead to some degree of SI, intended or not. Given that fact, they argue that social entrepreneurs should learn from ‘normal’ entrepreneurs and that normal entrepreneurs should be encouraged to pursue SI possibilities. They explored their ideas using a sample of 20 Dutch social enterprises, a large majority being large firms but with two medium and two small firms. The scale of enterprise in their sample is not well aligned with those in our own sample but we draw rather on the underlying logical links they sought to reveal.

We complete this section on relevant, European experience by outlining the results of three studies working with data from social innovation activities in the Netherlands, Germany and Finland respectively. Firstly, van der Schoor and Scholtens (2015), sought to answer the question ‘how do local community energy initiatives contribute to a decentralised sustainable energy system?’ They attempted to look at communities aiming to so organise themselves as to be able to achieve, or get close to achieving, 100% sustainable energy allied to zero carbon emissions. Using a case study approach, they examined 13 local community energy initiatives in Northern Holland. They propose that two of the key factors found to make such schemes work effectively, were: good relations with ‘outside’ networks; and real commitment by the local actors in the schemes. Both of these resonate with our own case findings.

Martens et al (2020) investigated social innovatory activity in rural, German areas. Their empirical work focussed on what they termed ‘community cooperatives’. In all they examined 14 such co-ops, from 14 different municipalities, in detail. One important finding in their view was that local government on its own cannot successfully initiate SI processes. Nevertheless, their sample co-ops agreed that it was important to integrate local government into their projects. The authors suggest that private sector enterprises are more likely to be capable of initiating SIs, but still not as well as ‘civil society’, by which they appear to mean individuals or small, tight-knit

groups acting entrepreneurially on their own account. In particular, they reported (p. 19) that: “ [their] results suggest that private actors in rural areas who are involved in activities especially connected to rural areas are also more likely to develop ideas relevant to their own areas of business. They also have additional knowledge channels that could trigger entrepreneurship.”

Our final exemplar, set in Finland, is that of Rininen et al (2016). Perhaps their key finding, in their own words (p. 737), is this: “The main argument of this paper is that Finnish RISs (regional innovation systems) – as reflected in their central policy instruments, regional strategies – still maintain a rather traditional growth-oriented focus instead of reflecting and promoting the objectives of sustainable innovation policy on a larger scale. We note that social enterprises hold unused potential in answering the expectations concerning RISs, particularly the social ones, and social enterprise as a concept sustains both entrepreneurship and innovation and an alternative type of sustainable innovation policy.” Supportive government policies and funding are important but SI ultimately relies on innovative thinkers, who are prepared to act proactively at the local level, or if the thinkers lack the necessary managerial skills are prepared to create a network including those with skills to complement their own.

As we have noted in the course of this section, there are a number of places where we find an obvious resonance between the European contexts discussed above and the Thai setting of our own work. This we suggest is unsurprising, notwithstanding differences of culture and governance, because the ideas discussed are of themselves context-free concepts. Where context may be more important is at the implementation stage where matters such as nuances of acceptable social behaviour may come into play. There are other examples with which we have not dealt here which may also have relevance to the Thai context such as sustainable tourism driven by social entrepreneurship, see for example De Lange and Dodds (2017). One example of this sort of activity, namely enhancing Thai, small farmers’ incomes by offering ‘on the farm experiences’ as a short holiday, is reported by Prayukvong et al (2015).

Conclusion and Recommendations

The three, Thai sub-districts studied here vary in location, processes used to address their various problems, and outcomes. Nevertheless, they share some commonalities. All three mayors led by honest example and worked for the same final result of interdependent happiness. They all aimed to understand problems in their local context and to acquire local knowledge through surveys to deal with the problems. Emphasis on honesty and integrity, patience, diligence and compassion as a sufficient condition and knowledge as a necessary condition, along with the three pillars of reasonableness, moderation, and prudence, for embedding the Sufficiency Economy Philosophy as a way of life. The leaders and followers all worked for the goal of interdependent happiness by bringing not only their residents and neighbours but also other stakeholders and outside organizations to participate and assist them by co-creating and co-producing social innovations.

These innovations were not undertaken with fixed plans at the start but developed through adjustments over time based on available entrepreneurial talent, similar to the effectuation approach described by Sarasvathy (2001). TM-LAO’s mayor said that he

worked with the first group of people who wanted to change. So did the other mayors. All three leaders had a talent for teaching entrepreneurial action to their residents, their staff and other local leaders. Their followers got more than new understanding, skills, and behaviours useful in the innovation process. They also learned from their mistakes and limitations as well as how to reduce or avoid such obstacles in the future. The mayors challenged their staff to improve and develop and to do such projects better next time. The mayors themselves learned how to build innovation into their future development plans as well as how to raise funds from outside sources and partnerships in order to supplement their limited budgets.

Such entrepreneurial processes with SEP have become part of the mayors' way of living and are shared as core values by staff, local leaders, people, and stakeholders or outsiders as ways of living, ways of working together with each other to develop their communities and their interdependent happiness. These three case studies validate the "Inspiration" index scores, the highest possible scores, awarded to all three local government administrations. Together these cases show the potential of SEP as a method of bottom up social action and sustainable development.

It is interesting to note that these conclusions, based on data from our fieldwork, tend to resonate with the findings in a European context to which we referred earlier, for example:

- Local community commitment is a key driver of innovatory success. Central government agencies have a role to play in setting a context and perhaps making available seed-corn funding but they do not effect actual innovations at the LAO level.
- The presence of a definite leader for each of the three LAO projects in Thailand was a key factor in their (at least initial) success. The importance of key actors or small groups to stir entrepreneurial activity in SI was also found in some of the European studies cited.
- An entrepreneurial spirit is a powerful agent to support social innovation be it in Europe or Thailand.

As we noted in the Introduction this study is exploratory in nature. Future work in the same direction would be desirable, expanding the geographical areas sampled. This would not only generate a more complete, national picture, but would also offer bases for comparison of outcomes between different regions of Thailand. One obvious point to emerge would be whether the same sorts of outcomes were indeed to be found in the East, North-East, Far North and South as were found in the area shown in Figure 3. Undertaking such a national review might usefully be achieved by getting a number of PhD students to examine different provinces, with the students perhaps being based in several different universities around the country.

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Appendix

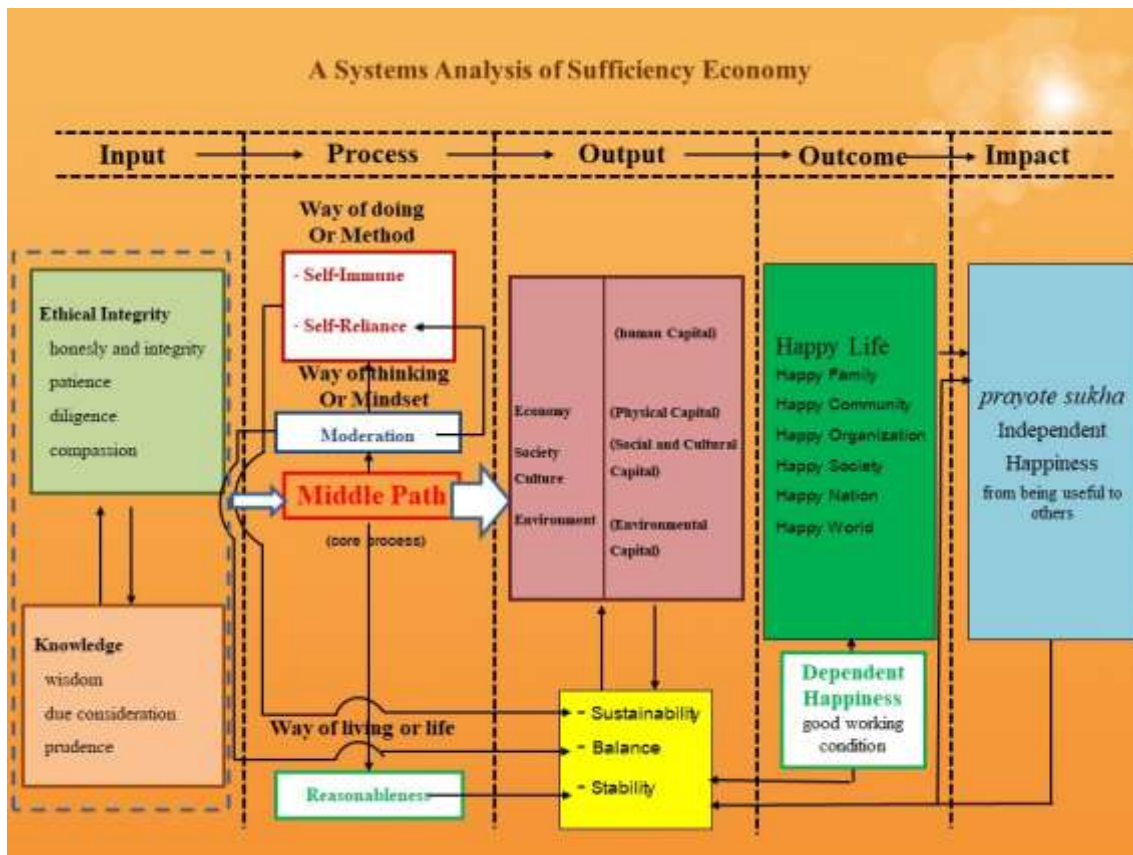
Table 1 Summary of results of an evaluation of SEP level of LAO on a research programme on a mobilization of SEP among local administrative organizations of Thailand

SEP Level	Local Administrative Organization					
	PAO	CM	TM	SM	S LAO	Total
Not Practising	7	0	1	5	8	21
Partial Practising	4	2	1	11	24	42
Comprehension	19	1	7	64	86	177
Inspiration	11	1	7	14	29	62
Total	41	4	16	94	147	302

Source: Puntasen (2022).

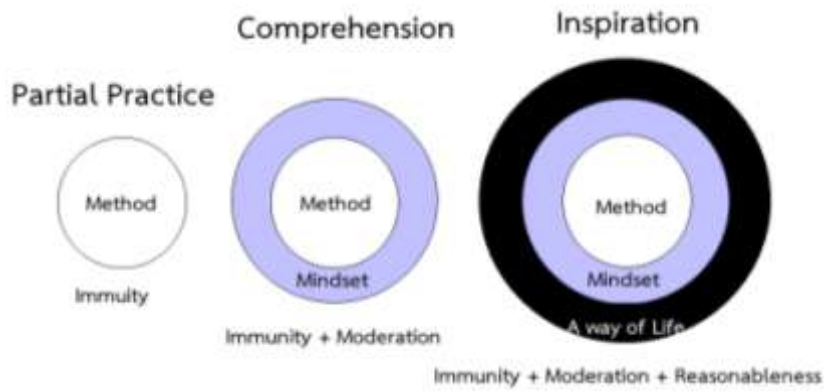
Note PAO: Provincial Administrative Organization
 CM: City Municipality
 TM: Town Municipality
 SM: Subdistrict Municipality
 S LAO Subdistrict Local Administrative Organization

Figure 1 A System Analysis of Sufficiency Economy Philosophy



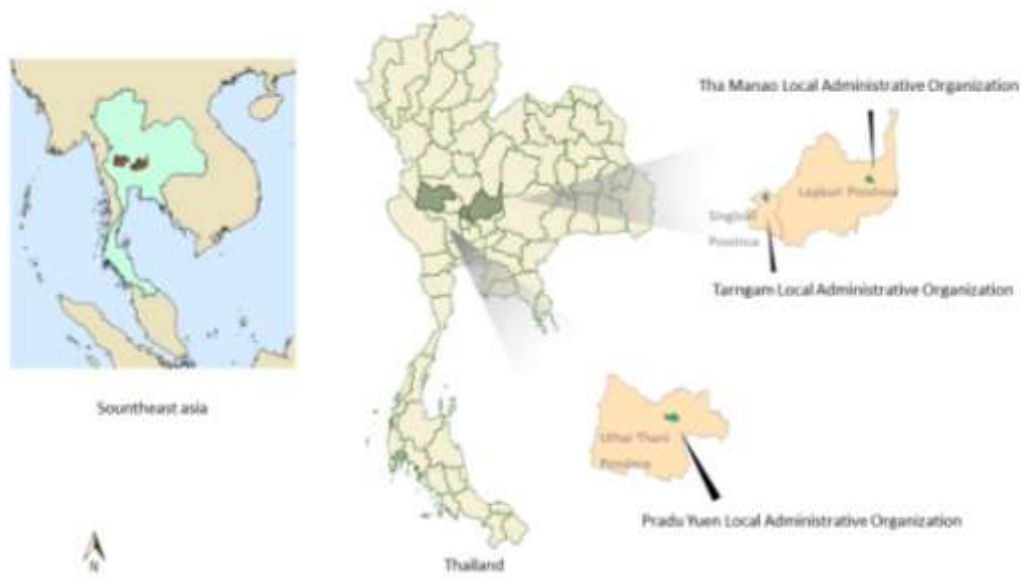
Source: Puntasen (2018)

Figure 2 Level of Sufficiency Economy Philosophy



Source: Puntasen (2017)

Figure 3 A map of the location of the three case studies of Local Administrative Organizations in Thailand.



Source: Adapted from Google Maps (2022)