

## RELATIONSHIP BETWEEN ACHIEVEMENT OF HOUSEHOLD ACCOUNTING BASED ON PHILOSOPHY OF SUFFICIENCY ECONOMY AND QUALITY OF LIFE

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### Abstract

This study aimed at investigating the relationship between the achievement of household accounting based on the philosophy of sufficiency economy and the quality of life, a case study of the people in the model village with sufficient living level at Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani Thailand. The samples of this study were 364 villagers who kept household accounting in Bu Pueai sub-district. The systematic sampling technique was employed to obtain the samples. Frequency, percentage, arithmetic mean, standard deviation, and Pearson's Correlation Coefficient test were used to analyze the data. It was found that the samples were fond of keeping household accounting based on the sufficiency economy philosophy at a high level. The investigation, as a whole, revealed that the relationship between the achievement of household accounting and the people's quality of life was highly positive. The examination in details indicated that the relationship between the achievement of household accounting and the aspects related to economics and learning conditions was positive at a high level, while that between the achievement and the aspects concerning mental, social, natural resource and environment conditions was positive at a medium level. The statistical significance level of this study was set at .01.

**Keywords :** Household Accounting, Philosophy of Sufficiency Economy, Quality of Life

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## Introduction

Thailand has severely encountered economic crisis since 1997 up till now. People realizes that the mentioned crisis affected the stability of their careers, incomes, expenses, household debts, as well as mental and physical health. It also affects people's way of living and society. To solve the arising problems in communities, King Bhumibhol Adulayadej' s philosophy of sufficiency economy is adopted. Communities are considered an important foundation mechanism that helps boosting the country's progress. Philosophy of sufficiency economy has been carried out in many channels. Many activities including household accounting have been undertaken and supported based on the King's initiation that aims at people's self-reliance and honest careers so that they can be free from poverty, have enough to eat and live. The philosophy also aims at simple living, (being economic or not living luxuriously), and basing one's life on Lord of Buddha's middle path principles (realizing sufficiency and satisfaction with what one has) (Sumeth Tantivejakul, 2006: 53).

Keeping record of the incomes and expenses in the household account promotes one's careful plan to spend his/her money and not to over spend as every time he/she writes down the expense, he/she knows the balance, incomes and expenses of his/her family both in details and as a whole. When he/she analyzes the account, he/she can reduce unnecessary expenses resulting in savings. If one spends within the amount he/she has, he/she will not be in debts. This can solve household debts sustainably.

Bu Pueai, a sub-district in Nam Yuen district, Ubon Ratchathani province is a model village of sufficiency economy at a sufficient living level supported by The Ministry of Interior, fiscal year 2014 (The Ministry of Interior, 2016:1). The people in this area live their life basing on the philosophy of sufficiency economy. Training on accounting preparation is always organized for the people in many areas of the country by Accounting Preparation Promotion Unit, Cooperative Auditing Department, the Ministry of Agriculture and Cooperatives as it is believed to be one of the guidelines to drive the philosophy in those specific areas. However, there have not been many studies that investigated the achievement of keeping household accounting in terms of the relationship with and the effects on the way of life of the people living in the model villages. This inspired us to study the relationship between the achievement of the household accounting basing on the philosophy of sufficiency economy and the people's way of life, and to examine whether the results of the implementation obtained achieved the criteria set by the Ministry of Interior or not. The results of the study may be of help to set guidelines for solving problems and improving people's quality of life.

## The objectives of the study

1. To investigate living conditions, based on the philosophy of sufficiency economy, of the people in Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani province.

2. To examine the relationship between the achievement of the household accounting basing on the philosophy of sufficiency economy and the quality of life of the people in Bu Pueai sub-district.

## Research Method

The study was of a quantitative type. Questionnaires containing 44 questions each were used to collect the data. The questions asked for the samples' demographic data, living conditions under the philosophy of sufficiency economy, and the achievement of the household accounting. The validation of the questionnaire was assessed by 5 experts. It was tried out to obtain its reliability with 30 samples in Kradian sub-district, Trakarn Puechpol district, Ubon Ratchathani province. Cronbach's Alpha Coefficient was calculated from the obtained data. The reliability of the questionnaire was .09.

### 1. Data Analysis

The returned questionnaires were checked and the complete ones were classified according to the sample types. Statistical Package for the Social Science software (SPSS) was used to calculate and analyze the following:

1.1 Demographic data of the samples. Frequency distribution was made. Percentage was calculated and presented in a form of tables.

1.2 Four aspects of the samples' living condition under the philosophy of sufficiency economy in Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani province. Arithmetic mean and standard deviation were used to calculate the data. Criteria for interpretation of means were set as follows (Srisa-ard, 2016:3) :

Mean Range	Interpretation
4.51 - 5.00	the highest
3.51 - 4.50	high
2.51 - 3.50	medium
1.51 - 2.50	less
1.00 - 1.50	the least

1.3 Correlation of four aspects of the living condition under the mentioned philosophy and the achievement of household accounting in the selected model village. Pearson's Correlation Coefficient was used for this purpose.

The set criteria of the correlation coefficient were interpreted as follows (Hinkle, William and Stephen, 1998:118):

- ± 0.81 - ± 1.00 referred to very high relationship
- ± 0.61 - ± 0.80 referred to high relationship
- ± 0.41 - ± 0.60 referred to medium relationship
- ± 0.21 - ± 0.40 referred to low relationship

$\pm 0.00 - \pm 0.20$  referred to very low relationship

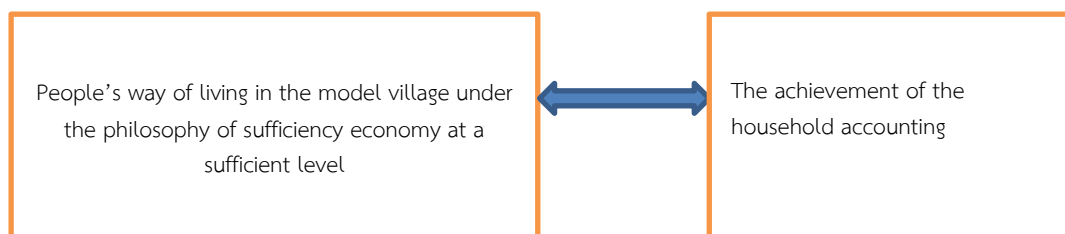
## 2. Population and Samples

The population of this study were 7,287 people in Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani province. This sub-district was a model village at a sufficient living level under the philosophy of sufficiency economy scheme, The Ministry of Interior, fiscal year 2014. (The Ministry of Interior, 2016:1). 364 samples were obtained by using R.V. Krejcie and D.W. Morgan's table of systematic sampling technique.

## 3. Variables

Two variables were investigated. The first one was the people's way of living under the philosophy of sufficiency economy in Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani province. Four aspects were examined; namely, 1) mental and social conditions consisting of 7 indications, 2) economics conditions with 5 indications, 3) learning conditions made up of 7 indications, and 4) environmental conditions comprising 4 indications. The second variable was the achievement of the household accounting with 13 indications.

## 4. Conceptual Framework



## Hypothesis

People's quality of life under the philosophy of sufficiency economy positively correlated with the achievement of the household accounting.

## The Research Result.

The samples were 364 people living in the model village of sufficiency economy in Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani province. The research shows the number of male informants is greater than female; 162 (51.4%) and 153 (48.6). Most of them (112 or 35.6%) are 31 - 40 years old. The education background of most (250 informants or 79.4%) is lower than bachelor's degree. 148 (47%) informants have the income of 5,001 – 10,000 baht/month. The number of 157 (49.9%) family members is 3-5. 119 (37.8%) informants are agriculturists. 265 (84.1%) are married and 288 (91.4%) have kept household accounting for more than 1 year.

**Part1** : An analysis of the relationship between the people's living condition under the philosophy of sufficiency economy and the achievement of the household accounting. Frequency was counted. Mean and standard deviation were calculated and interpretation of agreement on each question item was made as shown in tables 2-7 below.

**Table 1:** Mean, standard deviation, and interpretation of questionnaire items in relation to mental and social conditions of the informants living under the philosophy of sufficiency economy.

Mental and social conditions of informants living under philosophy of sufficiency economy	$\bar{X}$	S	Level of agreement
1. People are cooperative and willingly support community activities.	4.30	0.46	much
2. Community rules and regulations are mutually set up and followed.	4.30	0.56	much
3. Welfare funds, such as Village funds, Mother of the Land funds, Million Baht funds, are provided for the members of the community.	4.19	0.44	much
4. People in the community observe democracy principles.	4.40	0.57	much
5. People in the community are virtuous and ethical.	4.21	0.55	much
6. Bu Pueai sub-district is free from all vices including gambling and quarrelling	4.21	0.63	much
7. People in the community believe in the philosophy of sufficiency economy and apply it to their daily life.	4.14	0.59	much
Total	4.24	0.26	much

Table 1 shows that most informants mentally and socially follow the philosophy of sufficiency economy at a high level ( $\bar{x} = 4.24$ , and S.D. = 0.26). With respect to the detailed investigation, the means of the responses to the 7 questions asked range from 4.14-4.40 which is at a high level. The item related to the people's observation of democracy principles gain the highest mean, followed by the ones involving observation of rules and regulations, cooperation and willingness in doing community activities, being virtuous and ethical, being free from vices, having village funds, belief in and application of the philosophy of sufficiency economy respectively.

**Table 2 :** Mean and standard deviation of questionnaire items in relation to economics condition of the informants living under the philosophy of sufficiency economy.

Economics condition of the informants living under the philosophy of sufficiency economy.	$\bar{X}$	S.D.	Level of agreement
1. The people keep household accounting.	4.21	0.54	much
2. The people have activities to reduce expenses and increase incomes.	4.29	0.57	much
3. The people divide themselves into groups for occupation development purpose, such as basketry group, food processing group.	4.10	0.58	much
4. The people have various ways of savings such as one baht savings project.	4.22	0.61	much
5. Community enterprise or similar enterprise is operated.	4.28	0.66	much
Total	4.22	0.35	much

Table 2 shows that, economically, most informants live their life according to the philosophy of sufficiency economy at a high level. The mean of this aspect, as a whole, is 4.22 with the standard deviation of 0.35. With respect to the detailed investigation, the means of the responses to the 5 questions asked range from 4.08-4.25 which is at a high level. The item related to the people's activities to reduce expenses and increase the incomes is ranked the top, followed by those related to operation of community enterprises, variety of savings, household accounting, and forming groups for occupation development respectively.

**Table 3 :** Mean and standard deviation of questionnaire items in relation to learning condition of the informants living under the philosophy of sufficiency economy.

Learning condition of the informants living under the philosophy of sufficiency economy.	$\bar{X}$	S.D.	Level of agreement
1. Community information such as community history, population data and census, is provided.	4.23	0.56	much
2. Community information and plan are used and benefited.	4.14	0.53	much
3. Local wisdom is searched and used to add more values.	4.35	0.63	much
4. Learning center based on the philosophy of sufficiency economy is provided in the community.	4.18	0.57	much
5. Technology appropriate to community potential is used.	4.25	0.54	much
6. An associate and a network is built for development.	4.29	0.61	much
7. Self-reliance is practiced.	4.25	0.67	much
Total	4.23	0.31	much

Table 3 shows that, due to the learning aspect, most informants live their life according to the philosophy of sufficiency economy at a high level. The mean of this aspect, as a whole, is 4.23 with the standard deviation of 0.31. Regarding the detailed investigation, the means of the response to the 7 questions asked range from 4.14 - 4.35 which is at a high level. The item related to the people's search for and application of the local wisdom for creating more value is ranked the top followed by those concerning creation of development network, application of technology appropriate to the community potential, having community data, practice of self-reliance, having center for learning the philosophy of sufficiency economy, utilization of community information and plan.

**Table 4** : Mean and standard deviation of questionnaire items in relation to natural resource and environment conditions reflected by the informants living under the philosophy of sufficiency economy.

Natural resource and environment conditions of the informants living under the philosophy of sufficiency economy	$\bar{X}$	S.D.	Level of agreement
1. The community cooperatively conserve natural resources and environment.	4.15	0.57	much
2. In the community, there is an organization working on conserving natural resources and environment.	4.36	0.70	much
3. The community realizes the importance of the alternative energy and make an utmost use of it basing on the philosophy of sufficiency economy.	4.15	0.60	much
4. The community add values on local natural resources basing on the philosophy of sufficiency economy.	4.12	0.54	much
Total	4.19	0.41	much

Table 4 shows, regarding the natural resources and environment aspects, that most informants live their life in accord with the philosophy of sufficiency economy at a high level. The mean of this aspect, as a whole, is 4.19 with the standard deviation of 0.41. The detailed investigation reveals that the means of the response to the 4 questions asked ranged from 4.12 - 4.36 which is at a high level. The item related to community having the organization for conserving natural resources and environment is recognized the most, followed by people in community cooperatively conserving the resources and environment, people's realization of importance and utilization of the alternative energy, and addition of value to the existing natural resources basing on the philosophy of sufficiency economy respectively.



**Table 5 :** Mean and standard deviation of the achievement of the household accounting.

Achievement of the household accounting	$\bar{X}$	S.D.	Achievement level
1 . Household accounting helps the people to know their family's income, expenses and balance.	4.14	0.64	much
2. Household accounting helps the people to know what their family's necessary expense is.	4.39	0.53	much
3. Household accounting helps reducing the people's family debts.	4.24	0.58	much
4. Household accounting helps the people to know the causes of the income and expense imbalance.	4.36	0.63	much
5. Household accounting helps the people to reduce and to stop luxurious expenses and vices.	4.23	0.55	much
6. Household accounting helps to self-rely more, and to generate more family income.	4.34	0.53	much
7. Household accounting helps the people to do more savings.	4.34	0.51	much
8. Household accounting helps generating occupations for sufficient living.	4.34	0.53	much
9. Household accounting helps the people to be able to plan for family expenditure and to generate more income.	4.20	0.50	much
10. Household accounting helps generating community occupation enterprises such as local agricultural product processing, cooperative, and weaving groups, etc.	4.29	0.53	much
11. Household accounting helps regulating family savings resulting in having money to invest on production expansion, and retails sale.	4.23	0.56	much
12. Household accounting helps creating service groups for tourists such as agricultural tourism.	4.18	0.61	much
13. Household accounting helps the people and their family members to be able to pay debts.	4.17	0.38	much
Total	4.26	0.22	much

Table 5 shows that the achievement of the household accounting, as a whole, is at a high level ( $\bar{X} = 4.26$ , S.D. = 0.22). With respect to the detailed investigation, the means of the response to the 13 questions asked range from 4.14 - 4.39 which is at a high level. The matter highly achieved is that the household accounting helped the people to know their necessary expenses, followed by the its help to see the causes of the insufficient income, to be more self-reliant, to generate more family income, to promote more savings, to generate more occupations for sufficient living, to promote community enterprises, to have more money

to invest on production and sale, to have careful plan for expenditure, to initiate more service groups like agricultural tourism, and to be able to pay debts, respectively.

**Table 6 :** Summary of conditions of the people living under the philosophy of sufficiency economy and the results of household accounting.

Conditions of the people living under the philosophy of sufficiency economy	$\bar{X}$	S.D.	Level of agreement
Mental and social aspects	4.24	0.26	much
Economics aspect	4.22	0.35	much
Learning aspect	4.23	0.31	much
Natural resource and environment aspects	4.19	0.41	much
Achievement of household accounting	4.26	0.22	much

Table 6 summarizes the conditions of the people living under the philosophy of sufficiency economy and the achievement of the household accounting in terms of means, standard deviation, and the level of agreement and achievement. This shows that the people's life was better when adopting the household accounting basing on the philosophy of sufficiency economy.

**Part 2:** Analysis of relationship between aspects of people's living conditions under the philosophy of sufficiency economy and the achievement of household accounting, using Pearson product moment correlation coefficient.

**Table 7:** Relationship between aspects of people's living conditions under the philosophy of sufficiency economy and the achievement of household accounting

The relationship between the variables and the achievement of household accounting	Correlation coefficient	p	Level of relationship
Mental and social aspects	.467**	.000	Medium
Economics aspect	.722**	.000	High
Learning aspect	.666**	.000	High
Natural resource and environment aspects	.539**	.000	Medium
All aspects of living conditions under the philosophy of sufficiency economy	.712**	.000	High

\*\* statistical significance at the level of .01

Table 7 shows that living under the philosophy of sufficiency economy positively correlates with the achievement of the household accounting at a high level and at a statistical significance level of .01. The correlation coefficient ( $r^2$ ) value is .712. The examination in details indicates that the relationship between the achievement of household accounting and the aspects related to economics and learning conditions is highly positive ( $r^2 = .722$  and  $.666$  respectively), while that between the achievement and the aspects concerning mental, social, natural resource and environment conditions is positive at a medium level ( $r^2 = .539$  and  $.467$  respectively).

### Conclusion and Discussion

The samples of this study were 315 people living in Bu Pueai sub-district, Nam Yuen district, Ubon Ratchathani province, with the age ranging from 31-40, having lower than bachelor's degree education background, earning 5,001-10,000 baht income/month, being agriculturist and having more than one year experience of household accounting.

The analysis of the obtained data in relation to mental, social, economics, learning, natural resource and environment aspects indicated that the people living under the philosophy of sufficiency economy was quite good and the achievement of household accounting was quite high too. This showed that the people in Bu Pueai sub-district realized the importance and the benefit of household accounting. Moreover, the analysis of the relationship between living under the philosophy of sufficiency economy and the achievement of household accounting showed a highly positive relationship as hypothesized, assuring that household accounting was beneficial to the people. The finding of this study was in accordance with Ubonsri and Pannun (2012)'s study entitles a study of applying economy to lifestyles and use of resources at community levels. They found that application of the philosophy of sufficiency economy affected the economics status of the community. The people learned and participated in planning and solving the community problems. In addition they took part in group activities, building up more immunity to themselves, their family, and community. Household accounting helped the people to know what expenses were and were not necessary, so they could cut off those unnecessary. This finding was in accordance with the results of the study conducted by Naipinit, Promsaka Na Sakolnakorn and Kroeksakul (2013) who investigated "Sufficiency Economy for Social and Environmental Sustainability: A Case Study of Four Villages in Rural Thailand." They found that the philosophy of sufficiency economy was a guideline that the people could apply to their daily life in terms of earning for their family by planting vegetables for self-consuming and sale, raising cattle and poultry, and saving in the village cooperatives. The finding also accorded with Vyas, Snow, Roe and Brereton (2016) study on "Social Organization of Household Finance: Understanding Artful Financial Systems in the Home" in terms of the usage of instruments such as spread sheets and diaries to do the

household accounting. They suggested that those instruments could be utilized if they were developed to meet the family values, relationship and daily life of members of each family.

However, the relationship between the achievement of the house hold accounting and the living condition related to natural resource and environment, mental and social aspects was found positive at a medium level. This finding was similar to that of Ubonsri and Pannun (2012)'s. They investigated application of the philosophy of sufficiency economy on lifestyles and use of resources at community levels and found that the people's good quality of life resulted from adding value to the existing natural resources to generate more family income, and taking part in planning and solving community problems related to utilizing natural resources appropriately. As for why the relationship on this matter was found positive at a medium level which was a bit less than those of the other aspects, it can be explained that even though the people lived their life under the philosophy of sufficiency economy and kept the household accounting continuously, they might not believe in it fully and they did not have enough knowledge to analyze the recording data for application on planning their expenditure as they were from the model village at sufficient living level who might have less immunity than the villages with better living conditions. Thongprasert (2017: abstract) found in her study entitled "Behavior of Using Agriculturist Credit Card and Quality of Life of Agriculturists Living Under Philosophy of Sufficiency Economy" that if the agriculturists lived their life in a sufficient way as learned from the philosophy, not following the others in overspending, they would be happy with their life and have better quality of life. On the contrary, if ones overspent and lacked self-disciplines, they would be in debts resulting in bad mental health and worse quality of life. The study on "relationship of efficiency of household accounting and quality of life under the philosophy of sufficiency economy of the people in Mahasarakham province by Musik (2014) also confirmed that if the authority wanted the people to be mentally and socially happy, they should encourage the people to keep household accounting to build up immunity of sufficiency realization, to be careful to spend their money, to know what was necessary to purchase and what was not, and not to be luxurious.

### Suggestions

1. Although this study demonstrated that household accounting was positively correlated with the quality of life of the people living under the philosophy of sufficiency economy, it was also found that a number of people did not keep household accounting continuously. Moreover, they did not utilize the account data in hand to plan for or to manage their family finance. In order to continue the household accounting project effectively, it is suggested that the involved agents such as Provincial Office of Community Development, Sub-district Administrative Organization, the Ministry of Agriculture and Cooperatives, and Bank for Agriculture and Agricultural Cooperatives should provide knowledge and advices on analysis of

household expenditure for people so that they can plan for their future money to meet the living according to the philosophy of sufficiency economy.

2. People in villages or communities should cooperatively plan to add more value to the local natural resources to generate more income, or to transform them into alternative energy to reduce community expenses.

3. Family members' attitude and values should be tuned up to realize the importance and the benefits of household accounting. Instruments for household accounting should be designed to meet the daily life of members of each family.

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