



MANAGEMENT SCIENCES FOR SUFFICIENCE ECONOMIES AND THE ISAN EXAMPLE

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Abstract

The thesis of this article is that, during the present century, world populations will undergo traumatic transitions to steady-state sufficiency economies and that Isan presents a fore-running example of what they may best hope to achieve.

As the 21st century continues to develop as ‘The Century of Energy Descent’ and the study of Sufficiency Economics comes to the fore, Isan provides a ready-made ‘laboratory’ in which to study wealth-dispersive distributism (in contrast to wealth-concentrative capitalism and socialism) as Isan exhibits one model of the low-carbon economies towards which transitions will be directed.

Therefore students of the Management Sciences from all industrialized regions in the world should be invited to study the ‘moral’ economy of the Isan villages.

The studies that are summarized in this article have taken place during the author’s ten years of living in retirement in an Isan village during which time he took a course (POLSC171) of Futures Studies offered online by the University of Hawaii and attended Khon Kaen University to take an MA in Social Development.

Interspersed through the article, there is guidance towards further reading for those who are unfamiliar with Isan and/or with the concepts of steady-state/sufficiency economics and of the temporary nature of GDP-growth economics.

Keywords: Transition, Isan, steady-state economics, pathways of energy descent.

Background

The main objective of Futures Studies is to formulate a ‘worldview’ of alternative futures that may transpire, depending on the decisions that we make [1]. This results in the construction of feasible scenarios (and the rejection of oxymoronic and unfeasible ones).

The generally-accepted long-term ‘worldview’ of the past 2000 years and the next 2000 years is encapsulated in Figure 1:

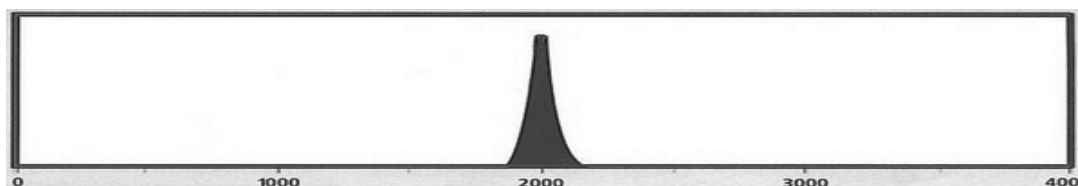


Figure 1. Industrialisation and the extraction of fuels and ores on the historic timescale

The curve shows, in smoothed and stylized form, the fuels and ores that have been and will be extracted from within Earth.

Historians in the distant future will look back at our present times and note that the early decades of the 21st Century were the times when growth of industrialism transitioned into contraction of industrialism. Figure 1 shows the reason why.

The ordinate axis of Figure 1 has, deliberately, no scale. Figure 1 is the graphical presentation of a concept, not of a table of figures. If the concept is used to plot any particular quantity, the pulse can be expected to be narrower or broader, shifted left or right by a few years and made irregular by fluctuations in demand for the commodity, caused by economic conditions due to wars or recessions. However, the plot for any fossil-fuel quantity will not look substantially different from Figure 1.

Coal was the first major, primary fuel of industrialism. It is still the main primary fuel for the secondary-energy supplies of electricity. Coal has been supplemented by oil and natural gas. For transportation and shipping, coal has been superseded by oil. However, as depicted in figure 2, coal will outlast oil and gas for use as fuel.

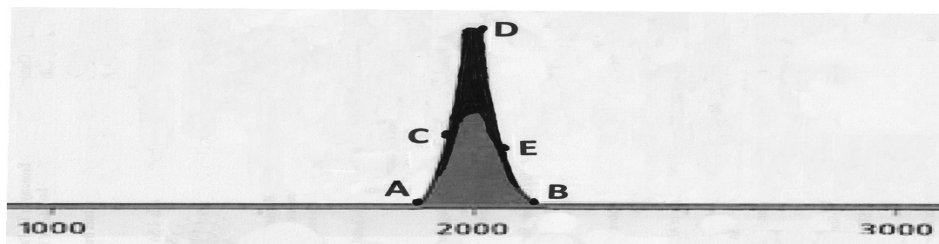


Figure 2. Coal (gray) with oil and gas (black)



The times, in figure 2, before point A (around the beginning of the 19th century) can be called “The First Sustainable Age”. The quantities of fossil fuels extracted were very, very small, and the Earth’s human populations lived in communities that were agrarian (i.e. the community grew its own food, and a small surplus to sell to the nearest urban community).

A little coal was mined from shallow pits in China, and small amounts of iron and bronze were smelted (using wood as the fuel) in places such as Ban Chiang.

However, the total quantities were infinitesimal when compared to the quantities extracted in the last 200 years in the forms of coal, oil, and natural gas.

The period from A to B is the “The Industrial Age”, with coal, oil, gas and uranium as fuels; and with big agricultural areas growing mono-cropped food with the aid fertilizers, herbicides and pesticides derived from fossil fuels.

These fossil fuels from within the body of Earth have now been depleted to the point where supplies are becoming harder and harder to win [2]. In whatsoever way we measure ‘price’, they are going to be more

and more ‘expensive’ and less and less will be ‘available’.

The times after B can be called “The Second Sustainable Age”. Their energy sources can be expected to be wood and hydroelectricity, with possibly some small, intermittent contributions from wind and/or wave and/or solar generation.

C marks the start of the author’s career.

D marks both the end of the author’s career and the start of the career of today’s young graduate.

E marks the end of the career of today’s young graduate.

D to E to B is the “Transition Era” or the “Era of Energy Descent” and ways in which different regions of the world will cope (or not) are called “Pathways of Energy Descent” and the emphasis is on building **resilience** into household, company, corporate and governmental economies [3].

In the academic institutions, attention should be focused on how best to prepare today’s students for their lives in the times between D and E, which will be dominated by the fact that all enterprises will be threatened, albeit in different ways, by three major geo-socio-economic factors. These factors are contraction of fuel supplies, climate change, and the rupture of the unsustainable web of unrepayable debt between countries, banks, corporations, companies, and individuals.

Management Studies need to concentrate on developing students into managers who can (pre)act to defend their enterprises (at individual, household, company, corporate and governmental levels) against the threats that arise from the effects of those factors during the century of decline of fossil-fuel availability.

The management of decline requires a different set of strategies, tactics and personalities than the management of expansion.

Basically, expansion is best in the hands of ebullient reactors to opportunities, as and when they occur. But decline is best managed by smooth, preactive managers who have the experience and wisdom to have things ready for each inevitable next stage.

Fortunately, decline can be planned for, as its stages are the reverse of the stages of expansion, albeit in the circumstances of the new age, not the old one. Also, as in Isan, lessons can be learnt from the social (economic, cultural and political) arrangements of areas that have never become industrialized or heavily urbanized.

The “Research” Process: Objectives, Methodologies and Results

The objectives of the ‘researcher’ (a ‘pensioner-scholar’) were simply to gain understandings of the lifestyles of the Isan villagers amongst whom he was residing, of how the agrarian village economy fitted in to the Thailand economy and of how Thailand fitted in to the world beyond its borders.

So the methodologies employed were simply observation, wide reading in the fields of economic anthropology and development studies, and deep thinking about what had been observed and read.

In the eight years (1997 to 2005) prior to retirement, the author (a former engineer and technical teacher) had lived in that Isan village and migrated twice a year to earn money by working as a Substitute Teacher in England from March to July and from September to November. Oscillating between residing in England amongst stressed-out, urbanized, clock-driven ‘wage slaves’ who were trying (and failing) to find lifestyle satisfaction by pursuing artificial ‘fashionable’ consumerism and residing in Isan amongst the relatively stress-free, rural ‘self-employed’ who got their lifestyle-satisfaction from the seasonal, natural, temple-oriented rituals, he had come to appreciate the Isan villagers’ lifestyle and its economic resilience.

In England (as in all industrialized areas) his neighbours were locked into the GDP-growth economy that was becoming harder and harder to sustain due to the beginning of the contraction of the energy supplies upon which it depended.

As employees, they had the underlying fear of illness or job-redundancy removing the income on which they relied for their food purchases and monthly rent or mortgage payments.

Richard Douthwaite’s book *The Growth Illusion: How Economic Growth Has Enriched the Few, Impoverished the Many, and Endangered the Planet*, originally published in 1982 and re-worked in 2000, detailed the unsustainability and undesirability of pursuing GDP-growth, but had largely gone unnoticed in the hubris of apparent economic booms.

In Isan, the author’s neighbours all lived in families which owned their own houses and had their own productive land, and so had complete security of housing, food and self-employment.

He was surprised to find that Isan villagers were considered ‘poor’ to outsiders (including Bangkokians). But the chance purchase of *The Thai Village Economy in the Past* by Chatthip Nartsupha (with its afterword by Chris Baker and Pasuk Pongphachit) revealed the reason for the Bangkokian misconception.

The Isan villages had not been drawn into the capitalistic structure that had been embraced by the extended Bangkok metropolitan region. Many Isan household economies had benefited from supplementary ‘off-farm’ income supplied by family members working in Bangkok



or abroad as temporary employees of capitalized corporations, but the extended families in the villages had also maintained their modest, distributed, wealth in the form of a smallholding of productive land.

Interestingly, that book also revealed [4] that, a century ago, the different economic structure of the Isan village had been noted by the Siamese Minister of the Interior, Prince Damrong on his first visit to Isan. He reported "...Because the villagers can farm to feed themselves without resorting to cash, the feeling that they need cash is not strong. Money does not have the same power as in the city which is called "civilized". So nobody accumulates but you cannot call them poor because they feed themselves happily and contentedly.....". Prince Damrong was echoing the words of Lao Tzu twenty-five centuries earlier: "He who knows he has enough is rich."

Upon retirement and becoming a graduate student, the author first took an on-line course of introductory Futures Studies from the University of Hawaii. For this writing-intensive course the first two assignments were essays on 'A day in my life in 30 years time' and on 'My community in 30 years time'. At that time (2006) the 'Peak Oil' debate was prominent and considering how his village might cope with the consequences of 'Peak Oil' and how it might affect other areas of the world led to his subsequent studies for an MA in Social Development via a thesis entitled 'The Return of the Village Daughters'. That thesis is summarized in his article for the Journal of Mekong Studies, which is available at <http://www.martininthailand.com/academic-papers/articles/50-village-daughters>.

In the years, 2007 to 2015, since completing the MA, the author has continued to pursue his interest in the area of "Well-Being Futures in Isan" with several contributions to relevant academic conferences. This interest has led to wide reading in Anthropological Economics/Economic Anthropology and in Development Studies, focusing particularly on steady-state economics (in contrast to GDP-growth economics), on the emergence of schools of thought about how Development Studies will change from their concentration on Industrial Development to concentration on Transition Development and on the particular relevance of the Isan example as a low-energy-usage economy.

Steady-State/Sufficiency Economics has two pre-eminent writers at present.

Herman Daly has for many years been the leading 'guru' and he has recently been joined by Samuel Alexander.

Daly's article *The Illth of Nations and the Fecklessness of Policy: An Ecological Economist's Perspective* (available at <http://www.paecon.net/PAERreview/issue22/Daly22.htm>) is a noteworthy brief introduction and the final chapter *Looking backward from the year 2099* of Alexander's *Sufficiency Economy: Enough, For Everyone, Forever* is an excellent overview of what can be hoped for in the rest of this century, and what socio-political steps will have to be taken along the way.

The most active, rapidly expanding school of thought (and experimentation) is the Transition Movement and its activities are well described in its *Transition Handbook*.

Rob Hopkins [5], who founded the Transition Movement coined the phrase 'Pathways of Energy Descent' to describe the socio-economic changes that will be forthcoming in the rest

of this century.

In 2009 the UNDP Thailand Human Development Report *Human Security, Today and Tomorrow* audited, for each of the 76 Thailand provinces, Economic, Food, Environmental, Health, Personal, and Political Security. It presented a mine of statistics, with the clear conclusion that, overall, Isan has the highest standard of living in Thailand (though it has, of course, the lowest cash incomes).

The recent advancement of Isan is well described by Grandstaff et al in *Rainfed Revolution in Northeast Thailand* (available at <http://repository.kulib.kyoto-u.ac.jp/dspace/bitstream/2433/84696/1/460301.pdf>).

A good survey of Isan development through the 20th century is to be found in Charles Keyes: *Finding their Voice: Northeastern Villagers and the Thai State*.

Conclusion and Suggestion

The modified-agrarian lifestyle of the Isan villages exhibits balanced individual prosperity (health, sufficient material wealth, and lifestyle satisfaction). It is an example of a low-energy-usage (i.e. 'low-carbon') economy that merits study by people from presently-industrialised areas who will have to adapt from their high-energy-usage (i.e. 'high-carbon') lifestyles.

Therefore it is suggested that students of the Management Sciences should be invited to study Isan as part of their orientation to the circumstances in which they will live their lives.

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