



7<sup>TH</sup> INTERNATIONAL CONFERENCE

# Actual Economy

SOCIAL  
CHALLENGES  
AND FINANCIAL  
ISSUES IN XXI CENTURY



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## Economy of Thailand North-East (Isarn): local advantages and global prospects

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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 Isarn 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, Isarn provides a ready-made ‘laboratory’ in which to study wealth-dispersive distributism (in contrast to wealth-concentrative capitalism and socialism) as Isarn exhibits one model of the low-carbon economies towards which transitions will be directed. Therefore students of all disciplines from all industrialized regions in the world should be invited to study the ‘moral’ economy of the Isarn villages. Interspersed through the article, there is guidance towards further reading for those who are unfamiliar with Isarn and/or with the concepts of steady-state/sufficiency economics and of the temporary nature of GDP-growth economics.

**Key-words** Transition, Isarn, Steady-State Economics,  
Pathways Of Energy Descent

## Introduction

This paper reviews the Global Challenges in broad outline, describes Isan, and examines Isan's agrarian economy in contrast to industrial/consumerist economies.

Finally the paper argues that the attention of all students of all disciplines worldwide should be drawn to such comparisons of agrarian lifestyles and industrial/consumerist lifestyles as all of today's students will live in the early decades of the waning of industrial/consumerist lifestyles and the resurgence of agrarian lifestyles.

## The major Global Challenges

### Financial-system seizure

A seizure of the global financial system, akin to but far more paralyzing than the one in 2008, is imminent. It will result from the lack of resilience in the system, in industrialized regions, of interdependent financial arrangements at household, community, regional and international levels. This can be thought of as "The fragility of the web of debt".

Responding to the disruption of 'normal' streams of incomes and payments will be a major challenge which in many cases in many places will be impossible to resolve fairly and amicably.

In contrast, the Isan village economy has enormous resilience because it is not cash-dependent. Each farming household is self-sufficient as it grows its own food and can store up to three years supply of rice in the husk in its granary, and the household owns its own house on its own land and has no rent or mortgage payment to make each month.

### Finding 'pathways of energy descent'

Coping with the end of growth in the amount of each year's 'winnings' of fossil-fuel energy from within Earth is a major challenge [3]. The trigger at the root of the financial-system paroxysm of 2008 was a big increase in the price of oil. That increase occurred because customers for oil required more than was available since supply was tightening and their 'appetite' for oil was still as high as it had become when slightly more was available.

Means of reducing their 'appetite' for oil (and other fuels and some ores) by households and industries are now called 'pathways of energy descent' by those in the Transition Movement ('Transitionists') [4] who recognize that industrial/consumerist lifestyles will have to be drastically modified. However giving those lifestyle pathways a name does not make them any less challenging. President Bush went as far as to say that "America is addicted to oil"----but attacking Iraq, washing tar sand and chemical 'fracking' are, at best, mere temporary 'fixes' and do not tackle the addiction.

Similar movements to the (British) Transitionists are the (American) Center for Advancement of Steady State Economics (CASSE) and the (Australian) Simplicity Institute.

The pre-eminent author from the Transition Movement is Rod Hopkins and he has made available a comprehensive bibliography [5].

Herman Daly has for many years been the leading 'guru' of Steady State Economics and his article The Illth of Nations and the Fecklessness of Policy: An Ecological Economist's Perspective [6] is a noteworthy brief introduction.

The leader of the Simplicity Institute is Samuel Alexander and the final chapter, entitled Looking backward from the year 2099, of his book 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.

### Climate change

Even small unallowed-for changes in climate cause great losses of yield for large-scale monocrop farmers growing crops with 'industrial-agriculture' methods because their method uses big machinery and heavy applications of fossil-fuel-based artificial fertilisers to treat the whole area of their crop in the same way.

So climate changes reduce the total food available for what is already an over-populated world, as well as flooding that has not been planned for.

## Isan

Isan has a population of about 22 million, which is about one-third of the population of the whole of Thailand, and is more than twice as large as the total population of Thailand's industrialized part (the Extended Bangkok Metropolitan region); and Isan has an area slightly greater than that of England. The whole of Isan is a region of agrarian (self-sufficient) farming by small enterprises based on an extended family, with an average landholding of about 20 rai (8 acres or just over 3 hectares). There is very little industrial employment in Isan. Landless families are absorbed into the same economic structure as they grow their household-requirement of rice by doing the rice-farming on a 50:50 crop-share basis on land whose owners are unable to do it themselves (due to age, or to having a middle-class salaried job which takes all their time, or to being away doing migrant work).

Other villages are at the upper left and upper right of the photograph. Villages are only about one-and-a-half kilometers apart, so that the journey from house to field was sufficiently short when water-buffalo were the means of ploughing. Leaves from the mulberry trees are fed to silk worms to produce silk thread that women weave manually into high quality silk cloth which often incorporates a woven-in traditional pattern.

About 90% of the people in Isan live in a village, with only about 5% living in a town and about 5% living in a city.

Hence Isan is an area in which self-employed 'micro-capitalists' predominate with only a small proportion of (often casual) wage-earning.

From 60 to 200 villages form a District, and the District Township is the location for local government offices, post office, police station, bank branches and 'everyday shops'. Isan consists of 20 provinces, each containing from 7 to 300 Districts, with a Provincial City that is the location for the offices of the Provincial Governor (appointed by the Central Government in Bangkok), 'supermarkets', main banks, hotels and, in most cases, a minor university (formerly a teacher-training college). There are also five major universities, mainly educating rural youngsters to become middle-class urban adult subjects, largely in the Extended Bangkok Metropolitan Region (EBMR). Many temporary and permanent workers in the EBMR return on each major holiday to their childhood home village and there is anecdotal evidence that many of Thailand's 'emergent middle class' aspire to returning to village life upon retirement [2].

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).

Isan is well-described in its historical setting in *The Thai Village Economy in the Past* by Chatthip Nartsupha (with its afterword by Chris Baker and Pasuk Pongpaichit).

A major article on the recent advancement of prosperity in Isan is *Rainfed Revolution in Northeast Thailand* by Grandstaff et al [7].

A recent book that gives a good survey of Isan development through the 20th century is *Finding their Voice: Northeastern Villagers and the Thai State* by Charles Keyes.

### Isan as a case-study for Transitionists:

Isan at the start of the 'Transition Phase'

As of 2016, Isan is a clear example of a localized economic system co-existing with globalised industrialism/consumerism, but not deeply penetrated by the latter since it is only in the last 30 years (one generation) that there has been significant connection between the two. So Isan still exhibits the characteristics of the pre-industrial age that existed until availability of fossil fuels brought about the development of industrialism with its concomitant consumerism and its financial system of concentrative capitalism which Polanyi described in *The Great Transformation*.

Preparing students for what will be their lot

Generally, today's students do not have their attention drawn to the fact that the geo-economic conditions in which they will be fashioning their lifestyles over the next 50 years are going to be very, very different from the geo-economic conditions that they have so far experienced. (Figure 1 showed the reasons why.)

Academics in the field of the History of Education will, in the future, look back on the early years of the 21st century and see the lack of even an elementary introduction to Future Studies in curricula as having been a great failure on the part of educational systems.

Once students do realize that 'Transition' is going to dominate their lives, and that they will need to find lifestyle satisfaction from something different from the prevalent acquisition of evermore 'stuff', they will need to study the lessons that can be learnt from the social (economic, cultural and political) arrangements of areas, such as Isan, that have never become industrialized or heavily urbanized.

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 all disciplines 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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