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Matias, Denise Margaret

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## **Indigenous livelihood portfolio as an economic framework for an ecological society**

Denise Margaret S. Matias (Corresponding author)<sup>1,2</sup>

<sup>1</sup> Center for Development Research (ZEF), University of Bonn, Genscherallee 3 53113 Bonn, Germany

<sup>2</sup> Institute for Social Ecological Research / Institut für sozial-ökologische Forschung (ISOE), Hamburger Allee 45 60486 Frankfurt am Main, Germany

Email: [denise.matias@uni-bonn.de](mailto:denise.matias@uni-bonn.de)

### **Abstract**

The present economic system is geared towards increasing specialization and infinite growth. This orientation may have led to efficiency and new ways of increasing wealth but it has also led to unsustainable practices and, in some cases, loss of traditional knowledge. Many a systems thinker like the Limits to Growth's Club of Rome have suggested ways to avoid the negative consequences of the current economic system but these entail radical changes that cannot be afforded by deeply-entrenched practices of the worldwide economy. In this paper, another alternative is proposed, which may not only be desirable to an envisioned ecological society but also may also be logical to the unsustainable society of today. Looking at rural indigenous livelihoods may show us how an ecological society should be like. Exemplifying collectivism, indigenous peoples continue to cultivate empathy while at the same time inculcating sense of responsibility. Before "multi-hyphenated" became fashionable, indigenous peoples were already engaged in different occupations that, in turn, result to a diversified livelihood portfolio similar to what banks today advise clients on their investments. However, the difference lies in the indigenous tradition of only having enough for what is needed and rarely hoarding to the point of exhausting resources. This paper proposes that the diverse indigenous livelihood portfolio can be a valuable economic framework for an ecological society. It does not limit growth, but it makes sure growth happens in a sustainable manner.

### **Keywords**

Sustainable development, livelihood, diverse portfolio

### **Introduction**

Most societies of today have been built around an economic system that is geared towards infinite growth. This is partly driven by the prevailing use of the gross domestic product (GDP) as an indicator of progress, wealth, and well-being. The GDP measures the total economic production of a country, but can only capture the well-being of its citizens through material wealth. An increasing awareness of the insufficiency of GDP called for the use of the Human Development Index (HDI), which includes mortality and literacy as additional determinants of well-being (UNDP 2019). This is a welcome step towards moving beyond GDP as a main economic indicator, but it is still insufficient insofar as it only assesses the impact of economic activity on consumers and not on capital resources. These indicators, therefore, do not capture all the costs involved in pursuing well-being. This is why externalities and unsustainable practices are often overlooked, as long as GDP and HDI remain high and economic growth is sustained.

The Industrial Revolution of the late 18<sup>th</sup> century laid out the blueprint for increased economic production, which stems from efficiency brought about by specialization (Kim 1989). In a labor economy, this means dedicating one worker to only one task among many in a product assembly line. In a factory producing a pair of pants, one person may be tasked with sewing buttons while another may be tasked with sewing brand tags, repeating the same tasks day in and day out. In principle, dedication to one single task or topic for a prolonged period of time develops expertise; however, not all expertise is valued the same way. Expertise tends to be valued more in the knowledge economy than the labor economy, but in both cases, expertise makes members of society more dependent on each other. This is not an undesirable consequence as long as dependencies are mutually beneficial and everyone involved are properly compensated. However, this is currently not the case, as reflected by the disparity in compensation between low-skilled workers versus high-skilled workers (Freeman and Oostendorp 2000). High-skilled workers, most often constituting the knowledge economy, choose to have more time for skilled work than labor work and instead pay low-skilled workers to do labor-intensive jobs for them. It has been said that labor workers enable high-skilled workers to do their work and in the process subsidize them through the low cost of labor services. High-skilled workers with good pay could easily pay for labor services; the value of doing simple labor work by one's self is lost as incomes rise. For example, households with extra income may opt to hire a helper to cook meals or clean the house for the family. Children growing up in such households do not learn how to cook or use tools in cleaning the house. These can be considered traditional skills and the term "use it or lose it" applies in their transmission, which generally occurs through practice. If these skills are not used, they are lost.

### **A framework for an ecological society**

The prevailing economic system is a vicious cycle of growth, wealth accumulation, inequality, and loss of traditional skills. Ultimately, the adoption of this economic system leads to unsustainable societies. Profit is valued more over people and the planet, interpersonal relationships are reduced to business transactions, and the planet's resources are exhausted beyond their regeneration point. For all its modernity, the current economic system seems to be bringing only short-lived prosperity and well-being. I propose a framework for an ecological society post-COVID-19 that is similar to the traditional livelihood portfolio of indigenous peoples. These are usually diversified, as they are sensitive to seasonal and ecological changes and usually capitalize on the strengths of each community member (Chouiefaty et al. 2013). Often based on natural resource extraction, traditional indigenous livelihoods are foremost for subsistence and, subject to surplus, for trading (Behrens 1992). Following the seasonal availability of resources, for e.g. wild honey bee colonies can only be found during the summer season in South and Southeast Asia, the livelihood portfolio of indigenous peoples become diverse and do not predestine community members to a lifetime of doing only one labor task unlike the specialized labor of industrial workers (Matias et al. 2017). *Ceteris paribus*, indigenous peoples have more freedom of choice than industrial workers in work tasks and are not subject to boredom or monotony of working on only one task repeatedly. Once the season for one livelihood strategy is over, they can move to another livelihood strategy. These varieties of work tasks not only contribute to more work satisfaction, but also in preserving skills proficiency as skills for different types of work are continually practiced year in and year out (Ericsson and Charness 1994). On the community level, the indigenous peoples are traditionally collectivists and work in a communal manner (Chouiefaty et al. 2013). Fierce competition for resources is rare and trading is conducted in an empathic manner, which is unlike transactions in the current economic system where

differences in financial capabilities are mostly overlooked, making expensive commodities inaccessible to poorer citizens. Moreover, as a subsistence strategy and based on natural resources with minimal processing or value addition (hence, products have shorter shelf life or cannot be stored), indigenous livelihoods do not encourage hoarding. In the current economic system, hoarding in the guise of saving up for future purposes is highly encouraged and this contributes to the widening gap between the rich and the poor. This leads to unsustainable practices due to increasing demand for resources beyond what is needed. The Earth Overshoot Day (formerly known as the Ecological Debt Day) demonstrates the unsustainable demand for resources; it calculates if and when people's resource consumption exceeds the Earth's natural resources generated for the year (Wackernagel and Pearce, 2018). Traditional livelihood strategies of indigenous peoples respect the limits of natural resources, with resource consumption commensurate to resource regeneration.

Barring gender balance issues, traditional indigenous livelihoods have streamlined tasks according to the respective capabilities of each community member. In the example above on wild honey bee colonies in South and Southeast Asia, gathering of wild honey is conducted by males since most tasks entailing multi-day trips to deep forest areas are conducted by males (Matias et al. 2017). Women, on the other hand, are involved in the consolidation of the resources gathered by their male counterparts. Children have tasks as well, but these are limited to simple tasks such as gathering leaves from nearby trees or, in the case of wild honey bees, gathering wild honey from non-aggressive honey bee species. A sense of responsibility is inculcated early on among members of the community, with tasks distributed among different genders and different ages. Highlighting this sense of responsibility is not to critique women empowerment or gender balance advocacy, but to show that indigenous traditional livelihood strategies have community members contributing to a whole, which may make their tasks more meaningful for them. This personal connection or engagement with their livelihood strategies can therefore contribute to a feeling of fulfillment, unless efforts are not financially compensated properly. Through this feeling of fulfillment, livelihood strategies become appreciated alongside natural resources, which serve as capital.

## **Conclusion**

Taken altogether, the features of indigenous livelihoods can form an economic framework for an ecological post-COVID-19 society where many have lost their fulltime jobs. Such a framework is not entirely a novelty, but rather a rediscovery of an ancient economic system of our roots. The most important feature of traditional indigenous livelihoods is gathering of only the right amount of resources. The excesses of the current economic system lead to ecological challenges. However, it is not easy to eliminate this system and limit economic growth as prescribed by several thinkers (Meadows et al. 1974). The indigenous livelihood portfolio demonstrates that sustainable growth is possible. Economic growth is pegged with resource consumption and resource regeneration, thereby incorporating externalities. In addition, applying diverse livelihood strategies may contribute to the well-being of people. With limited to no pressure to pursue excessive lifestyles or specialization (i.e., being an expert), people have more time to pursue what is called work-life balance. Millennials, the largest generation of workers after the baby boomers, are primary proponents of work-life balance (Calk and Patrick 2017). It is high time that our society and the current economic system change if we would like future generations to benefit from what we have experienced so far.

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