

# Indigenous Peoples and Local Economic Development

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## Principles of Indigenous Economic Systems

Indigenous peoples have long developed a variety of systems to govern their societies. Their traditional and local economic systems ensured sustainable utilization of resources, social responsibility and harmonious relationships through cooperation.

### *Communal Perspective on Reciprocity and Social Responsibility*

Two of the main principles of indigenous economic systems – reciprocity and social responsibility – are enabled by a strong sense of sharing and kinship among indigenous communities. These communities seek to meet the basic needs of all their members through the sharing of food, labour or implements. Gender relations and division of work in some communities are well defined and, in general, agricultural work is done collectively.

The principles of reciprocity and social responsibility are integral to indigenous peoples' lives and rituals and have been incorporated into their customary laws. Any person who breaks the law – even in a relatively minor way, such as giving the wrong part of an animal to the wrong person in the community – can be subjected to the traditional judicial system.

### *Sustainability of Resources*

A third principle is the sustainable use of resources. The lifestyles of indigenous communities are relatively simple, in line with their practice of sustainable resource management. As a rule, they use local materials for their crafts and tools, discourage wasteful use of resources, and practice zoning for different land uses. They have regulatory mechanisms in place to ensure sustainability. These mechanisms are integral to customary law and



*Karen women in a field of rice and cassava, Thailand*

are usually supervised by the village chief/head. From a young age, community members are made aware of their laws both by witnessing them in practice and being told about them.

## Characteristics of Indigenous Economic Systems

Indigenous economic systems are characterized by a diversity of small-scale economic activities along with regulation of territories, land and resources. Production is of a subsistence nature. Barter trading is integrated with social interaction.

In Asia, most indigenous peoples are primarily small-scale agriculturists, fishing, hunting and gathering from nearby forests. Other activities include animal husbandry, together with traditional economic activities that support agriculture and involve artisans such as weavers, carpenters, carvers, and blacksmiths.

Since access to land and resources is central to indigenous peoples' livelihoods, most have elaborate land

distribution systems and customary laws regulating the use of resources. Annexation of land, and the historical process of displacement of many indigenous communities from their ancestral territories, has had devastating consequences, not only in terms of loss of land and livelihood, but also loss of bargaining power. As a result, in many areas and territories, indigenous communities have not had the means to develop local economic markets.

Another characteristic of indigenous economies is the subsistence nature of production. Food is produced primarily for the family and the community with any surplus being marketed first within the village, then at barter centres. Likewise, implements and tools are produced for local use. If the services of skilled artisans are in great demand, it is quite likely that they first will serve their kin before offering services to others in the community, and only after that to those outside of their village.

The exchange of goods through bartering has traditionally been, and is still, part of the economic system of indigenous peoples. Barter centres may be located in the village or in larger centres which may involve many days of walking or cart rides, although the distribution of these centres has increased over time as infrastructure has improved. In village centres bartering is a daily activity, while in larger centres it may take place monthly or less frequently. The nature of the goods exchanged is invariably premised on availability as opposed to current value.

To indigenous communities, barter trading is not only an economic necessity it is also a form of social interaction, particularly if the barter centres attract other communities. It is an opportunity to share stories and exchange experience. To this day, despite improved communication and modern-day supermarkets and shops, indigenous peoples look upon traditional marketplaces as exciting, with market days eagerly awaited.

### ***Indigenous Economic Systems as Part of a Whole***

Any indigenous economic system is part of an economic and social totality that connects and governs the lives of its peoples. Social responsibility and reciprocity are embedded into behavioural norms within indigenous social systems. Ensuring the sustainability of resources is

part of the spiritual system and the indigenous resource management system. Small-scale production, moderate catches of fish, or moderate harvests of local resources using non-destructive tools characterize livelihoods.

### **Experiences and Challenges: Integration with the Market Economy**

The modern economic system has penetrated indigenous societies, affecting traditional economic systems to varying degrees. Indigenous economic systems are under increasing pressure to conform to a globally-defined system. Whereas this has provided opportunities for some it has meant severe challenges for many. Although forms of market economy are part of both modern and traditional societies, the emphasis is very different. Traditional systems focus on supplying the basic needs of the local community through need-based barter trading and the marketing (also often through bartering) of any subsistence production surplus, whereas the focus of the global economy is on supplying the demands of others.

This balance is now shifting. As the demand for cash grows, and more and more indigenous peoples move away from subsistence production to more commercial forms of production. Despite this shift, very few indigenous communities seem to have genuinely profited from their integration into the market economy. Instead, many have lost precious resources such as agricultural lands to loan schemes and contract farming schemes. Access to markets is still limited, and communities that want to market their goods very often have to operate through third parties who take the biggest piece of the pie. Indigenous producers have very little control over the pricing of their goods as their bargaining power is limited, and they are subjected to the fluctuations of the market.

Despite years of experience and numerous efforts to form cooperatives, the situation of most indigenous communities has deteriorated. To compete in the open market, many indigenous farmers are forced to use chemicals, while others such as craft producers and fisher folks have over-exploited their environment in order to increase production and, in many cases, in an attempt to maintain an increasingly consumerist lifestyle.

### **Opportunities: Recognizing Indigenous Economic Systems**

Realizing that they are caught in a vicious circle through their integration into the market economy and globalization, many indigenous peoples have become increasingly convinced that they have to look within their own systems if they are to survive and maintain important communal values. In one notable regional initiative, Asian indigenous organizations came together under the banner of the Asia Indigenous Peoples Pact Foundation (AIPP) in 2003 and 2004. The purpose was to conduct a region-wide study, to hold workshops on indigenous peoples and their integration into the market economy, and to look at the strength that indigenous economic systems offer. The workshops were followed by a series of annual conferences on indigenous development, starting in 2005. The conferences opened the way for more people to reflect seriously on the question of integration and to chart a development course that would maintain indigenous systems.

The September 2008 indigenous development conference focused on indigenous economic development. The trend of thinking thus far has been to promote indigenous economic principles, create niche markets for indigenous products, promote legal recognition of traditional occupations, and promote a human rights-based approach to development.

#### ***Promoting Indigenous Economic Principles***

Indigenous peoples recognize the enormous challenge in promoting indigenous economic principles in the face of globalisation and consumerism. As such, even where indigenous societies have resigned themselves to joining the market economy or other forms of economy, it was felt at the conference that as far as possible, the principles that guide indigenous peoples in their traditional economic systems should be promoted and passed on to the next generation.

***Indicators of a Healthy Indigenous Economic Development*** were outlined at the founding conference on indigenous development in 2005. These included the following:

1. Indigenous knowledge systems are intact and actively promoted, in particular indigenous economic

systems, natural resources management, and indigenous technology;

2. Interface with modern technology does not take over indigenous technology;
3. Promotion and development of indigenous skills and knowledge of natural resources management and indigenous technology;
4. Environmental integrity in indigenous territories;
5. Traditional institutions actively enforce sustainable use of natural resources;
6. Customary laws to regulate technology and resource use exist and are practised;
7. Indigenous peoples' own, and have control over, their lands and natural resources; and their collective rights to lands and resources are recognized by government and non-indigenous peoples;
8. Active lobbying against globalization that impacts indigenous peoples' lives negatively;
9. Transparent and fair systems of resource distribution in the community;
10. Indigenous economic principles are being encouraged, practiced and maintained; and
11. Subsistence economy and barter trading is recognized and thriving.

#### ***Creating a Niche Market for Indigenous Products***

In the light of consumer trends that show an increased preference for goods that are produced under fair and equitable conditions and that do not harm the environment, some believe that creating a market for products based explicitly on indigenous economic activities may provide a niche for indigenous peoples. Whereas "playing the global card" could be an opportunity for indigenous peoples. In any case developing markets for indigenous products need not necessarily be based on the exchange of products for money: they could involve barter trading between communities, within or outside a country. Some popular and successful ideas include small-scale exchanges and fair trade. Such ideas would have to go hand-in-hand with consumer campaigns and campaigns to convince indigenous peoples to analyse their productive strengths.

#### ***Legal Recognition of Traditional Occupations***

If a successful market niche for indigenous products is to be created, producers need to be formally recognized and respected. More significantly, legal recogni-

tion would mean respect for the principles of indigenous economic systems and give indigenous peoples freedom to practice indigenous economic activities and apply indigenous economic principles. Articles 3 and 20 of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) would therefore be important rallying points to push for the recognition of indigenous economic systems<sup>1</sup>. This could be supported by Article 1(a) under Convention 111 on Discrimination (Employment and Occupation) 1958 of the International Labour Organization (ILO) which could fit into the definition of discrimination of traditional occupations<sup>2</sup>.

Farming, fishing and herding are the mainstay of indigenous economies. Indigenous artisans including weavers, carpenters, carvers and blacksmiths have been serving indigenous communities for millennia. The non-recognition of these traditional occupations by governments has led to discrimination against such occupations, and their subsequent marginalization has resulted in significant loss of income and of traditional knowledge. The condemning of rotational agriculture/shifting cultivation as destructive to the environment has resulted in loss of lands and violation of the rights of indigenous peoples in many countries in Asia, when in fact shifting cultivation is now recognized as one of the most sustainable forms of land use. This form of cultivation has been recognized in the global climate debate along with indigenous peoples' traditional knowledge of sustainable land use.

The recognition and the formulation of laws and policies on Indigenous Economy would contribute to the implementation of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and establish respect for traditional occupations not only by states but also by society as a whole. Articles 21 and 23 of the UNDRIP recognize the rights of indigenous peoples to improve and develop their economic conditions. Other international instruments that promote indigenous economic systems include ILO C169 and the Convention on Biological Diversity.

### *A Human Rights-Based Approach to Indigenous Economic Development*

The guiding principles of national laws or policies on indigenous economic development could promote indigenous economic principles as well as recognise the rights of indigenous peoples to establish traditional economic institutions. Some of the actions that should be further pursued are the provisions for:

1. Equal access to credit services and markets, including providing credit facilities to indigenous producers, providing better infrastructure and marketing facilities, and establishing barter centres and fair valuation of indigenous products.
2. Establishment or recognition and revitalisation of indigenous economic institutions, including recognising traditional institutions that govern natural resources in indigenous territories, establishment of traditional occupation training centres, allowing indigenous peoples to freely share knowledge among themselves, and supporting development and improvement of indigenous economic conditions.
3. The practice of non-discrimination towards indigenous artisans and traditional economic activities through the legal recognition of traditional occupations and incorporation of traditional economic activities into formal (state) economic systems.

In conclusion, indigenous economic development is one of several interrelated systems that govern the way of life of every indigenous community. The concept ensures that as an indigenous community develops, it avoids exploitation of its members and of the environment, which is why traditionally there is only a narrow gap in living standards between the richest and poorest members of a community. Indigenous peoples should be encouraged in their vision of an integrated economic development system that encompasses the development of human capabilities, capacities and skills; appropriate infrastructure that does not displace people; recognition of pluralistic systems respecting other cultures and civilizations; promotion and provision of a democratic space to continue practicing indigenous ways of life; and the pursuit of self-determined development. ■

<sup>1</sup> Full text of the United Nations Declaration on the Rights of Indigenous Peoples (A/RES/61/295) available at: <http://www.un.org/esa/socdev/unpfii/en/declaration.html>.

<sup>2</sup> *Discrimination* includes any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.