

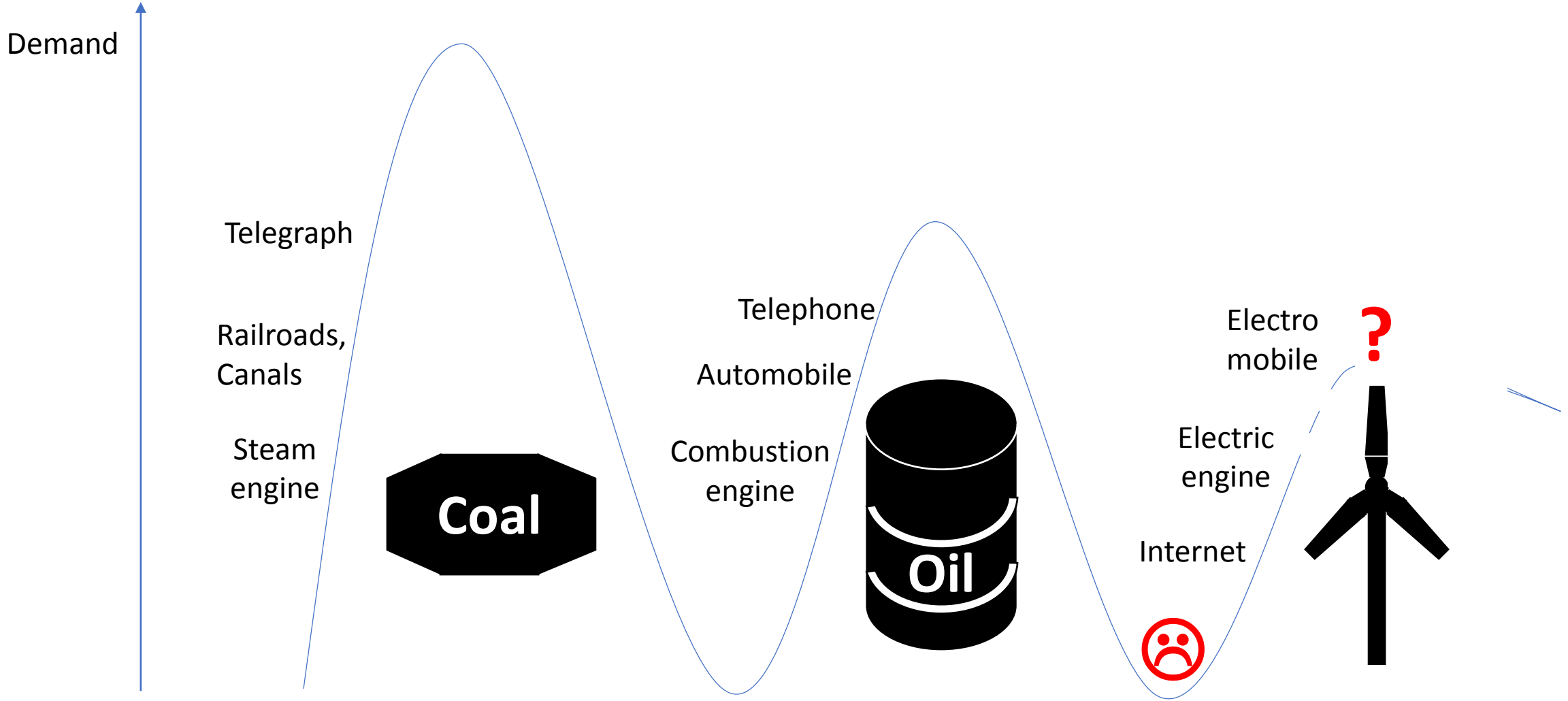


# The Human Economy

How can we create decent livelihoods  
in the digital age?

# Secular Stagnation

Since the 2<sup>nd</sup> Industrial Revolution petered out...



... capitalism faces profitability crisis due to sluggish demand.

## Four supply-side strategies to tackle...

1. Rationalization of production, consumption and distribution (**Automation**)
2. Offshoring, outsourcing and global supply chains (**Globalisation**)
3. Cutting „social cost“ of social security, wages, taxes (**Neoliberalism**)
4. Sidestepping production with speculation in financial markets (**Financialization**)

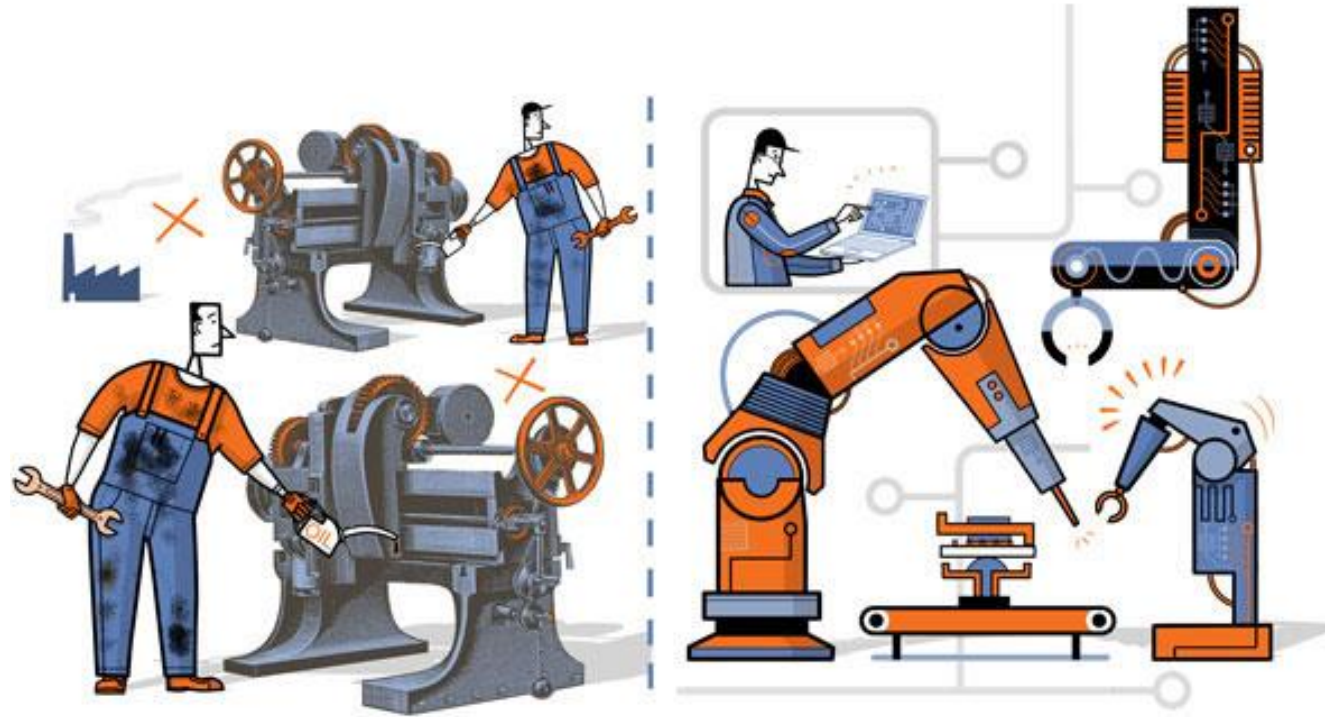
... the demand crisis of capitalism

# Digital Revolution and “Revolt against Globalism” are shifting...

1. Automation 
2. Globalisation 
3. Neoliberalism 
4. Financialization 

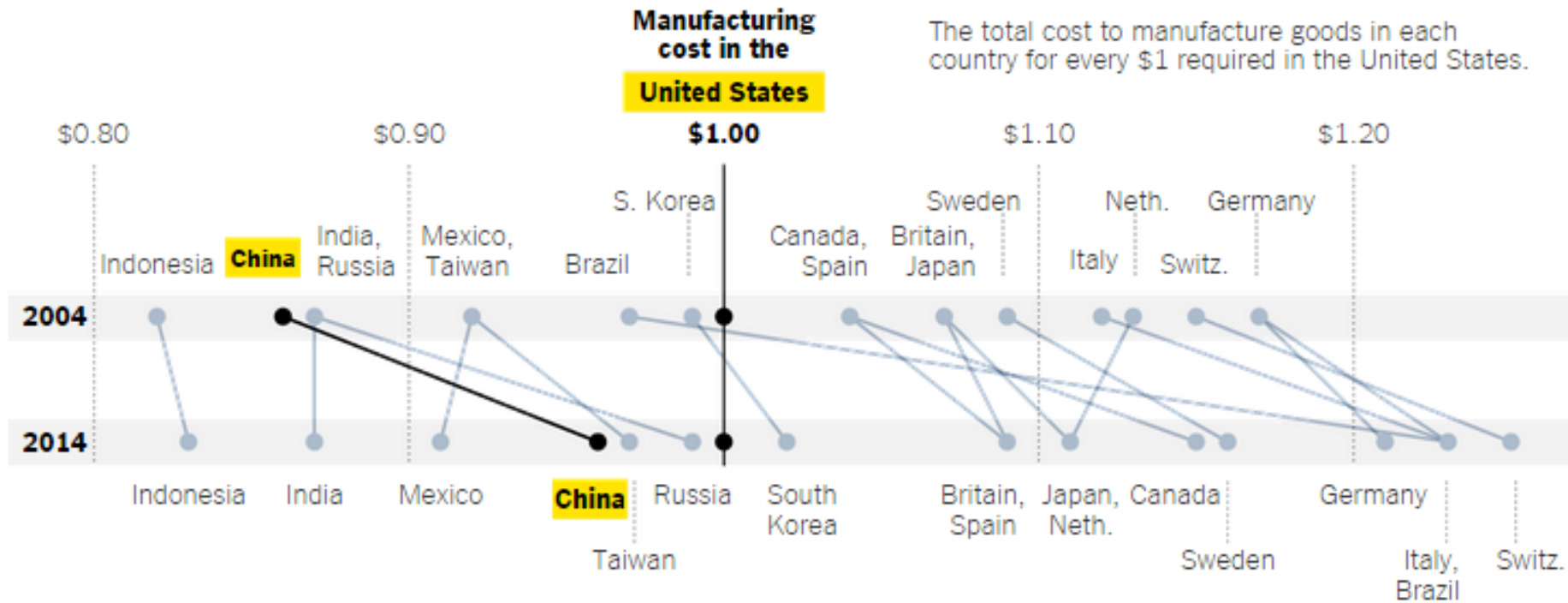
... the global opportunity structures for development.

Potential impact of digital automation in Asia:  
69% of jobs in India, 77% in China, 56% in ASEAN 5.



Not an immediate threat, but will aggravate challenge of jobless growth.

# Digital automation in old industrial countries: Manufacturing total cost in emerging countries reach level of the United States...



The New York Times | Source: Boston Consulting Group

... undermining their comparative advantage.

If labour cost advantages are levelled, other factors become more important...

- Distance to market / shipping time
- Supply chain complexity
- Rule of Law / Corruption / Investor coercion
- Political Stability
- Skilled workforce
- Quality

...fueling the trend of reshoring manufacturing to the core markets.

## With export- and manufacturing-led growth coming to an end...

1. Automation ⇒ Erodes competitive advantage of cheap labor ⇒ End of manufacturing led growth  
Premature deindustrialisation  
Jobless growth

2. De-globalization ⇒ Slowdown of labour arbitrage ⇒ End of export-led growth  
Slowdown of offshoring/ Reshoring  
Disintegrates global value chains  
Closes export markets

... Thailand's development model has outlived its usefulness.



If the ladder to move up the value chain is kicked away...



... Thailand may get stuck in the middle income trap.

## To create jobs for growing populations...

### **Service-led growth?**

- IT sector / Internet of things
- Gig Economy

### **Domestic market-led growth?**

- Manufacturing for the home market

### **Green Growth?**

- Renewable energy, Green Jobs

### **Blue Economy?**

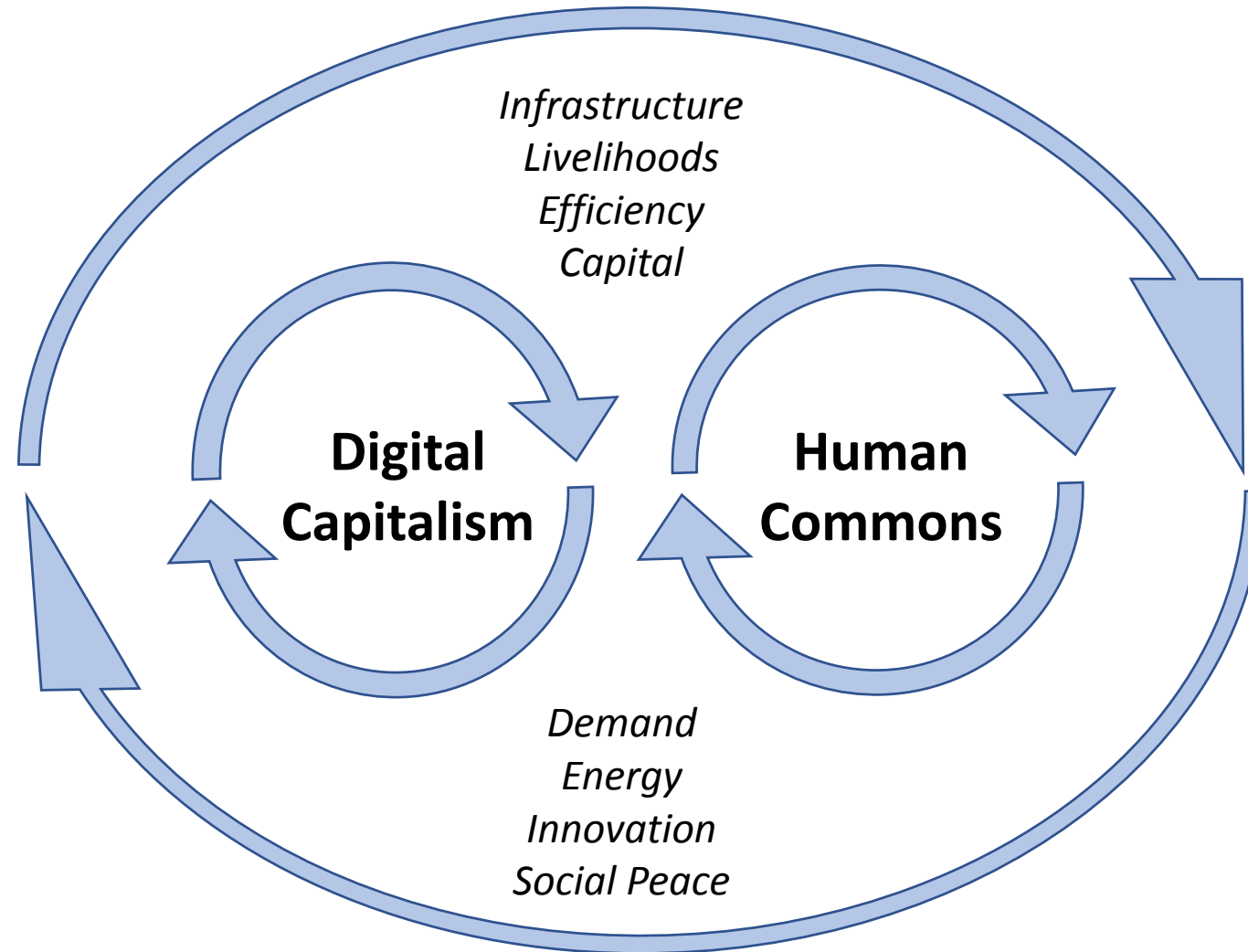
- Blue water farming, pharmaceuticals, deep sea mining

### **The Human Economy?**

- Create skills for decent work in the digital economy (Human-Robot)
- Remunerate livelihoods in the human economy (Human-Human)

... a new development model is needed

# The Human Economy is composed of two interwoven economies...



Digital Capitalism creates income for the commons. The Human Commons produce demand.

In the capitalist digital economy,  
humans are needed to collaborate with machines...



... the industrial policy of digital capitalism is to invest in human skills.

## What makes humans valuable in the age of digital automation are social and super-creative skills...

- Human ability to share and cooperate with others will be the main productive force of the **networked and sharing economy**. Accordingly, the jobs least likely to be automated involve those managing and developing people, where expertise is applied to decision-making, planning, or creative work, or interacting with customers, suppliers, and other stakeholders.
- Humans excel in communication and social interaction, creativity and innovation, experience and judgment, leadership and foresight, flexibility, and learning. These skills will be in demand in the service industries, from **tourism to entertainment, from design to fashion, from food to arts and crafts and from research to development**.
- The use of existing cultural resources from food to language, from monuments to traditions, is what fuels the fastest growing economic sector of the **cultural industries from luxury goods to art, from tourism to hospitality**.
- The **brand**, the quintessential example of value generation is about appropriating and extracting value from social communications
- Machines cannot write their own source code. Humans will always be needed to reimage the world and adapt their objectives to changing circumstances. This is how innovation creates **new industries**.

... these skills will be in high demand in the economy of tomorrow.



In the human commons,  
humans take care of the hopes and needs of humans.



... consumption demand will be boosted  
by remunerating everyone who contributes to the common good.

## The human commons create the collective goods ...

### ***Care Economy***

from child raising to education, from sick to elderly care, from providing security to generating knowledge. There is always a need for nurses and doctors, academics and researchers, social workers, and teachers.

### ***Energy and Natural Resources***

The collaborative commons would be better suited to govern common resources like energy or water. Green Growth with its huge potential to create green jobs is part and parcel of the Human Economy.

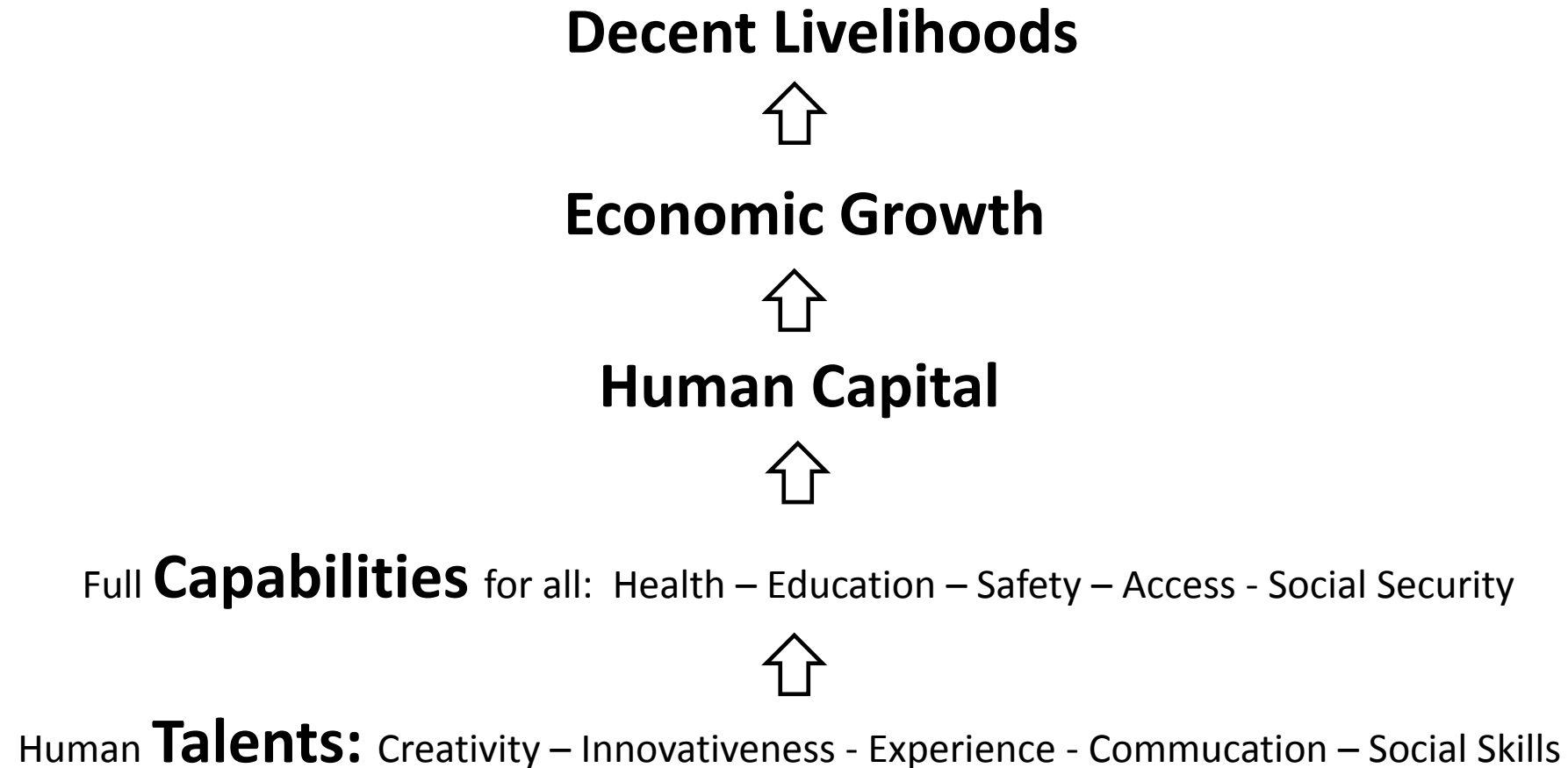
### ***Immaterial Goods***

Value is no longer primarily produced by material production, but the immaterial production of a social world through communication and interaction. Already today, the commons are important producers of immaterial goods (e.g. symbolic, creative, aesthetic, cognitive value).

### ***Innovation and Cooperation***

Commons are spaces of experimentation, and can provide innovation and creativity. Open Source, crowd working and peer to peer cooperation are hotbeds of innovation.

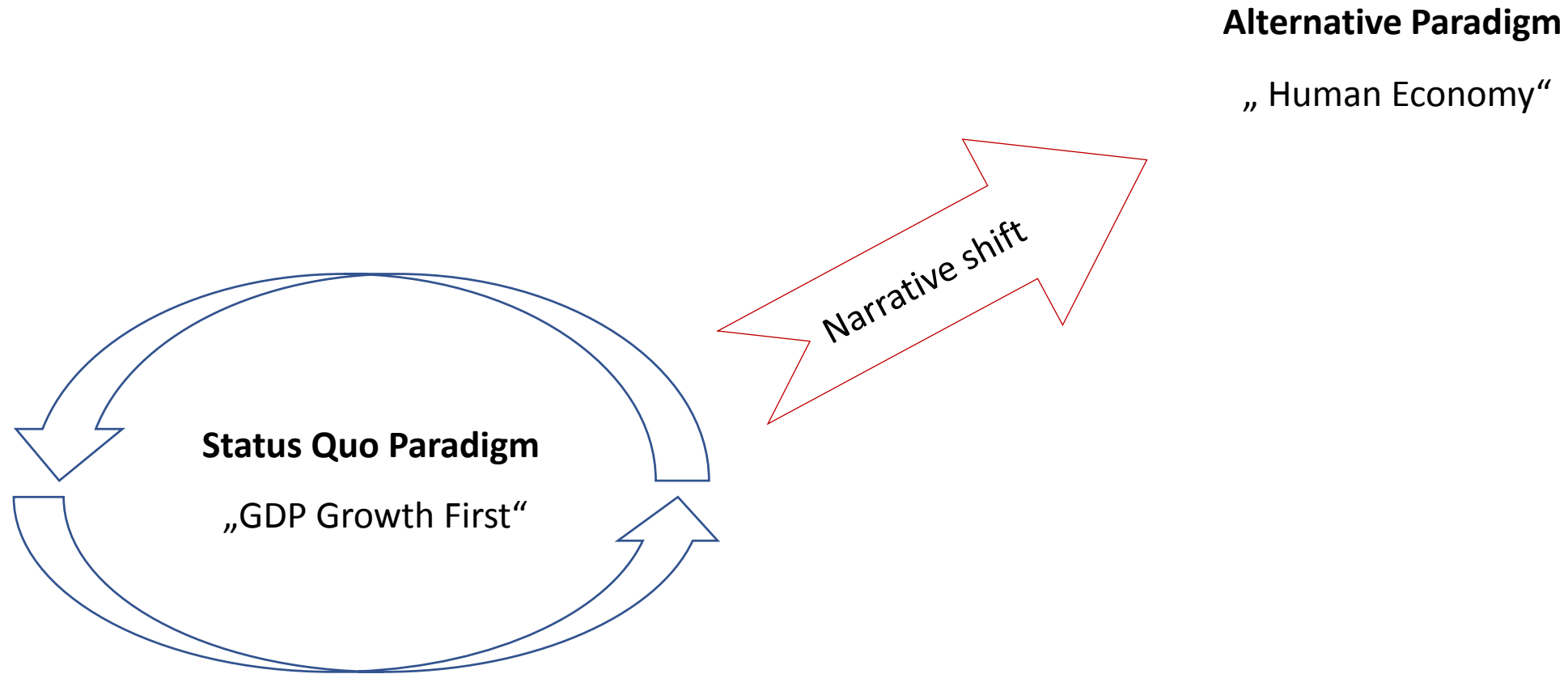
... that allow society and the market to prosper.



...with the ultimate objective of creating decent livelihoods.

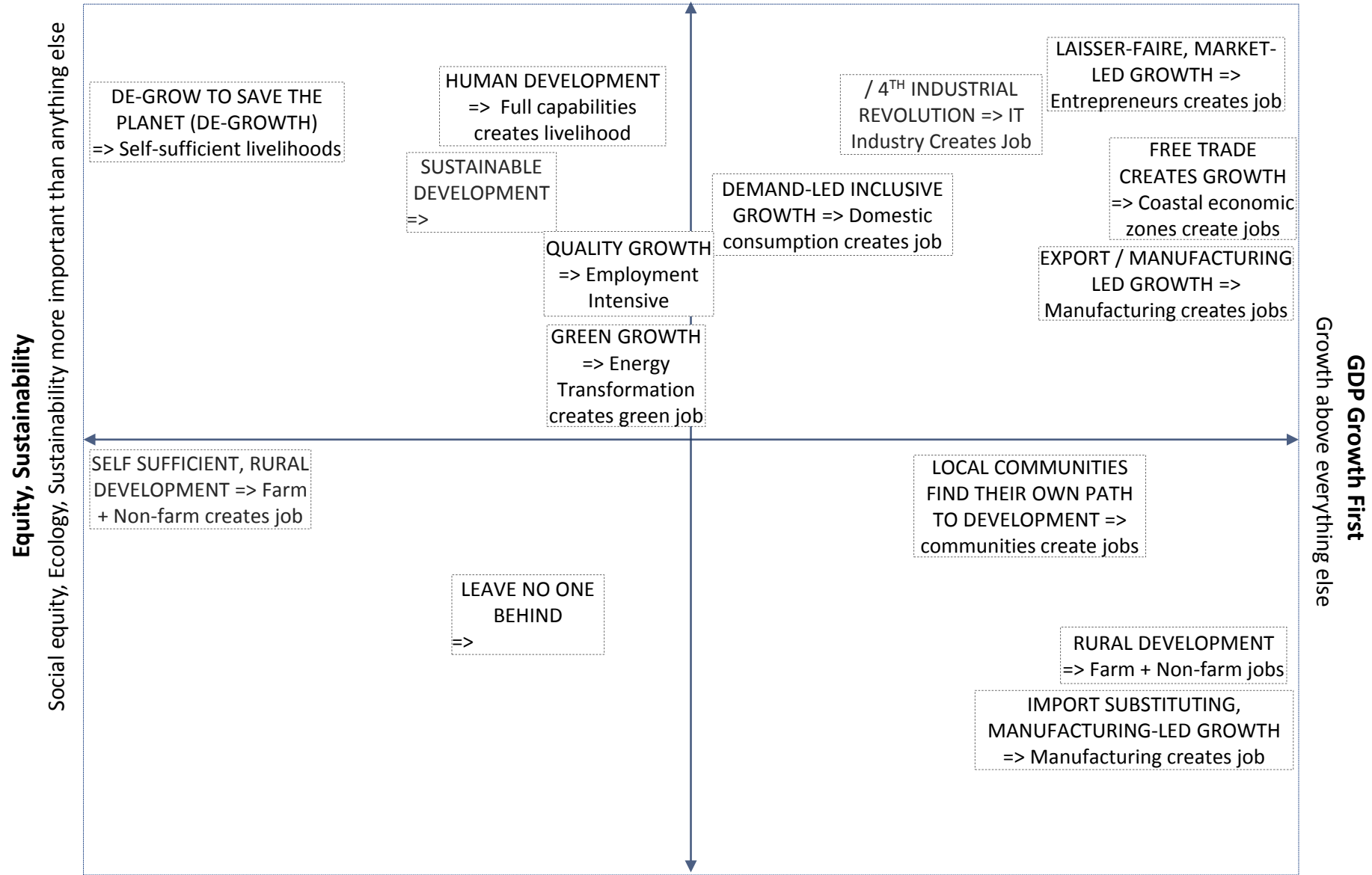


The shift to a new development model is not the result of facts and figures...



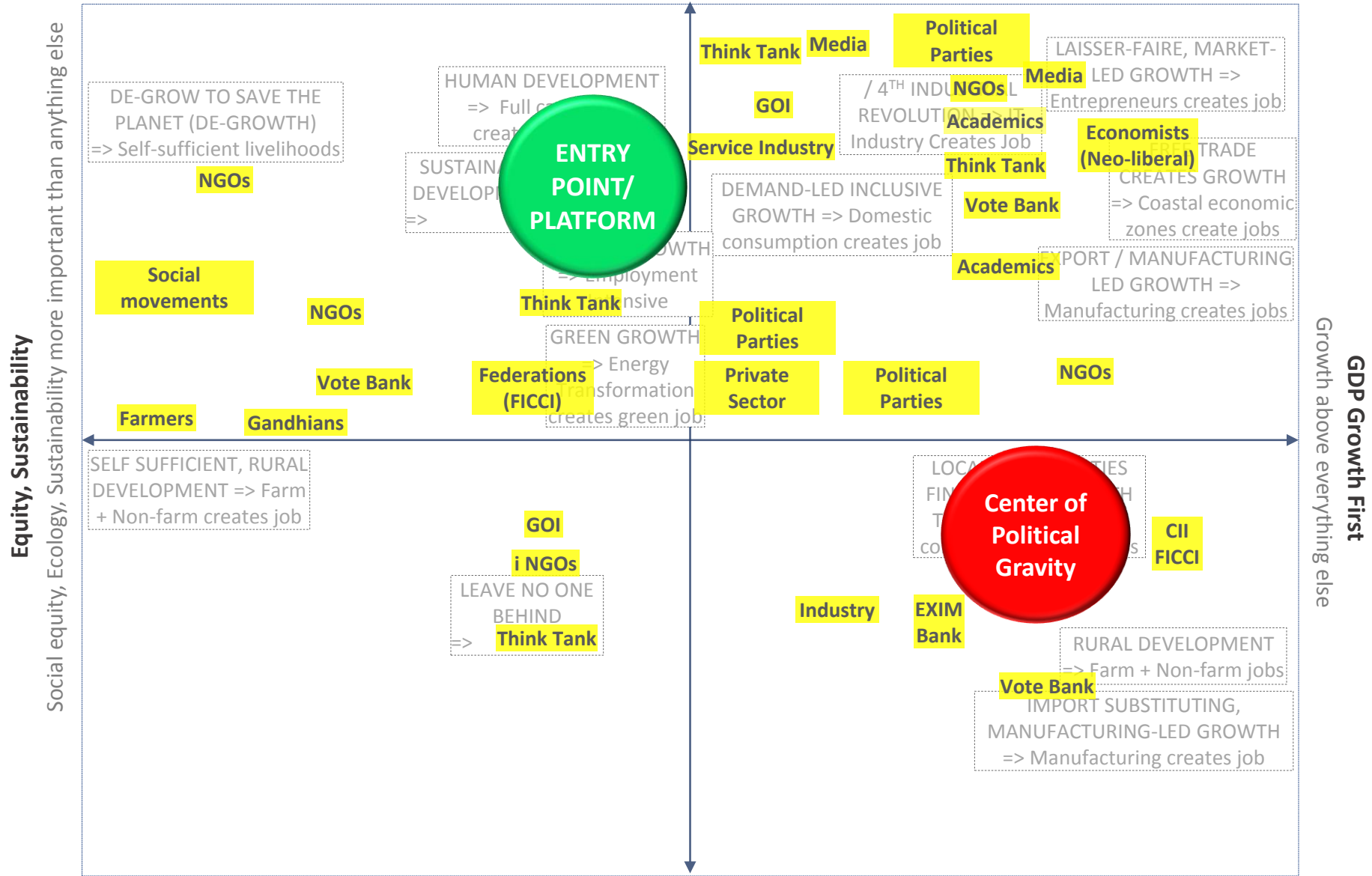
...but the outcome of struggles between those who benefit from the status quo and those who want change.

**Universalist development for all, Transformative positive sum politics, Cosmopolitan/ global outlook**



**Communal identity politics, Transactional zero sum politics, Us vs. Them, Nationalist outlook**

Universalist development for all, Transformative positive sum politics, Cosmopolitan/ global outlook



Communal identity politics, Transactional zero sum politics, Us vs. Them, Nationalist outlook