

China's Development Policy in Tibet

A Report

Tibet Policy Institute

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Preface

Economists who are reliant on GDP growth figures to read the pulse for the state of the economy, it is easy to be misled when numbers are thrown around claiming fantastic economic growth in Tibet.

China is currently ruling Tibet by dismembering its three traditional provinces of U-Tsang, Kham and Amdo. China established the so-called Tibet Autonomous Region (TAR) in the year 1965. According to China's 2010 census report, the population of Tibetans in the TAR is little over three million. Rest of the total 6.3 million Tibetans live in now dismembered Tibet in Amdo (renamed Qinghai) and Chinese provinces of Sichuan, Yunan and Gansu. This makes a comprehensive, accurate and scientific study on Tibet's economy and implications of China's developmental policies difficult if not impossible. This has left researchers piecing together fragments of information and data to draw a near-complete picture on the status of Tibet's economy.

The state-sponsored China Daily carried a report on 29, July 2017, in which it declared that Tibet is enjoying a "robust economic growth" and in the first half of the year, the GDP growth rate is still steadily growing at 10.8 percent.

On the 50th anniversary of the establishment of the so-called TAR in 2015, China issued a White Paper titled, "*Successful Practice of Regional Ethnic Autonomy in Tibet.*" Ignoring the reality on the ground, it made a startling claim when the self-congratulatory paper suggested that "Tibet is now in its golden age." On Tibet's economy the White Paper claims, "Tibet's GDP soared from 327 million Yuan in 1965 to 92.08 billion Yuan (\$14.5 billion) in 2014, a 281-fold increase."

The nature and anatomy of Tibet's economy has undergone rapid change since China's engagement with Tibetan polity. Earlier, in traditional Tibet, its largely cashless economy with all its flaws and imperfections had sustained the Tibetan people for centuries with no historical record of mass starvation, yet its modern history is blighted

by episodes of violence and mass starvation under China's planned economy.

In Tibet today, the growth figure is ballooned by pouring staggering amount of money into Tibet. According to figures published by the Chinese government, it is claimed that from 1952 to 2013, an amount of 542.343 billion Yuan was spent on running Tibet's economy.

However, if these claims are taken at its face value, it leaves many unanswered questions. If Tibetans are beneficiaries of such generous hand-outs and living in "golden age," it fails to answer the palpable widespread resentment against China's rule over Tibet. More startlingly, China now spends disproportionate sums of money in maintaining internal security than on securing its ever-increasing contentious border conflicts with its neighbouring countries.

The answers could be partly found in closer examination on how the Tibetan way of life is transformed under China's rule. A study on figures related to Tibet from China's Statistical Yearbooks show a sharp decline in labour participation in the primary sector of the economy (comprised chiefly of agricultural and pastoral activities). This sector of the economy used to be the mainstay of Tibetan economy till 2000 when it employed over three quarters of its workforce. In 1959, the primary sector of the economy accounted for 73.6 percent of the country's workforce driving its economy and this share has plummeted to 15.3 percent in the year 2008.

Conversely, the tertiary sector of the economy (service-based sector of the economy) witnessed a sharp rise in the same period. The workforce in this sector of the economy in the year 1959 was 15.8 percent. But this rose dramatically as in the year 2008 this sector of the economy contributed 55.5 percent of the labour force.

Opportunities for Tibetans in these new burgeoning sectors of the economy are limited due to lack of educational qualification and skills required. On the other hand, large majority of Tibetans who have for centuries tilled their land and looked after their herds are left unemployed. In many cases, they under coercion made to relocate to

settlements where they face hardship of dislocation, unemployment and poverty.

Ms Tomasevski, compiled a report after she made an official mission to China in September 2003, on the invitation of the Chinese government. In her report on this mission, which was submitted to the 60th UNCHR, she said: “The Special Rapporteur was dismayed at the illiteracy rate in Tibet, 39.5 per cent, and asked the Ministry of Education (of PRC) whether one reason might be the fact that the literacy test was in Tibetan, while Mandarin is used in political, economic and social life.”

The cost of running Tibet is bearing heavily on Beijing’s coffers. Tibet’s economy is essentially chugging along with substantial state subsidy. As a study done in 2013 shows, subsidy from Beijing dwarfed the local economy which amounts to 112 percent of its economic output. China’s rule over Tibet and its economy is so intimately connected to a lifeline of Beijing’s flow of subsidy. The same model of economy has proven devastating for many countries in the Sub-Saharan and Latin America.

Mr Gabriel Laffite, an independent researcher who have over the years watched Tibet closely and imbibed prodigious literature on anything and everything Tibet is the lead author of this report. The Tibet Policy Institute had requested Mr Laffite in October 2015, to draw from him long-established competence on researching Tibet and to train his penetrating intellect to study the status of Tibet’s economy.

This report begins by outlining the genesis of China’s development policies in Tibet with an article contributed by Ms Dolma Tsering, a research scholar from the prestigious Jawaharlal Nehru University, India. By unpacking the true impact of China’s development policies and GDP figures, this writer makes an attempt to solve the riddle of Tibet’s economy by surveying studies on China’s statistical year-books.

Mr Gabriel Lafitte, the lead author of this report takes over to touch upon many pressing concerns of Tibetans in Tibet and more crucial-

ly in making sense of Beijing's thought process by surveying published documents detailing the governmental organs and the means of implementing these policies.

By deploying his expertise on environment, ecology and biodiversity in Tibet, he flashes out the significance of the Tibetan plateau and the hugely damaging impact of mining, rampant damming and cumulative impact of human activities on climate change.

With this report, we hope to demystify certain myths surrounding development in Tibet -- the hugely misleading GDP figures and the claims of virtues of China's rule over Tibet.

However, it is even more pertinent to carry out an unbiased, accurate and scientific academic study on Tibet. China has so far regulated academic study for researchers in Tibet. Tibet is swaddled under a veil of surveillance and Orwellian monitoring machinery against its citizens and visitors. The regulated flow of information is not a fair substitution for genuine field study. We hope this report will spur interests among researchers to carry out more studies on the current state of Tibet and push the Chinese government for access to make a fair and comprehensive study on the current state of Tibet.

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September, 2017

Understanding China's Economic Development Policies in Tibet: From Mao Zedong to Jiang Zemin Period

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Introduction

There is no doubt that the economic factor has played a significant role in designing China's Tibet policy since the beginning of the Chinese annexation of Tibet and continues to do so even today. China's economic development policies were proposed to perform multiple tasks. For instance, the economic development policies are not only aimed at improving income and the living standard of Tibetans, but are also aimed at ensuring regional stability and national security. The high economic growth rate that Tibet has achieved over the years plays a significant role in legitimising People's Republic of China's (PRC) leadership and control over the region, especially while addressing international criticism. The core theme of China's numerous white papers on Tibet are on the economic development of Tibet under the PRC.

Apart from using economic tool as a means to achieve social stability and gain international support for their control over Tibet, Chinese leadership has employed these tools to achieve other objectives as well. It is evident that China's economic development of Tibet has played various significant roles in defining China-Tibet conflict.

It is in this context that the primary objective of this paper is to study China's economic development policies in Tibet and build a broader perspective on the subject. The paper analyses the subject by looking at the various discourses associated with the concept "economic development" and what are the aspects included in measuring economic development of a region. Based on this development, this paper studies the evolution and changes in China's economic

development policies in Tibet and examines what are the focuses of Chinese development approach in Tibet and the hurdles in their policies. This paper also discusses the role of China's economic development policies in the China-Tibet conflict.

The Concept of Economic Development

There is a significant discourse on the concept of economic development specifically after the end of the Second World War. The earliest definition of the concept of economic development was interpreted only in terms of Gross Domestic Product (GDP)/Gross National Product (GNP) growth. Meier (1964) maintains that "economic development is a process whereby an economy's real national income increases over a long period of time."¹ Therefore, economic performance was measured by an annual increase in GNP or GDP. The countries during that period were primarily concerned with the efficient, least-cost allocation of scarce productive resources and the optimal growth of these resources over time so as to produce an ever-expanding range of goods and services, also known as traditional economist.² Problem with this development strategy is that it causes rapid growth at the expense of agriculture and rural development. The experience of most of the developing countries in the 1950s and 1960s has shown that the GDP/GNP growth does not necessarily result in a better life for the national population (Dang, G and Sui L, 2015:11). There has been a growing resentment towards the traditional approach to economic development mainly due to the prevalence of a high rate of poverty, unemployment, high mortality rate and the inability to control the spread of high risk diseases despite achievements made in GDP growth rate. The concern of most of the development economists since 1970 has turned to the eradication of poverty, enhancement of health and education, change in the composition of input and output, increase

1 Meier, M.Gerald and Baldwin, E. Robert (1957), "*Economic Development: Theory, History, Policy*", New York; John Wiley and Sons, Also see Rostow: 1960, Harrod-Domas:1948, Lewis :1954, Chenery :1960 are strong advocate of this group.

2 Todaro, P Michael and Smith (2012) "*Economic Development*" 11th edition , Boston: Addison-Wesley

in per capita output of material goods. In the 1970s, redistribution of growth became a common mantra.³ In the 1990s, the definition of economic development widened by including income distribution, environment, health and education. United Nations in 1994 highlighted that “Human beings are born with certain potential capabilities. The purpose of development is to create an environment in which all people can expand their capabilities, and opportunities can be enlarged for both present and future generations.”

Amartya Sen (1999) pointed out that development requires the removal of major sources of unfreedom, poverty and tyranny, poor economic opportunities and systematic social deprivation, neglect of public facilities and intolerance or over activity of repressive state. Economists such as Michael P. Todaro and Stephen C, Smith (2012, 2009, 2008, 2006) maintain that economic development or development is not purely an economic phenomenon but rather a multidimensional process involving reorganisation and reorientation of entire economic and social system. It is a process for improving the quality of all human lives mainly by achieving three important objectives:

1. To raise the living standard of people, which includes incomes and consumption, quality of food, medical services, education through relevant growth process.
2. Increasing people’s freedom to choose by enlarging the range of their choice variables i.e, varieties of goods and services.
3. Creating conditions conducive to the growth of people’s self-esteem through the establishment of social, political and economic systems and institutions that promote human dignity

³ Dudley Seers (1972) called a question against GDP growth as key indicator of development, where he argues that it would be strange to call the result development if a country has high level of poverty, inequality and unemployment even if the per capita income doubled. In 1972, McGranahan emphasised on social factor. Singer and Ansari (1977) argues that if a country is able to eradicate poverty, and unemployment along with the growth of GNP, only then can genuine economic development be talked of.

and respect.

In essence, economic development is a multidimensional concept. It includes not only an aggregate and per capita real incomes, but it is also associated with economic, social and institutional mechanism that are necessary for bringing improvement in the levels of living standard of the masses.⁴ It includes both economic and non-economic factors. It implies the process of achieving higher level of productivity in all sectors of the economy and stepping up the rate of capital formation that is needed for rapid economic development.

China's Economic Development Policies from 1950 to 2000

In the last sixty-five years since the imposition of its first series of policies in Tibet,⁵ the Chinese government has implemented several policies in redefining China-Tibet conflict. Among various policies, China's economic development policies have played a crucial role in designing China's position over Tibet and Tibetans.

1950-1980s: Socialist Transformation of Tibet

In 1950, following the People's Liberation Army's (PLA) occupation of Tibetan areas like Chamdo and some other areas of Kham and Amdo, Mao Zedong was determined to bring socialist transformation in Tibet as well.⁶ Mao consciously brought social

4 Living standard includes per capita income, health, education, freedom to choose, infrastructure development like electricity and the basics medical facilities.

5 Tibet in general refers to all Tibetan areas in China including the Tibet Autonomous Region (TAR) and the Tibetan area that have been incorporated into the provinces of Qinghai, Gansu, Sichuan and Yunnan. However, this paper has consulted various Chinese government white papers and documents and tends to use data available on TAR to represent other parts of Tibet by default. In this study, Tibet refers to the Chinese government definition, which is Tibet Autonomous Region.

6 Unlike Central Tibet, it is also important to note that most of the development and reform policies and programs under democratic reform program were implemented in Tibetans area of Amdo and Kham without any exception since the beginning of 1950. Reforms were carried out in these two areas since they were not under the jurisdiction of Lhasa. PRC treated

transformation in Tibet primarily because Hans and Tibetans were ethnically different from each other and the relation between the two for centuries ranged from being marginal to turbulent. Mao was cognizant of rebellion by the Tibetan population in Central Tibet.⁷ He exempted central Tibet from all forms of socialist reforms from 1950 to 1958 in order to win over the Tibetan elite's loyalty and secure a stable foothold in Tibet. The failure of this particular strategy resulted in the 1959 mass uprisings in Lhasa, Tibet's capital. Consequently, Beijing drew another conclusion that the fundamental improvement of nationality relations depends on the complete emancipation of the working class within each nationality. Through class struggle, the Chinese Communist Party (CCP) proclaimed itself no longer a party of the Han but a leader and spokesman of every poor people in China. The class struggle aimed to win over the poor or lower class Tibetans from their national and religious allegiances to the elite (Wang Lixiong and Tsering Shakya 2009:51). Eventually after the 1959 mass uprising, PRC rigorously transformed Tibet, especially central Tibet, making it an equal part of the socialist transformation of China. Some important aspects of China's economic development policies during the Mao era were agricultural reforms, industrialisation, infrastructure development, mutual aid and the commune system. In accordance with these socialist transformations, property and other possessions of wealthy and aristocratic families and monasteries were confiscated. Initially, their land was confiscated and distributed equally but was collectivised later. By April 1960, over 186,000 hectares of land

Tibetans living in these two areas as both *de jure* and *de facto* Chinese. For PRC, Tibet constitutes only the Central Tibet. See Dawa Norbu : *China's Tibet Policy*, 2001Pg 215, Goldstein (1989), Ma Rong (2011)

⁷ Mao was also careful in curbing some of the immediate impacts of deploying a huge number of PLA soldiers in Tibet. He ordered the PLA to administer strict budgeting on the army's own needs and also warned that Tibetan living standard should not fall because of PLA presence (Selected Work of Mao-Tse-Tung). But what Mao was most worried about actually happened in Tibet; PLA's intrusion led to a shortfall in food supply and price rise of local grains, which put a terrible strain on local economy. Consequently, Tibetan frustration grew. See Dawa Norbu (2005) June Teufel Dyer(2005), Gyalo Thundup and Anne F. Thurston (2015:133)

was distributed to 100,000 peasant households.⁸ Private ownership was still present during mutual aid system. In 1965, the Chinese authorities phased out the mutual aid team policy and introduced commune system whereby Tibetans were subjected to Mao's radical ideology of "eat less and produce more" bringing to an end practices of private ownership of land.⁹ Before 1966, there had been over 1,200 small retailers in Lhasa but by 1975, only 67 remained. In Jalung county 3,000 privately owned wool-loom and spinning-wheels were done away with in the name of 'cutting off the capitalist tails' (Ibid: 66). Through the mutual aid group and commune systems, farmers were directed to build canals, dams and cultivate the waste lands.¹⁰ Irrigation system was also improved. A good 1959 harvest was considered to be the result of all the new techniques, the improved irrigation system and the hard work of labourers. Every commune member worked an average of 15 hours a day or more. The average work point earned annually by each member came to 3500 and each work point earned about eight fen with 100 fen valued at 1 Yuan, the annual income of each member was around 288 Yuan. (Dawa Norbu, 2005, 1997:213). An intensive cultivation technique and inappropriate choice of crop led to the disaster harvest of 1979. The key objective of the commune system and the reforms accompanied by the forced manual labour people were put through was to increase the national total production within a short period of time.

Besides reforms, number of infrastructure development projects like highways and road building were carried out. Projects connecting

8 Norbu, Dawa(1988), "*Changes in Tibet Economy: 1959-76*", China Report ,24:221

9 Norbu, Dawa (2005) "*Economic Policy and Practice in Contemporary Tibet*" in Barry Sautman and June Teufel Dreyer (eds), "*Contemporary Tibet: Politics, Development and Society in Disputed Region*", East Asia Gate, Pp:157

10 Besides these policies, under the "land reclamation and the crop diversification", the government built two big state farm called the July First Farm and the August First Farm. These two farms aimed to grow grains and vegetable and were built in an area that was not used by the Tibetan government. See Yeh (2013), *Taming Tibet: Landscape Transformation and the Gift of Chinese Development*, Cornell University Press

Dartsedo-Tibet, Chengdu-Ngaba, Lhasa to Shigatse by road were part of the First Five-Year Plan of China. By the end of Mao's era, PRC had constructed 91 highways totaling 15, 800 kms and 300 permanent bridges in TAR alone.

A number of analysis have been produced relating to the above policies: Dawa Norbu argued that the fundamental objective of reforms and development initiated by the Chinese government was neither "liberation" nor "progress" but strategic development (Dawa Norbu, 2001: 347). He further argued that the highways that were built in the 1950s and 1960s "although initially were built for transport and communications purposes, were equally valuable for the takeover and the long term liberation project." China saw new dimension as well as urgency in the development of Tibet that would henceforth define its basic foreign policy on Central Asia.¹¹ June Teufel argues that the road and highway constructions were to ease the integration of the Tibetan area with Han China.¹² Elizabeth Freund Larus (2012) and Allen Carlson (2004) argues that the above-mentioned policies were aimed to integrate Tibet and reduce the obvious differences between Tibet and mainland China.¹³ With respect to state farms, most of which were directly under military control, Emily Yeh argues that those were modes of state territorialisation and state incorporation. (Yeh, 2013: 62-89).

1979-1988: Economic Reforms and Liberalization

The end of Mao's era saw a shift in China's development policies in Tibet. Following the First Tibet Work Forum in March 1980 coupled with Hu Yaobang's visit to Tibet, Beijing implemented policies such as "the land use under household management" and "animals belong to household as private property" (Ma Rong: 2011).¹⁴ Although

¹¹ Dawa Norbu, 2005

¹² Ibid

¹³ Larus, Elizabeth Freund (2012), "*Politics and Society in Contemporary China*", Pg :229, Carlson, Allen (2004)" *Beijing Tibet's Policy: Securing Sovereignty and Legitimacy*", East West Centre, Washington

¹⁴ Under this policy, "peasant households received an equal share of arable lands in their community according to the size of the household. They

the liberalisation of Tibet's economy began by 1980, it continued to remain under the tight control of the Chinese government. However, economic development of Tibet was seen as a major policy for integrating Tibet further with China. This was certainly a turning point in the post-Mao era in Tibet. (Warren W. Smith, 2008:166). Few important policies which were implemented during this period were:

1. **Paring-up-support policy:** 'Paring-up-support' is a policy model where the central government made developed provinces and cities in the mainland responsible for providing economic support, which includes finance, skilled workers and projects to the less developed areas with which they are paired (Jin Wei, 2015).¹⁵ Although it was introduced and implemented in 1960, it gained prominence in Tibet in 1980. Two important and immediate features related to the paring up policies were 'population transfer'¹⁶ and 'state financial assistance'. According to the Chinese government, the key objective of this particular policy was to encourage skilled Han Chinese from other areas to help develop Tibet at a fast pace (Ibid).¹⁷ In 1983, the Chinese government abolished the administrative restriction over migration and work permit in Tibet, consequently 50,000

managed their productive activities themselves and all harvests belonged to this household. They signed contracts with the government and community for a period of time. They were not allowed to sell the land but could rent it to others for one to three years" (Ma, Rong, 2011: 157)

¹⁵ Wei, Jin (2015), "*Tibet as Recipient of Assistance and its Sustainable Development*", China Policy Institute Policy Paper 2015:No 9

¹⁶ China's population transfer policy has been going on since the 1950s. In 1950, the nature of policy was centrally planned and coordinated and it composed of the army and administrative staff (cadre). The nature of population transfer changed in 1980, it became more flexible and was both centrally planned and induced by local developments. The 1980s policy encouraged the immigration of more numbers of ethnic groups in addition to government officials. The open up policy invited more number of businesses and private enterprises as well.

¹⁷ See various white papers published by the Chinese government, which gives same arguments relating to the policy.

Han Chinese workers migrated to Tibet. In 1984, 10,000 Chinese households from neighbouring province settled in TAR's few urban areas. In May 1984, about 60,000 Han "peddlers and craftsmen" from twenty Chinese provinces and cities arrived at Tibetan urban areas to work on new projects.¹⁸ As far as state subsidies are concerned, the Second Tibet Work Forum in 1984 approved 42 major construction projects with an investment of 0.48 billion Yuan. In 1991, under the 8th Five Year Plan, rivers project consumed 2.189 billion Yuan of state investment (Jin Wei, 2015). Since 1980, the central government has been increasing total economic production through state subsidies. The doubling of the 1960s industrial and agriculture production was caused by state subsidies (Dreyer, 2005:135). In 1985, citing lack of skills and education among Tibetans, 4000 middle school Tibetan students were dispersed among schools in 17 provinces and municipalities in China where the language of instruction is Chinese.¹⁹

2. Inventing tourism as a gateway for the economic development of Tibet: Starting from 1981, Lhasa was declared an open area for tourism. In the same year, 1,059 overseas tourists visited Tibet. The figure was four times higher than the total number of tourists who visited Tibet from 1959-79. Due to political reasons, the number of tourists were limited to 1,500-2,000 people each year.²⁰ The capacity to receive tourists and the area open for tourism were controlled. In 1984, under the Second Tibet Work Forum, Tourism Corporation of TAR was established as an economic entity, which was financially independent and responsible for its own profits and losses. In 1985, the General Affairs of the State-Council issued a report prepared by the State Tourism Administration and the government of TAR titled "Report on the Tourism

18 Norbu, Dawa (2002), "*Economic Policy and Practice in Contemporary Tibet*" in Barry Sautman and June Teufel Dreyer (eds), "*Contemporary Tibet: Politics, Development and Society in Disputed Region*", East Asia Gate, Pp:157

19 It is an open question about the intention of this particular policy.

20 Dreyer 2005, CTA:DIIR "*Tibet Under Communist China*", 2001

Development Program of Tibet”, requesting the entire related departments to render support for realising tourism as another sector for boosting Tibet’s economy. After two years, in 1987, the tourism industry was formally included in the plan for economic and social development in Tibet, emphasising its importance to the national economy also. In 1986, the Tourism Corporation of TAR was rechristened the Tibet Tourism Administration. Statistics demonstrate that between 1985 and 1987, 88,902 overseas tourists visited Tibet generating a revenue of 96,807 million Yuan. In 1987, China earned 130 million Yuan from 43,000 tourists visiting Tibet.²¹ Since the 1980s, tourism industry in Tibet has been an important sector and the revenue from the tourism industry has increased manifold. The approach towards “ethnic sensibility” which was practiced during the initial period of Mao was displaced by a less conciliatory policy in which modernising Tibet and creating a new breed of “modern” Tibetans took precedence (Goldstein, 1997: 94).

There are two main discourses on China’s economic development policies in Tibet during the decade of 1980. One section argues that these policies were really meant to improve Tibet’s economy at the earliest possible so as to match other areas in China. In addition, they believe that the government’s population transfer policy was not intended at creating a huge influx of Han Chinese overtaking Tibetans business opportunities, but rather was aimed to help Tibet develop with the support of technicians and skilled workers. (Goldstein 1997:84, Yasheng Huang²² 1995: 184-204).

The other section argues that the economic policies were intended to integrate and assimilate Tibet into Han chauvinism (Norbu: 2006, Dyer 2006, 134 and Ma Rong 2011). They note that allowing Han

²¹Li, Luo (2008), “*The Economy of Tibet: Transformation from a Traditional to a Modern Economy*”, Beijing: Foreign Language

²²Huang, Yasheng, “*China’s Cadre Transfer Policy towards Tibet in the 1980s*” MODERN CHINA, Vol 21 No 2, April 1995 184-204, University of Michigan

Chinese into Tibet without any prohibitive rules will consequently turn Tibet into another Inner Mongolia or Xinjiang; minority areas which have been territorially and economically integrated into China. Today, the number of Han Chinese in Tibet outnumbers the local population and a large share of the benefits of the market economy is being absorbed by the Han immigrants.

1990-2000: Era of Stability and Development

The third major change in China's economic development policies came in the 1990s. A number of instances including the 1987-1990 anti-China protests, China-Tibet negotiations, intensification of international campaigning for Tibet, the popularity of His Holiness the Dalai Lama had played a significant role in modifying China's economic development policies from the previous decade. In October 1989, the reconstituted Politburo Standing Committee of the communist party held a special meeting on Tibet affairs during which Chinese president Hu Jintao released a document titled "Meeting minutes of the Politburo Standing Committee on Tibet Affairs". According to the document, the main task of the central government in Tibet is to maintain stability and develop the economy. The document maintained that the foundation of social stability, however, was economic development (Bo Zhiyue, 2010:24).²³ Therefore, the Chinese government implemented the twin policies of "stability and development"²⁴ and the public denunciation of the

23Zhiyue, Bo (2010), "*China's Elite Politics: Governance and Democratisation*", World Scientific Press

24There are various discourses over the policy of "Stability and Development". Pitman B.Potter (2011) analysed the policy through Premier Li Peng making direct linkage between the lack of economic development in Tibet including poor education, electricity, transportation and communication, per capita income with the potential for separatist activities (Pg124). See Potter, B. Pitman (2011), "*Law, Policy, and Practice on China's Periphery; Selective adaption and Institutional Capacity*" London: Routledge Contemporary China Series. Whereas Robert Barnett emphasised more on the Chinese leaders linking religion, superstitions and its impact on the economic development. He also emphasised on the Chinese government linking religion and

Dalai Lama throughout the 1990s. In 1994, the central government held the Third Tibet Work Forum, which further emphasised on these two policies.

As far as economic development is concerned, there were four key objectives and three key policies. The three policies were providing state subsidies, population transfer and infrastructure development.²⁵

Infrastructure development included transportation facilities and communications, electricity, technology for agriculture and animal husbandry. It included mining, commerce and services and education as well. As a result, the central government provided 4.86 billion Yuan for the completion of the construction of 62 projects during that period (June Teufel Dyer, 2005, Jin Wei, 2015). The cornerstone of the central government's new policy was economic growth and modernisation (Goldstein, 1997, Tibet Justice Centre 1994).²⁶

The four key objectives of these policies were: economic growth, safeguarding national unity, curbing separatism and preserving social stability and the overall development of Tibetan living standard (Pitman B, Potter, 2011:124).

The Role of China's Economic Development Policies in Shaping China-Tibet Conflict

China's economic development policies in Tibet, apart from securing national unity and stability, play other significant role such as:

Promoting Propaganda: Since 1992 till date, the Chinese

politics, hence one way to maintain stability in the Tibet regions was through patriotic reeducation among monks and nuns and the public denunciation of Dalai Lama. See Barnett, Robert (2012), "*Restrictions and Their Anomalies: The Third Forum and the Regulation of Religion in Tibet*", Current Chinese Affairs, 41, 4, 45–107.

²⁵See June Teufel (2005), Dawa Norbu (2005), Goldstein (1997), Pitman B. Potter (2011), Robert Barnett (2012), TJC (1994)

²⁶Third Forum on Work in Tibet (1994) [p.242], Translation by Tibet Information Network, <http://www.tibetjustice.org/materials/china/china10.html>

government's State Council Information Office has published around 14 white papers on Tibet.²⁷ Each of these papers carry pages upon pages elaborating on the backwardness of the traditional Tibetan economy and the unprecedented growth it has seen following China's occupation. Complementing the official statistics, Chinese economists and academicians have also published a number of books on the subject of Tibetan economy. Some of these books are: "*Tibet Past and Present*" by Shuzhisheng, "*Transformation of Tibet Economy from a Traditional to a Modern Economy*" by Luo Li (2008), "*What do you know about Tibet: Question and Answer*" by Foreign Language Press, 2011. These books and white papers play a significant role in defining China-Tibet conflict on international platform and also in shaping the opinion of the Han Chinese towards Tibet. Through these publications, the Chinese government, to a certain extent has been able to legitimise their control over Tibet within China and also across the world. After the 2008 mass protests in Tibet, most of the white papers on Tibet are directly related to the development of Tibet.

China's national interest: Many highways, railroads and airports have an important role in securing China's borders. Dawa Norbu argued that for China, Tibet is its backdoor which remains a gateway for all sorts of foreign influences and interventions into China. "Therefore, once the backdoor region was occupied, Communist China began to perceive Tibet, especially during the 1970s as China's "south-west outpost against imperialism, revisionism and reactionism", terms that are specific references to countries considered hostile to China - the then Soviet Union and India".²⁸ Hence, the geographic location of Tibet remains strategically significant

²⁷ Some of the most recent white papers on Tibet are: "*Successful Practice of Regional Ethnic Autonomy in Tibet* (Sept 2015)", "*Tibet Path of Development Driven by an Irresistible Historical Tide*" (April, 2015) and "*Development and Progress of Tibet*" (2014), available at <http://www.china.org.cn/e-white/>

²⁸ Norbu, Dawa, "*Chinese Strategic Thinking on Tibet and the Himalayan Region*", Strategic Analysis, July 1988, P:374

for China as far as its national security is concerned. Also, the policy of population transfer, despite huge criticism, continues to intensify. Beijing's reluctance to terminate this influx of Chinese migrants is, of course, politically and strategically motivated. The large numbers of non-Tibetans living and working in Tibet provide Beijing a new and formidable pro-China constituency that increases its security there.

Assessment

The focus of the discourses and the debates in defining the concept of economic development has shifted from traditional growth oriented and profit maximisation towards the development of overall human welfare which is sustainable. Today, economic development is measured not only in terms of GDP growth rate but also in terms of human development index (living standard, literacy and life expectancy) and poverty index.

If one compares the evolving discourses on the concept of economic development and China's economic development policies in Tibet, economic growth continues to be the benchmark of development in Tibet. As a result, despite six decades of development pumped by free-flowing capital from Beijing, the local TAR government is still dependent on state subsidies to maintain its economic growth rate. The condition is such that the local government is able to produce only around 5-7 percent of the local budget demand (Jin Wei, 2015). What the Chinese government today propagates about the unprecedented economic transformation of Tibet is mainly based on GDP growth rate and infrastructure development. The GDP growth rate of TAR is double that of the national rate and continues to increase by about 10-14 billion year on. The region also has the highest GDP growth rate among all 27 provinces in China. However, the government's white papers as well as the other documents fail to mention the fact that Tibet's illiteracy rate, which is 42 percent, is highest among all the 27 provinces in China. Not just that, skilled labourers are also extremely in short supply, with only 15 percent of the TAR population having some form of secondary education or higher, versus 40 percent in

Qinghai, 48 percent in Sichuan and 55 percent nationally.

Although the government has remarkably reduced the poverty rate, many parts of rural Tibet, where most of the Tibetans live, still lack access to proper medical, educational and healthcare facilities, electricity and other basic infrastructures. According to the United Nations Development Program, TAR is the least developed region in China as far as human development is concerned (UNDP, 2013). The gap between GDP growth rate and human development has remained a serious challenge for China's economic development policies in Tibet. Given the bigger picture of the China-Tibet conflict, including the political contestations and the urgency of preserving Tibetan culture and identity, the Chinese government has been largely concerned with improving the economy of Tibet with the greater goal of securing their national interest of stability, territorial integrity, sovereignty and integration of regions. The Chinese government has failed to address the fundamental aspects of developing sustainable economic policies in Tibet such as getting markets for local production and enlarging Tibetan participation in the designing and implementation of economic development policies and determining how to target funding and state subsidies to better address poverty and unemployment.

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The Riddle of Tibet's Economy

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Various claims had been made about extraordinary economic transformation in Tibet. Based on statistic and finding published in China's government media outlets, Tibet had enjoyed a long and sustained development. However, it is increasingly difficult for independent researchers and journalists to conduct unbiased research and report from Tibet to confirm such claims.

A report published on China Daily on 6, September, 2015 suggested that Tibetans, "both urban and rural residents' living conditions have greatly improved." Alluding to a white paper, "Tibet's GDP soared from 327 million Yuan (\$14.5 billion) in 2014, a 281 fold increase."

According to a report published by a non-partisan research and advocacy group, Freedom House, Tibet is listed amongst the worst countries for political rights and civil liberties. Tibet had been shrouded under a thick blanket of oppression and surveillance, making it hugely difficult for information to get through.

Few illuminating independent studies on China's development projects in Tibet have made the reading hugely alarming. Staggering amount of resources and money is poured into developing Tibet, thereby leading to double digit growth for decades. As these resources trickles through the complex system, it remains questionable how beneficial it had been as it reaches households in Tibet.

Erosion of domestic economy

Since 1951, Chinese government's involvement in Tibetan polity and economy has created an awkward financial dependency through fiscal transfer payment and financial subsidies. According to its own figures, financial subsidies made by Beijing to Tibet between 1952 - 2013 amounted to 542.343 billion Yuan, which constituted 91.45 per cent of the region's total financial revenue. In terms of expenditure, the central government doled out around 92.36 per cent of Tibet's total expenses in financial subsidies to support the functioning

of society and regulate Tibetan affairs.

It is therefore imperative to understand how such staggering amounts of money earmarked for the development of Tibet make their way from the board rooms of Beijing to individual Tibetan households.

It also raises a more pertinent intellectual and philosophical question regarding the validity of development --aided by hand-outs -- as a means by which to bring about positive changes to the Tibetan peoples' quality of life. If our education through the recent global experience of the development of impoverished countries through aid from richer countries is any indication, the development project in Tibet should be understood in the light of such new understanding.

Before China's intervention, Tibet's economy was based upon what a Marxist would describe as feudalism. Although this system was undoubtedly replete with flaws, the traditional, pre-industrialised Tibetan system functioned with remarkable efficiency, and the sudden economic transition imposed in Tibet against its geography, cultural disposition, and demography led to the unfolding of costly and sustained tragedy.

Tibet's traditional economy was largely dependent on pastoral activities and farming. In 1959, the economic mainstay of Tibetans, comprising chiefly of agricultural and pastoral activities, accounted for 73.6 per cent of the country's economy. By 2008 this figure had plummeted to just 15.3 per cent. Tibet's pastoralists and agriculturists' share in Tibet's cumulative economic output dropped, leading many Tibetans to abandon traditional ways of making a living. The number of people making their living by traditional means had also sharply declined by 2008 - a trend not restricted to the Tibet Autonomous Region, but also evident in the three traditional Tibetan provinces of Tibet.

However, whilst the traditional pastoral and agricultural involvement in Tibet's economy has dramatically declined, Tibet has witnessed a dramatic rise in the number of people employed in sectors of economy in which people offer their knowledge and time to improve productivity, performance and sustainability. The share of

Tibet's cumulative economic output in this sector had risen steadily from just 15.8 per cent in 1959 to 55.5 per cent in 2008. In order to benefit from this sector, workers and employees require certain levels of skill, education, expertise, and know-how. Increasingly, huge chunks of money earmarked for Tibet's development are consumed by this sector. In Tibet, the increase in this sector of the economy has had a reverse relation to the decline in traditional mainstay of Tibet's economy.

As more and more manpower was needed to run this new rising sector of the economy, it is mostly non-Tibetans that had benefited the most. A policy of China's cadre transfer was implemented to sustain this transition, carried out by providing lucrative incentives as well as administrative compulsion. In 2003, cadres employed in the Tibet Autonomous Region were paid an average annual wage of 26,931 Yuan, almost double the national average of 14,040, and surpassed only in the national commercial hub of Shanghai where the figure stood at 27,304.

The generous remuneration offered to cadres in Tibet is remarkable considering the stunted growth in other sectors of the economy. This cash-rich sector has also witnessed a sudden shift in the representation of Tibetans. The number of Tibetan staff and workers employed within state-owned units fell from 71.4 per cent to 64.6 per cent between 2001 and 2003, whereas the proportion of Chinese employees rose from 28.7 per cent to 35.4 per cent within the same period. Moreover, this trend is not restricted to state-owned enterprises, but is also in evidence concerning the appointment of Tibetans at cadre level. Cadre level appointment accounted for two-thirds of permanent state-sector employment in 2003 - the number of available positions having increased to 88,734 from 69,927 in 2000. However, the number Tibetans employed at this level dropped from 50,039 (72 per cent of the total number) in 2000 to just 44,069 three years later (around 50 per cent).

The disaggregation of *minzu* (ethnic) into official staff and workers' data was rolled back in 2004 to be replaced by gender disaggregation in the following yearbooks.

Sustaining Development

For the past two decades, assuming that the China's published statistics and survey reports are accurate and representative, Tibet's economy had grown by an average of 12.4 Percentage annually, surpassing China's national average of about 10 Percent over the same period. These figures mask the reality that it had done very little to foster real economic productivity. On the contrary, various domestic economic mainstay of Tibetans and traditional sources of livelihood had been dismantled or are in the process of dismantling under the Chinese rule. A calculation done in 2013, subsidy from Beijing dwarfed the local economy, amounting to about 112% of its economic output.

Since the global economic meltdown, China has attempted to transition from an export driven economy to a consumer based one. This could be an attempt to shield it from economic turmoil on a global scale. As China steers its way into transition, can it continue to subsidise Tibet's economy? China is currently bracing itself for a "new normal" of slower yet safer and more sustainable growth, which involves giving the market a more decisive role in the economy. Will Tibet's traditional way of life, as well as its economy, become casualties of this shift?

Amongst regions in western or central China, Tibet receives by far the largest proportion of subsidies from the government. If the subsidies are evenly spread to the population in Tibet, then on a per capita basis, each Tibetan would receive 17,105 Yuan annually in 2010, whereas per capita subsidy for all provincial government in the same year is 2,481 Yuan.

It has now reached a point wherein, the remarkably high cost of sustaining development in Tibet couldn't be carried on if strains on Chinese economy becomes exposed. If and when confronted with nervous jolts in the larger global and national economy, will the government pursue subsidizing Tibetan economy?

Education and Tibetan participation in development

To sustain and to improve Tibetan participation in the burgeoning

tertiary and secondary sector, Tibetans would be required to acquire a level of education and skills.

After an invitation by the Chinese government in September 2003, Katarina Tomasevski, the UN expert on education, presented her report to the UN human rights forum and described the illiteracy in Tibet as “horrendous” and “lacking far behind in comparison with the situation in China.”

In contradiction to the remarkably high expenditure in the tertiary sector, illiteracy among Tibetans remain discouragingly low. This might lead to discouragement of Tibetans in participating in various public sector opportunities.

Population across Tibet rose by 16% from the year 2000 to 2010. According to China’s census, population of Tibetans in various parts of Tibet in the year 2000 was 5.4 million and it rose to 6.3 million in the year 2010. Considering the population increase, the number of Tibetan students enrolling in schools had declined. For instance, in Ngaba, student enrolment in school had dropped from 98,984 in the year 2006 to 74,995 in 2014. No attempts seemed to have been made to accommodate children starting fresh at the schools as indicated by the decline in elementary schools in Tibet.

In the so called Tibetan Autonomous Region (TAR), which according to China’s statistics comprises of 90% ethnic Tibetans, 38% of Tibetan youths do not receive education. Illiteracy rate in Tibetan Autonomous Region is alarmingly among the highest in China and is approximately five times that of the national average.

Level of education attained by Tibetans decides the types of employment they could apply for and improve their quality of lives. Failing to attain good or any education restricts Tibetans to a more menial jobs in agriculture, forestry and dependence on livestock. Lucrative opportunities in other diverse fields need a certain level of education. A broad reading of the statistics in Tibet reflects Tibetan youth’s overwhelming dependency on agriculture and livestock.

In China as a whole, the low-hanging fruits of development are

plucked and further unconstrained development had shown strains on ecology and less impressive GDP figures. The unprecedented global consensus on climate change in Paris had turned the spotlight on energy-dependent development in a country like China. Under these constraints, China's global ambition adjusted to the new reality confronts challenges to its legitimacy to rule huge population and ethnic schism by citing development and GDP figures.

Saving Tibetans from Tibet: Poverty Alleviation with Chinese Characteristics

Gabriel Lafitte

Between 2016 and 2020 China plans to “relocate” 10 million people as the solution to their poverty. How many of those 10 million will be Tibetans? How many will be relocated far from home, perhaps no longer in Tibet? How is it possible that, after at least 9000 years of successful, productive and sustainable Tibetan use of Tibet, it is now necessary, in the name of eliminating poverty, to remove Tibetans from the land of Tibet? How is poverty ended by depriving people of their land, and official land tenure rights?

China’s 13th Five-Year Plan includes a drive to eliminate poverty altogether, officially defined as cash income of RMB2300, or US\$376 per person per year, just above one dollar a day. Officially there are precisely 70.17 million such people in China. Of these, according to a 2015 central Work Forum on Poverty Alleviation, 10 million are to be relocated, as the only solution to their poverty.²⁹ This is to be an all-out struggle to root out and fully eliminate poverty in China, the official media headlines say.

The wider context is China’s official *“planning objective that by 2020, China will enter the ranks of high-income countries. Plan is to build a comprehensive well-off society by 2020, GDP and per capita income should be more than double 2010. In 13th Plan the main task ranked first is to maintain economic growth, followed by the construction of ecological civilization and alleviation of poverty.”* Having 70 million poor would be a drag on entering the ranks of high-income countries, and is incompatible with the “China Dream” of central leaders.

The 70 million people officially defined as poor are disproportionately in Tibet, and Chinese central planners have long argued that they are poor precisely because they live in Tibet, and as long as they live in Tibet they will remain poor.

²⁹ China pledges resolute measures to root out poverty by 2020, English. news.cn, 2015-11-29

The argument, borrowed from mainstream market economics, is that Tibetans have low measurable cash incomes because they live in areas no-one would live in by choice, areas that are frigid, where little grows, the air is dangerously thin, the people are extensively scattered across the landscape, living lives little better than the beasts they follow around. Under such circumstances modern services and comforts, such as access to electricity, health, education and urban consumer society, cannot be efficiently provided to a thin scatter of people across a vast area. So the people must, of necessity, come to where the factor endowments are greatest: the towns, cities and lowlands of China, so they too can lead comfortable lives, thus fulfilling their human rights.

One of many examples of this approach is the ambitious “Roadmap to 2050” published by the Chinese Academy of Sciences in 2010. This series of volumes on China’s long term future is blunt when it comes to mountainous areas such as Tibet: *“The mountainous areas in China, where ethnic minorities are concentrated, are characterized by sharp regional differences, strong complexity, lagging infrastructure, underdeveloped social economy and intense man-earth conflicts. There have long been intensive man-earth conflicts in the mountainous areas of China.”*³⁰

The central metaphor, of a violent battle between people and nature, “man” and “earth”, because their relationship is fundamentally contradictory, drives China’s policy decisions. China defines Tibet, and mountainous regions generally, by what they lack. By definition they are remote, difficult to access, isolated, lacking linkage to the lowland economic hubs, backward and poor.

Han Chinese often identify Tibetan religion as a further factor fostering backwardness and resistance to modernity. An official eastern Tibet county poverty report in 2005 describes the task facing the cadres in charge of modernising Tibet: *“Under the dominance of the natural economy, most of the farmers and herders are old-fashioned in their thinking, conservative, agrarian, unaware of the market economy, and unproductive. It is therefore hard to improve their living standards.”*

30 Dadao Lu and Jie Fan eds., Regional Development Research in China: A Roadmap to 2050, Science Press and Springer, 2010, 163-4

*Some of them are satisfied with their current situation and reluctant to strive for something better. They are unable or unwilling to properly schedule their daily life and remain idle despite their ability to work. With poor education, a lack of health-related knowledge, as well as the negative influence of their religious beliefs, these individuals raise too many children, causing a reduction in the available labour force, an increase in the dependency ratio, a decline in per capita resources, which results in the population exceeding the natural capacity of their immediate environment. This is a particularly serious problem in Meiyu Township, where animal husbandry is the only industry. Under the influence of their religious beliefs, the local people are reluctant to kill and sell livestock. As a result of their desire to have an excessive number of livestock, the pastures have been degraded. Moreover, they are unaware or unwilling to comply with and even flatly reject family planning. This has caused the township's population to increase rapidly, whilst per capita livestock and resources are declining, keeping the population in poverty.*³¹

These attitudes are common among local government officials, and at higher levels which rely on local reports to formulate policy. Such attitudes, blaming skilful pastoralists for their poverty, thoroughly misunderstand rangeland dynamics and the importance of pastoral mobility as the primary strategy that avoids overgrazing and degradation. Official policies have curbed the customary mobility of herds and herders, fragmented herds onto small allocated blocks of compulsorily fenced land, then blamed the herders for the inevitable degradation. This history of policy failure is now challenged by a new school of analysis, in China, led by Prof Li Wenjun of Peking University, but the new paradigm is only slowly spreading, and the pastoralists are still routinely blamed, both for land degradation, and poverty.

Economists from the Chinese Academy of Social Sciences are similarly inclined to define Tibet solely in terms of what is lacking: *“The border areas lie at the bottom of the economic system in China, where the poverty pressure is huge. Border areas are mostly characterized by poor natural conditions, vast territories with a sparse population or*

31 Zuogong County Poverty Relief Office, 2005, 8. Zuogong (Dzogang in Tibetan) is a county in Kham, close to the borders of Myanmar and Yunnan, on the banks of the upper Salween.

*huge mountains, high traffic cost, lagging infrastructures, and backward economy. These areas are also the major regions where the impoverished population in China is concentrated with a high occurring frequency of poverty and harsh natural environment.*³²

*“These areas have a cold climate, high mountains, deep valleys and poor infrastructure. The Tibetan-inhabited regions have also historically lagged behind the national average, in terms of social and economic development. This gap has still not been bridged. In the Tibetan inhabited regions, about 70% to 80% of labourers make a living through planting crops, undertaking pastoral activity, collecting and other temporary jobs. The incidence of poverty among the farmers and herdsman is noticeably higher than the national average.”*³³

International observers are much less inclined to see outmigration as the solution to the poverty induced by official policies that restrict herd size, herd mobility, family size, fragment land holdings and do little to assist pastoralists to access markets, all factors conducive to poverty and immiserisation. The number of animals per person has gradually declined over the years, to below the poverty line. The official provincial yearbooks of Yushu Prefecture, a largely lush pasture land, show that in 1950 the average rural person had 7.9 yaks and 9.25 sheep; which by 2005 had fallen to 3.52 yaks per rural Tibetan, and 7.57 sheep, which is a recipe for poverty.³⁴

Not only do outsiders see the shrinking herd size per person as a primary driver of poverty, Chinese fieldwork researchers also draw quite different conclusions to official policy of blaming the nomads. One example is economist Jin Chengwu, from the Chinese Academy of Social Sciences who in 2013 reported: *“Having conducted field research on the ecological resettlement of Tibetan villagers in Qinghai, this chapter found that ecological re-settlers face significant risk of*

32 Regional Development Research in China: A Roadmap to 2050, 173

33 Breaking Out of the Poverty Trap: Case Studies from the Tibetan Plateau in Yunnan, Qinghai and Gansu Edited by: Luolin Wang (Chinese Academy of Social Sciences, China), Ling Zhu (Chinese Academy of Social Sciences, China), World Scientific, 2013, 2

34 Andreas Gruschke, Nomads Without Pastures, *Journal of the International Association of Tibetan Studies*, no. 4 (December 2008), 11-12

*impoverishment in host communities, as they can no longer work and live in ways they are used to, and once they join these host communities their earning capacity is in fact worsened. The risks of impoverishing this group of people can in fact undermine efforts to protect the land.*³⁵

The gaze of China's central planners, as they survey the mountains, from their urban offices, remains horrified at the primeval struggle humans must constantly wage against a hostile earth. "Man" is so small, the mountains so mighty, the struggle is unequal and unwinnable. It thus follows that the obvious answer is to emigrate: *"Under the influence of globalization, and the political, economic and technological factors, the sustainable development of mountainous areas will mainly show the following trends: In a fairly long period of time, the scale and intensity of the emigration from the mountainous areas to cities and towns should be enlarged and strengthened in order to keep I step with the progress of building a well-off society in an all-around way. On the other hand, along with the population transferring from mountainous areas to plains or to cities and towns within the mountainous areas, migration of population for ecological projects, and outflow of population from impoverished mountainous areas, negative growth of population occurs in some counties in the mountainous areas.*³⁶

This policy prescription is, as of the 2015 Poverty Work Forum, is now official policy, and a high priority for the 13th Plan. This was signalled years ago, in a 2010 list of research agendas that would be required during the 13th Plan: *"Researches on the population transfer as well as the succession and reconstruction of settlements in the mountainous areas of China: To systematically research the construction of new socialist mountain areas.*³⁷

New socialist mountains will be modelled on the new socialist countryside policy announced a decade ago. In the 13th Plan, the new socialist countryside is to take a decisive turn away from traditional peasant farming, towards large-scale agribusiness production, requir-

35 Jin Chengwu, Impoverishment Risks caused by the Resettlement Project, ch6 in *Breaking Out of the Poverty Trap: Case Studies from the Tibetan Plateau in Yunnan, Qinghai and Gansu*, Edited by: Luolin Wang, 2013

36 *Regional Development Research in China: A Roadmap to 2050*, 165

37 *Regional Development Research in China: A Roadmap to 2050*, 169

ing consolidation of rural land into much bigger enterprises, mass redundancies among poor peasants, and further migration of rural folk to the cities. Now the mountains are to take the same path.

The planned intensification of rural production is specified in the official communique of the CCP Fifth Plenum of 2015: *“Forcefully move agricultural modernization forward, accelerate the transformation of agricultural development methods, and march the path of agricultural modernization with high-efficiency output. Agricultural modernization is to see clear progress, people’s living standards and quality are to rise universally, the escape from poverty is to be realized for the poor rural population under our country’s current standards, poor counties are to be completely rehabilitated, and overall rural poverty is to be resolved. Citizens’ quality and social civilization levels are to be clearly raised.”*³⁸

Copying the capital-intensive feedlots, ranches and fossil-fuel-driven mechanised agriculture of the rich countries is now China’s model; and the central planners see this as part of the broader plan to urbanise as fast as possible, with those made redundant as agriculture intensifies finding new roles by migrating to cities. There is reason to suppose Tibet is included in this scenario of intensification, even if planners struggle to find in Tibet sufficient agricultural wastes and byproducts to feed to the feed lotted cattle. One senior CCP official based in Inner Mongolia, Hao Yidong, is so enthusiastic about the American feedlots he visited, he wrote a book praising them as the way to go, published in Chinese, traditional Mongolian, Mongolian Cyrillic, Russian and English.³⁹

If the 13th Five-Year Plan does go ahead and attempt to eliminate poverty, it will build on existing programs that were put into effect in the first decade of this century. *“The Labour Force Transfer Training program was a short-term job-training plan. The plan focused on training in work skills and agricultural techniques. After obtaining new skills in a short time, the higher quality rural labour force could be trans-*

³⁸ [Communiqué of the Fifth Plenary Meeting of the 18th Central Committee of the Chinese Communist Party NOVEMBER 1, 2015](#), China Media Project, Hong Kong

³⁹ Hao Yidong, *The Way of Prairies: Grasslands and Human Civilisation*, Foreign Languages Press, Beijing, 2014

ferred to towns and cities to get job opportunities at higher wage levels. From 2004 to 2009, the central government arranged 3 billion Yuan for the program. About 400,000 peasants participated in the training. Not surprisingly, 80% of these farmers accomplished the labour transfer program. A survey showed that a worker who was involved in the program usually had a 300 to 400 Yuan higher monthly salary than those who were not.⁴⁰ The Labour Force Transfer Training program has been declared a success. As a result of this and other poverty alleviation programs, there are few designated poverty counties in Tibet Autonomous Region, while there are still many in Qinghai and in Tibetan areas of Gansu, Sichuan and Yunnan.

A more accurate estimate of the number of Tibetans to be relocated to save them from the poverty inherent in Tibet can be obtained from China's 2015 official White Paper on Tibet Autonomous Region development, which states: *"The poverty-stricken population has been substantially reduced. From 2006 to 2014, Tibet launched the 'Campaign to Develop Border Areas and Improve the Lives of the People,' relocated poverty-stricken families and people with Kashin-Beck disease, and increased by 20 to 30 percent the per capita living area of 116,300 poverty-stricken families. Many people have moved from small, dark, adobe houses, where they lived alongside livestock, to safe, more suitable homes. Poverty relief projects have benefited 2.6 million people in 578,000 households. The poverty-stricken population - people with a per capita per annum income of less than 2,300 yuan (at constant price of 2010) - has fallen from 1.17 million in 2010 to 610,000 at the end of 2014. The proportion of poverty-stricken population in the Region's total population of farmers and herdsmen fell from 49.2 percent in 2010 to 23.7 percent in 2014.*"⁴¹

If this defines the target to be relocated, more than 23 per cent of rural Tibetans in TAR are to be removed. This is a lot of people, as

40 Cong Qin and Terence Tai Leung Chong, Can Poverty be Alleviated in China? <https://mpr.ub.uni-muenchen.de/68458/> MPRA Paper No. 68458, posted 21. December 2015

41 Successful Practice of Regional Ethnic Autonomy in Tibet, The State Council Information Office of the People's Republic of China, September 2015 http://news.xinhuanet.com/english/china/2015-09/06/c_134594114.htm

TAR officially has a total population of 3.12 million, and a rural population (where the poor are) of 2.38 million.⁴² Relocating almost one quarter of TAR Tibetans will be a major project.

China stands to gain much global reputational capital from implementing this plan to root out poverty. As Xi Jinping puts it: “*no single poor region nor an individual living in poverty will be left behind.*”⁴³

Among development agencies, China routinely gets credit for lifting hundreds of millions of poor peasants out of poverty. Development NGOs credit China with being the great global success story, the lesson the rest of the developing world should learn from, even if the biggest rise in peasant income came in the 1980s, when farmers at last could simply sell what they grow for what the market would pay. Famous economists such as Jeffrey Sachs hold up China as the model exemplary global citizen for its elimination of poverty.

But how will the stubborn remaining 70,170,000 poor people, with not an individual left behind, be lifted out of their poverty? This requires poverty alleviation with Chinese characteristics, especially the relocation of the 10 million whose poverty is directly due to their geography. China routinely insists on adding “Chinese characteristics” to any modern concept it adopts, and poverty alleviation is no different. The official commentary in the CCP’s newspaper, the *People’s Daily*, on the Poverty Work Conference, explicitly identifies “Chinese characteristics” as a necessary aspect of this “final stage” of tackling poverty.

China’s rhetoric of “rooting out” poverty, a “final stage” and “not an individual left” suggests an utter determination, even though many richer countries have “declared war on poverty” and failed. How will success be defined? There can be no doubt that China will spend a lot on this campaign, and the party-state is well able to command and allocate sufficient resources. Success may be defined as cash income that is above the poverty line. If this is achieved through transfer

42 TAR Statistical Yearbook 2014, Table 3-1, p 29

43 China pledges resolute measures to root out poverty by 2020, English. news.cn, 2015-11-29

payments directly to poor families, the ultimate objective could be attained, at much less cost than China is about to spend. However, this final solution is about more than the transfer payments typical of a welfare state social security net. The *People's Daily* commentary on the Poverty Work Conference refers to the “arduous struggle” ahead, since “*tackling poverty advances from easy to difficult, the more backward the higher the cost, the greater the difficulty, the slower is effectiveness. Today, tackling poverty is facing some deep-seated contradictions and problems unresolved for many years. Advancing step by step difficult to complete the task, you must have a greater determination and more clear thinking, more accurate measure, extraordinary efforts to achieve concerted efforts tackling poverty targets.*”

Those deep-seated contradictions unresolved for many years include official China's perception of the contradiction between man and earth, the leaders' urban perception that to live in Tibet is an unending struggle against a harsh environment. Transfer payments enabling Tibetans to stay on their land in Tibet will not do. To resolve deep-seated contradictions, the Tibetans must leave.

The modern concept of factor endowments is China's starting point, to which the Chinese characteristics of a strong state capable of moving populations about is then added. The economists' concept of factor endowments has a ruthless logic: capital and opportunities to create wealth will naturally flow to those people and places best endowed, which from the outset offer the greatest advantages and thus the greatest productivity and potential for wealth accumulation. If that is the naturalised starting point, Tibet may be endowed with mineral riches, but little else, even its air is unnaturally cold and thin. The Tibetan people may know how to follow animals, which in Chinese eyes is little better than humans living like animals. But they lack human capital, they lack *suzhi*, the all-important, characteristically Chinese concept of human quality, because so few of them can even speak Chinese.

Since the primary factor endowments are land, labour and capital, and the land of Tibet is mountainous, the people of Tibet have no accumulated capital and only their unskilled labour, it follows that they must migrate to those lowland places and spaces that are better

endowed, where capital naturally flows, which attracts the skilled labour of those with human capital, because they have a modern education. So the Tibetans must start all over again, from the bottom of the ladder, in the lowland cities, as unskilled labourers who can gradually work their way up.

Does this mean Tibetans will be moved out of Tibet? Not necessarily. Not in the short term at least. But they will be moved to towns and cities, especially to the new urban fringes, like the relocated pastoral nomads lined up along roads and highways at the entry to many towns in eastern Tibet. The displacement and settlement of the pastoralists may well be the model to be applied more widely.

This scenario fits with what else we know of the 13th Five-Year Plan, which is yet to be published in any detail. Another major thrust of the 2016 – 2020 Plan is to industrialise agriculture, scaling up production in centralised locations close to towns, where animals will be raised in intensive feedlots and slaughtered as soon as they reach adult size. As usual, this is to be done in the name of “efficiency.” For pastoralists not yet required to move to the urban fringes, two choices will remain. One is to stay put, on ancestral land officially allocated to them two decades ago, to which they have land tenure certificates, even if it means raising animals solely for subsistence, unable to compete with the agribusiness feedlots closer to the customers which employ few workers and produce huge amounts of meat. The second choice is to join the exodus from the land and seek employment as a cowhand in a feedlot.

The urbanisation of Tibet is China’s core strategy, as it is throughout China. Poor rural people can be pushed into relocating to towns, but more often they are pulled, by the promise of consumer goods, the warmth of the shopping malls, the centralisation of health, education and electricity in urban hubs.

New urban hubs are growing fast in Tibet. Under the last Five-Year Plan Nagchu, north of Lhasa, was designated a logistics hub, and vast warehouses have now been built, for distributing both consumer goods and capital goods (infrastructure construction materials) throughout central Tibet, and on to Nepal and northern India. Nag-

chu, traditionally a small town on the cusp of farming country to the south and pastoral country to the east, is now on the rail line, and has been identified as the best site for intermodal handling of everything China can manufacture, which will be needed as Lhasa grows into a major city, and prefectural towns become cities across Tibet Autonomous Region. Since so little is actually made in Tibet, beyond extraction of raw materials, raw unprocessed wool and butter, everything must be imported from inland and eastern China. French journalist [Eric Meyer](#), author of many books on China, in his 2014 book, describes the Nagchu hub, as he saw it in 2008:

“We stop at Nagqu, a county seat three hours north of the capital. Still undergoing construction, the station has been super-sized, with a dozen platforms for three trains stopped there and the equipment for a weigh-bridge to accommodate 40-foot containers. There are several large projects shimmering below with the valiant effort of thousands of Han and Tibetan construction workers. Churning in their tracks are front loaders with tires that are two metres in diameter. They are trying to excavate veins of rock and silt and quickly dispose of it into dump trucks that are waiting in line. In three directions from our train we can see concrete trucks with their 20-meter-tall sluice gates pumping and pouring away. They are building huge hangars that are still uncovered.

“Beijing was preparing ‘one of the most important logistical hubs in all of Asia, for raw materials.’ It will be designed to stock and roll out lumber, wool and the one hundred mineral ores found under Tibet’s surface, to supply the lowlands, the ‘mother country.’ The goal is to compensate for at least some of the import needs currently being supplied by Australia, Africa and Latin America. It will be like a supermarket of global dimensions, formidably supported by government subsidies. Beijing maintains a heavy shroud of discretion over this strategic project.”⁴⁴

Then there is Niwu, Lhasa’s new city, also close to the rail terminus, as Lhasa sprawls west and south, much as Xining has in recent years, and even Rebkong (Tongren in Chinese) and Yushu have sprouted massive malls and endless apartment towers in recent times. Niwu has been in the making for many years, boosted in recent times by

⁴⁴ Eric Meyer, *Tibet, the Last Cry*, Blacksmith Books, Hong Kong, 2014, 41

China's promise to ship fuels to Nepal, at a time when Nepal's usual supplier of kerosene, diesel and petroleum in India is blocked by angry Madhesis of the lowland plains of Nepal upset that they are not grouped together under the new Nepali constitutional regionalisation. While Indian oil doesn't get through, and India stands accused of blockading Nepal, China quickly offered to truck fuel tankers in from the north. This could be a trial run for more regular supply, especially if a rail line is extended from Lhasa to the border with Nepal, or the oil pipeline from the Tibetan Tsaidam Basin to Lhasa, pumping Tibetan oil to the capital over many years, is extended.

Despite the pipeline to Lhasa from Amdo Tsaidam, little Tibetan oil will reach Nepal until bulk commodity freight handling infrastructure, all the way to the Nepalese border, is in place. But China's 2015 offer to send tanker trucks to Nepal, to alleviate fuel shortages in an earthquake-stricken capital approaching winter, was gratefully received, even if no-one in Nepal knew, or cared, that their new source of fuels was Tibetan.

China's Model of Economic Development of Tibet: From Darkness to Light, From Feudal Serfdom to Modernity, Thanks To the Gift of Development

Gabriel Lafitte

China, at the highest level, frequently cites the laws of economics and laws of development as justification for the path China has imposed on Tibet, especially on that half of the Tibetan Plateau designated as Tibet Autonomous Region. In the *White Papers* issued by China's government, the claim is made that China's government is implementing universal truths of economic development, leading the achievement of the inevitable, and thus deserves applause rather than opprobrium. In successive *White Papers* these laws of development and of economics are cited as if they were well known objective truths, but not explained or referenced. What are these "rules" and "laws"?

In 2013 China's State Council released a *White Paper* on Development in Tibet⁴⁵, focused on Tibet Autonomous Region, half of the Tibetan Plateau by area and by the proportion of all Tibetans. That *White Paper's* first section is headed: *The Development and Progress in Tibet Is the Inevitable Result of History*. In rigidly dualistic either/or metaphors, China depicts Tibet before and after, formerly a timeless land of stagnation, outside of history, a land of darkness and feudal misery, that has now stepped into historic time due to China's benevolence: *"the Tibetan people lived in dire misery without any freedom. At that time, Tibet was as dark and backward as medieval Europe. The founding of the People's Republic of China in 1949 marked Tibet's entry into modern civilization. The development and progress in Tibet is in accord with the rules for the development of human society, and reflects the mutual aspirations of the people of all ethnic groups in Tibet.*

"It is the natural result of the overall development and progress of China as a whole. The development and progress of Tibet mirrors the victory of

45 Development and Progress of Tibet, State Council, 22 October 2013, http://news.xinhuanet.com/english/china/2013-10/22/c_132819442.htm

human society's enterprising spirit and creativity in the quest for justice and happiness, and has proved the inevitability of history. The development and progress in modern Tibet results from the innate logic of its social and historical environment, and has its roots in China's progress in a larger context. Its development is in line with the advance of world's modern civilization. The Central Government set lofty goals for Tibet, striving to quicken its development and advancing it to the front row of the "four modernizations. In the 21st century, Tibet has entered the fast lane of development. The development and progress of Tibet is in accordance with the rules for the development of human society. From traditional agriculture and animal husbandry to a modern market economy, from the integration of political and religious powers to their separation, from autocracy to democracy, superstition to science, and isolation to openness - these are the generic laws for the development of human society. Over the past 60 years of its development, Tibet has unfailingly followed these rules and the general trend. Today, despite the existing gaps in the level of development between Tibet and other provinces, autonomous regions and municipalities in China, Tibet has narrowed the distance and basically realized synchronized growth with the rest of the country. Observed from the macro perspective of human history, Tibet has leapt from a feudal serfdom society into one with a modern civilization within a matter of only a few decades, creating an outstanding example of regional modernization. Over the past 60-odd years, Tibet has finished a course of historical journey that would normally take several centuries or even a millennium for the human society to complete."

Where does this powerful story of Tibetan sin and redemption, perdition and salvation, come from? Is this what China's leaders actually believe? Is this the foundational model of China's interventions in Tibet?

This master narrative positions China as the agent of modernity, not just a follower of the laws of history and of development, but their leading edge exponent. This teleological narrative of Tibet's natural, inevitable journey from darkness to light, from primitive remoteness to modern economic growth, is charged with the power of the inevitability of human progress towards attainment of the ideal, along the one-way track of time, that arrow pointing ever onward, ever upward.

In 2015, China again issued a *White Paper* on Tibet, and again deployed this rhetoric of the historic inevitability of progress and development. Again, the arrow if time moves ever forward towards ultimate perfection. *“Tibet has established the new socialist system and achieved historic leaps and bounds in its economic and social development. Tibet has taken a road that unites it with all China’s ethnic groups and struggles to develop equally, achieve prosperity, and make progress with them. Although it has been only 50 years since the founding of Tibet Autonomous Region, great changes have taken place. Tibet is now in its golden age.”*⁴⁶

Again, old Tibet was sunk deep in stagnation and backwardness: *“At the time of the peaceful liberation in 1951, there was almost no trace of modern industry, commerce, science and technology, education, culture, or health care. With no roads in the modern sense, Tibet was cut off from the outside world. Primitive farming had long been used in agricultural production, and farm tools were rudimentary. Herdsmen had to travel from place to place to find pasture for their livestock. There were few strains and breeds of grains and animals, and some had even degenerated. The level of both the productive forces and social development was thus extremely low.”*

Despite such backwardness, China’s gift of development, not only to Tibetans but to all the officially designated minority nationalities has, in today’s China, had the inevitable result that ethnic difference has merged into a single new identity, that of citizen of China. All ethnicities have become Zhonghua, the newly coined term for an all-encompassing Chinese identity that transcends loyalties to the minority nationality of mother and mother tongue. *“China is a unified multiethnic country inhabited by 55 minority ethnic groups. The origins and development of China’s ethnic groups are indigenous, pluralistic and diverse. All have formed and evolved in different ways, yet in the general trend, have developed into a unified multiethnic country and converged into the unified and stable Chinese nation.”* Again, this is presented, not as an outcome of coercion and repression, but an

⁴⁶The State Council Information Office of the People’s Republic of China; Successful Practice of Regional Ethnic Autonomy in Tibet, September 2015, http://news.xinhuanet.com/english/china/2015-09/06/c_134594114.htm

historic inevitability.

What are these universal laws? Fortunately, one does not have to go far to find them explicitly formulated by a leading Chinese economist, in a textbook that has been highly influential, in its many editions, since first publication in 1995. Yangsheng Zhong's *The Economic Theory of Developing Countries' Rise* by 2009 attained iconic status, selected to join the canonic series of *100 Economists and their notable works impacting China's Economic Construction over the last 60 years* since new China was proclaimed in 1949. For English speakers, Zhong's *Theory* was published in translation by University Press of America in 2010, based on the 2005 edition published by the Party School Press of the Communist Party Central Committee.

Zhong had plenty of opportunity, as a senior official in prospering Guangdong province, to be at the forefront of the "China miracle", as the World Bank called it. As provincial Executive Vice Governor, he was routinely photographed with celebrities, including the head of the World Bank.⁴⁷

Zhong never mentions Tibet, which is quite peripheral to China's central concern with maximising growth, while maintaining the control of the party-state. Zhong's model is a model for China, and incidentally for Tibet, since it is axiomatic that a development model that is manifestly successful for China must of necessity be applicable to Tibet, to a plateau that is one quarter of China's area, but far from lowland China in its indigenous economy.

Zhong's innovation, making his book so popular in China, is to replace the state as the engine of economy with the individual. In an economy still dominated by state ownership and statist investment in infrastructure, while depriving private enterprise of access to loans, this is a breathtaking conceit, but it serves a purpose. In popular imagination, the consumer is now the driver, and the state is secondary.

This simple intellectual move now legitimates endless growth as the

47 <http://www.worldbank.org/en/news/feature/2007/12/14/world-bank-group-president-robert-b-zoellick-china>

natural and inevitable fulfilment of human needs, rather than the agenda of a developmentalist state justifying its heavy presence by endless statist construction projects.

Most of Zhong's book, chapter by chapter, focuses on familiar topics: resource endowments, industrialisation, corporatisation, technology, institutions, planning and government. But these are bookended, front and back, by inspirational chapters proclaiming individual development the foundational source and "highest principle" of economic growth, in which the satisfaction of human needs inevitably leads to the creation of new needs and the new man. In Zhong's own words: *"Human beings take production practice as an intermediary in which natural power is integrated with one's own demands, so as to enlarge social production, satisfy the demands of one self, transform the quality of one self, and create a new born self under a new foundation. This kind of cycle makes demands diversify, develop and upgrade continuously."*⁴⁸

This ever-upward dynamic is indeed a theory of continuously upgraded demands with Chinese characteristics. Implicit is the Confucian virtues of hard work, harmonious division of labour, cultivation of self and the realisation of higher needs as attainment of the ideal literati sage consumer with refined individual tastes.

Also inherent in this formulation is a Marxist teleology. Zhong strengthens his arguments with brief, strategic quotations from Marx: *"As people need to survive and develop, they actively make use of their productivity to raise production, to create a large amount of material and spiritual wealth; and finally create a new self with a higher level of desire and stronger needs. Just as Marx said, 'consumption creates new production needs which form an inner motivation in the concept of production' to stimulate people to speed up economic growth."*⁴⁹

This toxic brew combines Marx, Confucius and the capitalist mantra that the customer is always right. No longer is the state overtly the driver of the economy, now it is the consumer, thus collapsing any distinction between socialism and capitalism, in Zhong's best of all

48 Zhong, *The Economic Theory of Developing Countries' Rise*, 8-9

49 Zhong, *The Economic Theory of Developing Countries' Rise*, 5

worlds: *“The needs and demands of enterprises, organisations and the government are originated from individuals’ needs and demands. As a result, to satisfy people’s needs of survival and development of a nation actually means to satisfy individuals in a society. This is the aim of production in socialism as well as a belief in a capitalist market economy – ‘the customer is God.’”*⁵⁰

This melange neatly assigns the command economy of the Maoist decades, when the state was explicitly the owner of all assets, planner and driver of all production, allocating and distributing investment capital according to its own political priorities, into a history of past failures. Mao’s failure was a failure to respond to, fulfil, and further stimulate consumer demand. Zhong’s version of the revolutionary years reads uncannily like a description of China’s current approach to Tibet: *“A common mistake was found among China and other socialist countries – to politicise the economy, and unilaterally pursue high growth speed, and ignore people’s livelihood (needs) for a blind economic take-off. Driven by this kind of goal, the government only sought for speedy economic growth while gradually isolating itself from the living needs of individuals and the survival needs of enterprises. Due to unilateral pursuit of high speed without giving consideration to economic efficiency, a great deal of waste occurred. Consequently, there was a high economic growth but slow development.”*⁵¹ That is exactly what today’s economists, such as Jin Wei, professor of the Party School in Beijing, and Andrew Fischer, of Erasmus University, say is the outcome of China’s ongoing command and control policies in Tibet. More on that later.

This neat dualism, of the bad old days of the dirigiste command economy versus the enlightened era of the consumer, denies any achievements of the planned economy, and attributes China’s accumulation of wealth entirely to China’s 1980s capitalist turn. It also ignores the extent to which China’s growth since the 1980s has been driven by statist investment in capital-intensive infrastructure construction, often financed by borrowing from the future. Far from being a consumer-led economy, China’s economy remains driven by the developmentalist state and its productivist ideology.

50 Zhong, *The Economic Theory of Developing Countries’ Rise*, 6

51 Zhong, *The Economic Theory of Developing Countries’ Rise*, 7

By proposing human need (undifferentiated from human desire) as the driver of endlessly accelerating growth, Zhong achieves several timely shifts at once. He naturalises China's fast pace of growth as both natural and inevitable, the triumphant outcome of a process he traces back through all of human history and prehistory. He masks the ongoing dominance of the state in China by positioning it as the responder to human need, rather than a force with its own need to own the means of production and distribution, to legitimate its hegemony. He makes the consumer king, the righteous driver of all that is good and pleasurable. And he manages to fit Marx into this endless progress towards the paradise of endless consumption, with the utopian promise that *"the highest level of communism can be realized."*⁵² The newly rich arriviste Chinese boss need not consider himself a crass *tuhao*; he is the culmination of the force of history, the driver of the fulfilment of the highest of human needs. It is little wonder Zhong's textbook is hailed as *"a masterpiece in economic growth theories with Chinese characteristics, highly valued by the policy-makers in local governments and the central government of China."*⁵³

Zhong conceals the ongoing centrality today of a powerful central party-state, but sometimes the mask slips, and Zhong reveals a default setting, so typical of adding "Chinese characteristics", that is a reminder of the ongoing centrality of central power. In his model, the state emerges as the natural, inevitable response to human needs. *"History of social economic development has demonstrated that human need created different economic departments for development. Examples are: as people need to solve the problem of food, survival and physical health, departments of farming and catering will then appear; as people want to solve the problem of housing, departments of construction are established; as people want to live a full life with a variety of entertainment for enjoyment and art appreciation, art and cultural departments are created, etc."*⁵⁴

52 Yangsheng Zhong, 是什么意思, *The Economic Theory of Developing Countries' Rise: Explaining the Myth of Rapid Economic Growth in China*, translated by Xiaohui Wang and Guangmin He, University Press of America, 2010, 241

53 Zhong, *The Economic Theory of Developing Countries' Rise*, vii

54 Zhong, *The Economic Theory of Developing Countries' Rise*, 8

The idea of community organising itself, of civil society mobilising to meet felt needs, is absent. There are individuals and their ever expanding palette of needs, and there is the state that naturally arises to satisfy their needs. Thus does this supposed Marxist ignore society.

This fortunate man has lived through the most fortunate of times, the decades of primitive accumulation, to use Marx's term for those decades of accelerating inequality which would have horrified him. Those decades, the last of the past century and the first decade of this, are now past, China has entered a more constrained era and it is no longer so easy to proclaim China's economic development path to be the acme of human history, the exemplary rise, and model for all developing societies.

Zhong does all of this. His historicism points forward to limitless consumption as the realisation of the highest level of communism. His historicism, pointing backwards, locates the engine of progress in two key factors, the invention of new human wants, and the division of labour. Prehistoric people had few wants, and no new ones, so their economic growth was almost zero. *"The developmental history of human society has shown that the speeding-up of economic growth in a society is greatly attributed to growing human need – within the 10,000 years from New Stone Age to the beginning of B.C., human production had been doubled; and within the 90 years from 1900 to 1990, the increase was more than 2 times. A French sociologist predicted that the wealth created within a 3-year period of today's production was almost equal to the wealth created in the 30 years at the beginning of the 20th century; the wealth in the 300 years prior to Newton Age, and the wealth in the 3000 years of Old Stone Age."*⁵⁵

Speed, intensive resource exploitation, and volume of manufactured output are the yardsticks of this triumph of modern development, but all require new needs. Only when new needs emerge is it possible to enter this new dynamic of acceleration, *"to conquer the nature, and to transform nature to satisfy one's needs... processes of continually utilising and developing the function of production, enlarging production and re-production, and unceasingly increasing social material products,*

55 Zhong, *The Economic Theory of Developing Countries' Rise*, 2

*spiritual products and service products.*⁵⁶

Where does Tibet fit into this ideology of growth? This is not hard to discern. Zhong's entire system is driven by desire. *"If there are no needs to be satisfied in a society, nobody will spend the effort on technological development and application. Even though there is social production, no consumption will be created in a nation if there is not any need to be fulfilled."*⁵⁷ Tibetans have failed to even enter history, enter the exchange economy and the ever accelerating proliferation of production, because, as so many Chinese economists have complained, they need little, and can get by quite happily without even cooking oil or soy sauce.

Tibetans are well aware that Han Chinese regard them as backward, smelly, indolent, poor and remote. But the failure of the Tibetans is worse than that: it is a failure to be dissatisfied with what is; a failure to invent new desires, wants and needs; a failure to recognise stagnation, and remedy it; a failure to create a consumer exchange economy. Zhong provides us with a diagram showing the two different modes of production, processes A and B. Primitive folk are content to live in a world of process A, in which their needs lead them to produce what suffices, and that is enough. Process B, *"in which people recognise and transform nature and society"* is driven by Consciousness, Thought, Observation, Theoretical Attitude, Intelligence and Will; resulting in Acquisition, Productivity and Production Growth, all of which stimulate Demand from the pre-existing categories of Individual, Enterprise, Community and Government.⁵⁸

This splendid vision of unending progress, with China in the vanguard and Tibet fast catching up, seems to have hit its use-by date. In 2016 China, there is no longer such confident certainty that growth is natural and inevitable, ever accumulating, without setbacks, cyclical recessions or crashes. China's leaders now call for a "new normal", a less ambitious expectation that acknowledges limits, scarcity and the necessity for the state to ease away from its dominance of the economy. The state is no longer the sole author of growth, and is

56 Zhong, *The Economic Theory of Developing Countries' Rise*, 4-5

57 Zhong, *The Economic Theory of Developing Countries' Rise*, 3

58 Zhong, *The Economic Theory of Developing Countries' Rise*, 4

constrained in the choices available to it, no matter how much it hopes to fulfil “the China Dream.”

Zhong’s entire edifice is a fantasy of consumer demand driving an economy expanding in response to the inflation of desire. If it were that simple, everyone on earth would live like a king, because it is human to desire more and more, and for desire to grow, not diminish, as people get richer. Zhong’s model of how China and Tibet can, will and must develop together on a pre-ordained trajectory, is an economic ideology for a gilded age that is already passing. Even at the height of Zhong’s ascendancy, at the apotheosis of the Beijing consensus, Zhong’s eternal optimism was outdated. One need think only of the unheeded warnings of the ineffectual Premier Wen Jiabao back in 2007, who bluntly warned that the China model was unstable, unbalanced, uncoordinated and ultimately unsustainable.⁵⁹ He was acutely aware of the contradictions and strains Zhong ignores, but he was powerless, in the face of entrenched vested interests, to do anything.

Tibetans have their own perspective, based on classic Tibetan economic thinking, on this ideology of ever-accelerating growth, leading to the best of all possible worlds. Tibetans distinguish carefully between needs and desires. Needs are basic, and that includes not only the survival needs at the base of the needs pyramid invented by the American psychologist Maslow, and mentioned 36 times in Zhong’s book. The higher needs, for authenticity and self-actualisation, are given high priority in Tibetan thinking, with much economic activity directed to their realisation, not only by individuals but by collectives, for the general welfare of society, even of all sentient beings.

To Tibetans, needs are finite; desire and craving are infinite, insatiable, and their temporary fulfilment leads only to more desire. The rich man must anxiously protect his wealth, and grow it, if only to keep pace with inflation. The very rich worry day and night about risks the poor never have to worry about, as the lamas frequently remind Tibetans. Shabkar, a revered 19th century teacher, puts it this way:

59 http://news.xinhuanet.com/english/2007-03/16/content_5856569.htm

“There is no saying which comes first,

Tomorrow, or the next life:

*Rather than making plans for tomorrow,
Work for your future lives.*

When death comes you won't gain much from the achievements of this life—the houses you've built, the wealth you've accumulated, your acquaintances, children, spouse, servants, or possessions: only the Dharma can help you.

You will have no power to take wealth,

Food and possessions with you:

Despite yourself, you will go,

Like a hair plucked out of butter.”⁶⁰

This is a passage typical of Shabkar, and typical of all Tibetan Buddhist teachers, who extol the virtues of renunciation and generosity as the keys to a better next life. It would not be hard to find a thousand such admonitions, from any century of Buddhist practice in Tibet, including the present.

Such sayings frame Tibetan expectations of the purpose of life, and of wealth creation. The lamas always urge generosity in this life as the primary cause for material comfort in coming lives. Such urgings are not taken as merely exemplary saintliness, hardly to be expected of ordinary folk. Wealth was often given away, to the charismatic lamas, in preparation for the next life and beyond. Shabkar himself sometimes goes on at length itemising in detail exactly how much gold and other precious things he was offered, and to what dharma purposes he used the offerings. Wealth accumulation has seldom, in Tibet, been the self-fuelling accumulation of retained profits, ploughing surplus back into an enterprise that takes on a life of its own, becoming a corporate person.

⁶⁰ The Life of Shabkar: The autobiography of a Tibetan Yogi, translated by Mathieu Ricard, SUNY Press, 1994, 324-5

This is the despair of the economists, for whom surplus automatically leads to accumulation, and accumulation to serious wealth creation. Zhong stands in a long line of Chinese economists despairing that Tibetans need so little, and desire even less the ephemeral comforts and pleasures of material consumption.⁶¹ Yet Zhong, who is keen on Maslow's hierarchy of needs, and on the fulfilment of higher needs, beyond the survival needs of food, shelter, clothing and sleep, gets into a muddle as he reaches for the highest needs as an engine of endless growth. To Tibetans, the higher needs are for transformation of the self, actualising authenticity by transcending the habitual binds of ego, me and mine, privileging subjective self over objective other, and that is also what Maslow was pointing to.

Zhong, however, consistent with his emphasis on consumption and consumables, redefines the higher needs, and their satisfaction, as hi-tech, entertainment, tourism and the online economy, plus vague references to *"all-around development of individuals"*. In Zhong's ladder of economic progress, the modern economy is the third stage. A fourth stage awaits, in which: *"people will not only possess great material wealth and good eco-economical conditions but also create and possess*

61 Wang Xiaoqiang, Bai Nanfeng, 1986, *Prosperous Poverty*, Sichuan: Sichuan People's Press. English translation: *Poverty of Plenty*, Macmillan, 1992

Wu Yuncen, 2001, "History, Current Situation and Countermeasures of Tibet Monastery Economy", *Journal of Tibet College of Nationalities*, 22(2), 42–49.

Bai Tao, 2004, *From Tradition to Modernity: Strategic Choice of Rural Tibet*, Lhasa: Tibet People's Publishing House.

Lurong Zhandui, 2002, *Study on Poverty and Anti-Poverty in Tibet*, Beijing: China Tibetology Publishing House.

Ran Guangrong, Li Tao, 2003, *Studies on Peculiarities of Tibetan Autonomous Region and Other Tibetan Regions in Western China Development*, Harbin: Heilongjiang People's Publishing House.

Sun Yong, 1999, *Tibet: Development and Reform in a Non-Typical Dual Structure*, Beijing: China Tibetology Publishing House.

Wang Luolin, Zhu Ling (Eds.), 2002, *Choice of Development Mode in Regions Lagging Behind: Case Studies from the Tibetan Plateau in Yunnan Province*, Beijing: Economic Management Publishing House.

unprecedented spiritual wealth and excellent spiritual conditions.”⁶²In Zhong’s usage, spiritual basically means cultural, with connotations of becoming a highly cultivated, cultured consumer, with individual tastes. It also strongly connotes high human quality, *suzhi* in Chinese, akin to human capital formation, which is the way economists talk of education. Spiritual does not mean the cultivation of inner depths or strengths, as it would to Tibetans.

Zhong attempts to define the qualities of this final, utopian stage of economic growth: “noble ideals, a lofty moral character, good education, comprehensive knowledge, extensive interpersonal relationships, sound personalities, a strong will, a perfect inner world of oneself, and practical and creative abilities.”⁶³ This is the acme of human development, a reversion to classic Confucian virtues, with no guidance as to how they are to be achieved.

In the Tibetan tradition the donation of material goods for Dharma purposes is not even the highest form of offering. There is a hierarchy of offerings, the most precious of which is to offer one’s entire being to the realisation of enlightenment. The ideal way of appreciating the depth of insight into the human condition, and nature of mind, provided by the Tibetan tradition, is to enact that insight as embodied truth of one’s whole life. The lowest form of offering is material wealth. The 20th century yogi Kunzang Dechen Lingpa Rinpoche spoke of three levels of fulfilling the instructions of the teacher. The first and highest level is to dedicate one’s life, at every moment, to actively implementing the spiritual practices the teacher has told you to do. Next level is to dedicate body, speech and mind to the teacher. The third level is to make material offerings to the teacher.⁶⁴ He made these points directly, prefaced by instructions on how to listen to the words of a teacher, and reiterating that his occasional presence in the US was to raise funds for the monks and nuns in remote areas of India who depend on him, and not for himself. “*I can find whatever I need wherever I am, without effort,*” he said, a not uncommon attitude of those who have been on isolated retreats in the mountains, in

62 Zhong, *The Economic Theory of Developing Countries’ Rise*, 245

63 Zhong, *The Economic Theory of Developing Countries’ Rise*, 245

64 Ah Ho ye: *Pointing out the nature of mind*, DVD of teaching by Kunzang Dechen Lingpa Rinpoche, Zangdokpalri Foundation, 2007

solitude, with no certainty as to where substance might come from. Only then did he say that it is important to serve the teacher in three ways: the superior way is through one's practice; the mediocre way of serving is to offer one's body, speech and mind; the inferior way of pleasing him is to offer whatever possessions you have. Clearly, material benefaction is the action of the inferior student unable to do more, or unwilling to abandon routine worldly pursuits.

This also repudiates the gift relationship of donor and recipient, which, as Emily Yeh reminds us, is almost never an unconditional gift offered without any expectation of reciprocity or reward. Yeh focuses on the frequency with which China invokes "the gift" as explanation of why so much centrally allocated capital expenditure in Tibet is directed at building houses for rural Tibetans. Invoking classic texts of anthropology, she tells us "*the idea of a pure gift is a contradiction*" and that "*the gift is always double-edged, containing elements of both present and poison, generosity and violence, sharing and debt.*"⁶⁵

The relationship with the teacher, in the Tibetan tradition, is not amenable to negotiation, or conditionality, or expectations of reciprocity. Since the teacher is a manifestation of the nature of reality, this is beyond contractual negotiation, explicit or implicit. Within the context of teacher-disciple relations, the gift is unconditional, explicitly to be made without any hope of reward.

This three fold hierarchy of gifts is an aspect of an economy, a circulation of aspirations, activities and practices of varying value, within the economy of inner transformation. The parallels with *homo economicus* of economic theory are striking. In both, it is the individual who is the irreducible agent and maker of one's future. The individual of economic theory rationally assesses all options and then acts in accordance with self-interest. While each person may define self-interest somewhat differently, the purpose is hedonic, the creation of the greatest satisfaction for the self, usually within a short time frame, although delayed gratification, when delay creates a bigger dividend, is also rational.

65 Emily Yeh, *Taming Tibet: Landscape Transformation and the Gift of Chinese Development*; Cornell UP, 2013, 233

For the inner one, the time frame is radically different. At a minimum, the time frame is at least two lifetimes: this life and the next, with the rest of this lifetime the prelude that determines the all-important rebirth. Adopting a framework of two successive lifetimes re-frames temporality, relegating instant gratification to unimportance, at best a momentary happiness bound to fade, always unreliable because it is so utterly dependent on external causes and conditions behaving exactly as desired.

The frame of considering this life and the next as a continuum greatly alters the purpose of life, and the value of wealth accumulation. Devoting one's energies to making money, to enjoy the best in life, is depicted as reliance on highly unreliable external sources of happiness, hardly worth bothering with beyond ensuring the necessities of existence are found. The decades remaining of this life, and the many decades of the coming life in no way negate accumulation of possessions, yet remind those drawn to the inward path that at the time of death, possessions are useless, and a lasting source of inner strength, that survives death and reincarnation is a better investment.

Thus the gap between traditional Tibetan and contemporary Chinese visions of the good life remains. It is certainly true that Tibetans today feel drawn to the comforts of modernity, but the ideals remain far apart.

How might that gap be bridged? How might China help add value to the existing traditional economy of Tibet, on the grassland production landscapes and farming valleys?

Given the realities of what the land of Tibet can and cannot produce, and the gap between Tibetan and Chinese understandings of the purpose of life, and economic activity, we can at last ask the key question: has the development of Tibet under China over the past six decades followed natural, inevitable laws of development? Or is the current economy of Tibet, especially Tibet Autonomous Region a highly artificial creation of a developmentalist state bent on imposing its political will, even if economically that results in distortion, dependence and disempowerment? That is to be examined in the next chapter.

Tibet is uniquely able to specialise in certain products. From the viewpoint of conventional development economics, this is where linkages between traditional and modern economies are built, where comparative advantage is utilised, where indigenous surpluses of unprocessed raw commodities are processed, manufactured, taken upmarket, generating greater income for the land users. This is development economics 101.

What is striking about China's *White Papers* on Tibetan development, and Zhong's theory of economic stages, ladders and historic laws, is that development economics 101 is entirely absent. Far from following the universally known "laws of development", there is an almost total absence of the traditional economy of pastoral livestock production and crop farming, as the ground of economic growth, the foundation for economic take-off, the necessary starting point for development. That striking absence is the subject of the next chapter.

Outcomes of China's Development Strategy in Tibet, As Experienced by Tibetans

Gabriel Lafitte

The previous chapter tracked the dominant ideology of development that China has embraced, as suitable, even necessary and inevitable, for all of China, including Tibet. Now that maximal economic growth is no longer possible, the model is questionable. Since the social contract between the ruling party and the people has long rested on social quiescence in return for rapid wealth accumulation, there is increasing concern that, as growth slows and is harder to maintain, regime legitimacy will erode.

There is increasing sociological evidence, based on surveys of popular attitudes that the Chinese masses have, until now, accepted extremes of inequality, in the confident expectation that wealth will eventually trickle down; but that they are more unhappy about their disempowerment by the ruling elite who insist, in 2016 more than ever, on monopolising all power.

In China, there are thinkers who argue that this incipient political crisis is already a pervasive moral crisis. Jiwei Ci argues that: *“First, the collapse of collective endeavours and the rise of individualism, especially in the economic realm, makes it difficult if not impossible for most Chinese to identify with collective successes. Second, leaders are seen as corrupt, which causes their attempts at organizing collective endeavours look self-interested, making it even more difficult for people to identify with collective successes. Even those who appear to be exemplars (for their self-sacrifice to the leadership and collective cause) are suspected of corruption. Thus, emulation can only lead to more corruption. Third, the antiliberalism of the Chinese Communist Party prevents the articulation of a discourse of freedom and limits the fostering of moral agency through freedom in the wider society. In short, a leader-centered morality has lost its foundation and yet an alternative, superego-centered morality is not there to take its place. Morally, we are between two worlds, one dysfunctional, the other yet to be (allowed to be) created. Compounding all this even further, in China and elsewhere, is the extreme economic inequality*

*that Ci sees as undermining the capacity for individual moral agency among the disadvantaged.*⁶⁶

The moral crisis may not yet be a political crisis, yet that is the scenario the party-state most fears, to which it responds by arguing for acceptance of “the new normal” of slower growth, and by relentlessly suppressing dissident voices. Surveys of popular attitudes, conducted by sociologists, suggest that discontent with the extremes of wealth and poverty, is not yet a source of deep discontent.⁶⁷ Deng Xiaoping’s promise, over 30 years ago, that to let a favoured few get rich first is to enable all to eventually get rich, still holds, but for how much longer?

Now that inequality is as extreme as anywhere on earth, as bad as in South Africa or Brazil, and prospects for joining the wealthy are constrained by an inheritance of public and corporate debt, reduced growth rates, mass layoffs of surplus workers, and monopolisation of opportunities by the elite, the dormant volcano may become active. That is the present danger, as the central leaders see it.

Against this background, development of Tibet usually seems, from Beijing to be incidental, a chronic problem that is never resolved, even a wicked problem, but still a second order problem requiring little more than redoubled efforts to implement long-standing policy. That policy, as is well-known, relies on two thrusts: a strong emphasis on stability, locking Tibetan districts and lives into strict grid management under constant surveillance, heavily reliant on electronic monitoring and a human intelligence network of informers. The second arm of official strategy is development, as fast as possible. Officially, the Tibetan economy has succeeded in growing at a remarkable rate, justifying the use of Maoist revolutionary era metaphors, such as “leap-style development.”

Whether active repression, restricting labour mobility, is compatible with leap-style economic growth, is a question to be taken up later.

66 Andrew B. Kipnis *Modernity and the Chinese Moral Crisis*, review of *Moral China in the Age of Reform*, by Jiwei Ci. New York: Cambridge University Press, 2014, *China Journal* #75, Jan 2016

67 Martin King Whyte. “China’s Dormant and Active Social Volcanoes.” *The China Journal* 2016; 75(0), 9-37.

Stability and development may both be the highest goals for Tibet, yet contradict each other.

What is of immediate concern is to analyse the outcome of decades of applying the fast growth model to Tibet, and to depict the results. The previous chapter emphasised the application to Tibet of the model of fast accumulation that was declared suitable, necessary, inevitable and in accord with “laws” of development, throughout China, but without the foundational driver of infinite desire for greater consumption. At what point will frustrated Chinese, urban and rural, decide that extreme inequality and entrenched barriers to entry into wealth creation are a serious problem? Xie Yu, director of the Institute of Social Science Survey of Peking University, says the Gini coefficient, the standard measure of inequality hit .73 in 2014, the most extreme in the world. But, he suggests, this is not yet a popular grievance: *“China’s inequality is manifested more through a collective form as a group compared with another group rather than individuals against individuals. That means the hard feelings about inequality are softened by the sense of belonging to a group. The second reason is ideological. Despite the strong moral appeal of equality in China, the country’s traditional culture is relatively tolerant of inequality. But I think that most people tolerate inequality only when they can advance to a higher class of social status through their own efforts. Third, some Chinese people believe that economic development itself may lead to inequality. We want to develop and improve people’s lives, and it is difficult to avoid inequality in the process. Thus some of the people dissatisfied by inequality grudgingly accept it. These three factors mean that the problem of inequality in contemporary China is unlikely to lead to social instability.”*⁶⁸

Popular Chinese dissatisfaction with extremes of inequality is not of concern to Tibetans, but such extremes in Tibet are glaring. The acute inequality of urban Han Chinese, compared to rural Tibetans, has been exhaustively documented for over a decade by the economist Andrew Fischer, some of whose work has been translated and circulated in China. Fischer shows, at length, that the seeming prosperity of Tibet, especially of Tibet Autonomous Region (TAR) is restricted to the urban enclaves, while the surrounding rural hinterland

68 Zhou Dongxu, ‘Top One Percent Has One Third of China’s Wealth, Research Shows’, Caixin, 4 August 2014

remains poor, under-invested, often experiencing land degradation, with few linkages to either the urban economy or the wider Chinese economy. In a series of articles and books, Fischer has analysed the available statistics, in depth, finding that state employees while sojourning in Lhasa or other urban centres, are paid salaries higher than in Beijing or Shanghai, with several incentives to ensure they fulfil employment contracts in such “hardship” postings.

China says Tibet is growing fast, and that thus fast growth is the natural result of having entered history, following the laws of development. Fischer takes the same statistics that form the basis of this claim, and shows a highly artificial economy that pays no heed to basic economic concepts such as comparative advantage, factor endowments, fiscal revenue earning capacities, linkages, markets, or industrialisation. This is an extraordinary picture: it is hard to think of a similar circumstance anywhere.

China concludes, from the statistics published annually in provincial Statistical Yearbooks⁶⁹, that GDP in TAR is growing fast, thus GDP per capita is also growing fast. Fischer disaggregates this headline growth rate, showing the concentration of wealth in the urban enclaves, and the poverty elsewhere. Far from an exemplary implementation of “*the natural result of the overall development and progress of China as a whole,*” the TAR economy is anomalous in its dependence on endless subsidies from Beijing, a dependence so total, and expanding, as to generate only disempowerment of Tibetans, as an alien urban economy is landed on them from above.

China, in its many White Papers on Tibet says: “*the development and progress of Tibet mirrors the victory of human society’s enterprising spirit and creativity in the quest for justice and happiness, and has proved the inevitability of history.*” Fischer however demonstrates in great detail that there is nothing inevitable, still less a result of human creativity and enterprise, in an economy directed by a central state exercising its allocative power to distribute wealth to immigrant Han Chinese stationed temporarily in Lhasa and other Tibetan towns. The developmentalist state focuses its investments on the infrastructure essen-

69 Available online to subscribers to the CNKI database: <http://oversea.cnki.net/kns55/default.aspx>

tial to creating urban enclaves, the transport networks that supply them, the hydro dams that supply electricity and the mines that one day might generate a return on capital invested by the state-owned corporations instructed to build them with cheap finance from state-owned policy banks under instruction to lend, whether such projects are commercially viable or not. All of this is far from any recognisable market economy, or the inevitability of history.

Fischer points out the failure in TAR, despite massive capital expenditure, of industry. The secondary sector is conspicuously absent, with only a cement factory and a boot factory near Lhasa, which sits in the food bowl of central Tibet. The primary sector languishes and withers due to neglect, with little attempt to utilise Tibet's comparative advantage in dairy and livestock products, to add value and link them to Chinese markets, even though there is in urban lowland China great demand for what Tibet does best. This will be explored further below.

Given the neglect of primary industry, the failure to create secondary industry, the economy of TAR is dominated by tertiary industry, as Fischer describes at length. This is far from inevitable, far from Tibet following "*the innate logic of its social and historical environment*", to again cite official White Papers. Normally, an economy dominated by the services sector is a mature, consumer-driven wealthy economy in which most employment, and thus most income and wealth generation comes from services, such as banking, retail, wealth management, entertainment, sports, tourism, leisure, media consumption, education and health spending. This shift to the dominance of the services sector is currently a high priority goal for China's planners, a prime strategy for the "new normal" era of lower growth, to stimulate consumer demand, reduce dependence on exports from the world's factory, and create an engine of growth to replace the diminishing capacity for dirigiste command and control to allocate capital to regions and projects, for political ends. Across China, the hope is to reduce dependence on secondary industry, and grow the tertiary sector. So how is it possible that TAR is way ahead, comparable in fact only to Beijing and Shanghai? Fischer focuses on this anomaly and concludes that this is the outcome of an artificial economy imposed from above, for political purposes. This is not exemplary

fulfilment of “*the generic laws for the development of human society*”, to again quote China’s White Papers. TAR today is a statist construct of the developmentalist state, a relic of the command economy, a directive from Beijing.

For Tibetans, except a few in urban employment by units of state power, the result is disempowerment, not only because the investment decisions of the centre are made centrally, without Tibetan input, but because the beneficiaries are overwhelmingly the Han Chinese sojourners who are drawn to Tibet to make a quick fortune, remit back to home provinces their earnings, then leave. This is a boomerang economy, in which the state exercises its extractive power to tax and raise revenues, that are allocated to infrastructure construction projects in Tibet- typically the building of hydro dams, railways, highways, pipelines and power pylons- and the earnings are then transferred back to Sichuan and other lowland provinces by Han employed to do the infrastructure construction work. On all construction sites, the language is Chinese, employment is available only to those able to speak, read and write Chinese, thus excluding all but a few Tibetans who get casual work as unskilled labourers. The capital expended in Tibet does not stay in Tibet, but is repatriated. Likewise, the materials required for infrastructure construction are imported from lowland China, with the only Tibetan inputs being locally quarried gravel.

China wants the world to believe that: “*observed from the macro perspective of human history, Tibet has leapt from a feudal serfdom society into one with a modern civilization within a matter of only a few decades, creating an outstanding example of regional modernization.*” Yet regional modernisation is almost always built on making full use of comparative advantage, by linking what the region is good at, to the wider market of the wealthy lowlands. This is precisely what has not been followed. Tibet’s inbuilt, long-established advantage in dairy and livestock products remains unconnected, under-invested, unprocessed, and in many areas being actively excluded, with production landscapes allocated instead to vague notions of “growing more grass.”

Regional modernisation has been achieved in the sense of fast trans-

port connections to the lowland provinces, by all-weather highways, railways and by air. The cost of a rail ticket is heavily subsidised, bringing down the price air travel, to compete. The extension of high-speed rail throughout lowland China will soon mean one can get from Beijing or Shanghai to Lhasa in heated, pressurised comfort, in as little as 30 hours.

But nothing comes out of Tibet, by train, truck or air, other than Han tourists and sojourning Han employees returning home. The TAR annual Statistical Yearbooks list the main products sent out of Tibet as 130,000 tons of chromite ore, a year, a small fraction of China's consumption; canned beer, mineral water, "Traditional Chinese Medicine", knitting wool and carpets. The full list of what is made in Tibet also includes hydroelectricity, flour, cement, edible vegetable oil and garments, all of which are consumed within Tibet, which currently imports electricity from afar. That comprises the full official list of industrial production in TAR, and the quantities are minimal. The latest yearbook, for 2014, records production of 173,000 tons of beer, 96,000 tons of mineral water, 40,000 sq meters of carpet, 6 tons of knitting wool, and 2100 tons of "Traditional Chinese Medicine". This is hardly an outstanding example of regional modernisation.

Tibet's Traditional Economy: Comparative Advantage, Value Adding and Linkages

Gabriel Lafitte

When China's party-state arrived in Tibet in the 1950s and for the first time sought to assert power over the economy, something never before attempted, a productive economy already existed.

The traditional Tibetan economy was based on extensive land use, so extensive that all vegetated areas, whether forested or grassland, were actively used, managed, curated and sustained by a distinctive management strategy adapted to the unique circumstances of a plateau that is effectively a vast island in the sky. Extensive land use extended all across the entire Tibetan Plateau wherever there was begatatiuon, even into the alone desert of the huge empty plain of the Chang Tang which in the brief summer grows just enough herbage for the seasonal grazing of domestic animals, as well as great herds of migratory gazelles and antelopes, coming to give birth to their next generation.

In a land surrounded by mountains there is bare rock, snow and glaciers above the treeline and vegetation line, where no land use is possible, other than providing retreats for spiritual adepts in training, of whom Tibet has plenty. At the low points of this vast plateau are the many lakes, some fresh water, some saline, most teeming with fish, which Tibetans refrain from catching And consuming. But in between the lakes below and the mountain slopes above is a plateau the size of Western Europe, all of which was in production.

Although Tibet is at a high altitude, it is no further from the Equator than Cairo or Johannesburg, and warms quickly in spring and summer, encouraging a flush of fresh growth of the hardy grasses and sedges, medicinal herbs and wildflowers of the alpine meadows. Because the plateau is in the mid-latitudes the tree line is remarkably high. As a result the entire plateau, between the lakes, home of goddesses, and the mountains, home of gods, was in use as production landscape.

These basic facts, all utterly unlike lowland China, have shaped not

only land use, but the entire Tibetan civilisation based on making productive but sustainable use of whatever nature and the seasonal cycle provide. The predominantly pastoral economy understood the key to sustainability is mobility, always moving the herds of grazing animals on to the next pasture, before the grasses were grazed too heavily, compromising their capacity for seasonal rebound. This was common knowledge, handed on from generation to generation by experienced pasture land managers, gathered in their tent circle encampments (rukor in Tibetan) to collectively make decisions, such as when to make the next move.

None of this was understood by China when it sought, for the first time, to actively govern the grasslands, and make the presence of the party-state decisively felt. Judging by recent official statements, such as the *White Papers* China has recently published on Tibet, China today still persists in seeing everything about old Tibet negatively, including the economy: “*At the time of the peaceful liberation in 1951, there was almost no trace of modern industry, commerce, science and technology, education, culture, or health care. With no roads in the modern sense, Tibet was cut off from the outside world. Primitive farming had long been used in agricultural production, and farm tools were rudimentary. Herdsmen had to travel from place to place to find pasture for their livestock. There were few strains and breeds of grains and animals, and some had even degenerated. The level of both the productive forces and social development was thus extremely low.*”

This is overwhelmingly a discourse of lack, absence, failure, poverty, inefficiency and backwardness. The primary strategy of pastoral mobility is understood negatively as “*Herdsmen had to travel from place to place to find pasture for their livestock.*” In China’s tradition of intensive peasant agriculture, on small plots of arable land, surrounded by less productive drylands where fodder can be gathered, it is the foundational characteristic of the barbarian to travel, like an animal, with his animals, in search of grass; and it is the foundational characteristic of the civilised man to pen his animals, go up into the dryland hills, cut fodder and bring it to the animals. This has been the definitional difference between the barbarian and the civilised, in classic Chinese thinking, for thousands of years, and remains an unquestioned assumption.

The circumstances of Tibet, even in times when tractors, trucks, fossil fuels and other technologies make forage and fodder collection easier (if more environmentally costly), remain uncondusive to this peasant farmer strategy of keeping livestock penned and fed with imported food. The climate is too unpredictable, too prone to sudden snowstorms even in summer, too generally arid, and with summer rains the only season of adequate rainfall. The growing season is too short, and the Tibetan farmers growing barley and other crops do not generate sufficient byproducts to sustain yaks, sheep and goats year-round in pens. These are basic facts, self-evident to all Tibetans that China has yet to understand as the basis for the strategy of extensive, mobile land use. China can see that only as primitive, an existence that is animal-like, wandering across the landscape with animals in search of grass, at the mercy of nature and the elements.

Similarly, China was unable to notice the enormous effort made by Tibetan pastoral nomads, over thousands of years of sustainable and productive land use, to breed strains of domestic animals best suited to extensive land use, in circumstances where extensive scatter across a huge area always means labour is short, unlike peasant China. Chronic labour shortages, especially in the highly productive but short summer months, meant pastoralists bred yaks for specific traits, notably a docile temperament, and a manageable size. Wild yaks (*drong* in Tibetan) are much bigger, and more aggressive, and much disliked by pastoralists, lest they mate with *dzo*, the female yak, and undo generations of breeding. Yet China says: “*There were few strains and breeds of grains and animals, and some had even degenerated.*” This rhetoric of failure, stagnation and degeneration uncannily echoes China’s use, especially in the Maoist decades, of similar metaphors to define the human population of Tibet as backward, stagnant, of low quality, and in decline, until modern China arrived.

These are misunderstandings of the most basic kind, so inherent in Chinese thinking that almost no-one questions the inherent assumptions that are heavily skewed towards intensive cultivation of arable land, seeing rangelands as waste lands. Over sixty years of party-state interventions on the rangelands have not shifted those negative assumptions.

If China found itself in command in Tibet in the 1950s, with, for the first time, a determination to actively govern Tibetan lands and lives, it could recognise nothing to build on, nor had it any political will to develop the indigenous economy. China had every reason to focus its economic interventions on creating the right conditions for an influx of politically reliable Han Chinese settlers. This had been the “China model” of expansion for over one thousand years, as China expanded both south and then west, over many centuries. The long-established strategy, practiced by successive dynasties, was that once a territory was conquered, the garrisons of occupying soldiers stationed to consolidate imperial control were fed by poor, usually landless peasants who established intensive agriculture, protected by the soldiers, who were also a ready local market for the crops and animal products of the settler farmers. Economically, this generated a functioning circle of supply and demand, encouraging other settlers to come, or often, be coerced into moving into new lands under imperial control. This strategy succeeded again and again, most recently in the 19th and 20th centuries as China expanded into Inner Mongolia, Xinjiang and Qinghai; just as it had in earlier centuries into Yunnan, Guizhou and Guangxi, and so on. This has been such a successful strategy for the control and assimilation of conquered lands contiguous with China’s heartlands, that it is well described in many books.

The only territory where this strategy has not worked is Tibet. Initially, China was confident that it could fulfil Mao’s vision, looking at a map, noting that in Tibet the land is vast and the people are few, while throughout China the reverse was true, with a huge population and limited arable land. From a distance, it seemed obvious that Tibet could produce more, sustain a bigger population, and that China had accumulated long experience in how to send and support settlers moving into new territories contiguous with established Han Chinese farming regions and their market towns. Wave after wave of Han Chinese settlers, from the late 19th century had moved into Inner Mongolia, ploughing the grasslands.

An official book published in 1959, *Concerning the Question of Tibet*, says: “the darkest, most backward and cruel serf system still exists in Tibet. The serf system consumes the blood and sweat of the Tibetan labouring people and impedes their economic and cultural development.

*Shackled by the serf system and exceedingly backward farming technique, the level of agricultural production in Tibet is extremely low, each person averaging only 150 catties (90 kgs) of grain a year. The serfs in Tibet, whether on farms or in grazing areas, are all leading miserable lives and, understandably, have no enthusiasm for increased production. Therefore, large tracts of land throughout Tibet are left uncultivated each year.*⁷⁰

It was equally self-evident, from a great distance, that Tibetans were not productive, that the land could be made to yield more, that nature had yet to be conquered and disciplined to serve human purposes more intensively. In China's revolutionary decades, the official ideology was that human will could overcome all obstacles, including natural ones, could literally remove mountains and make the deserts bloom. Even at a time when China lacked access to investment capital or technology, the ideology insisted that mobilised human will could be focused on any goal, and succeed. Perhaps the best known example is the call, in the late 1950s, to overtake British steel production within a few years. Not only did this fail, after mobilising the entire populace to construct backyard furnaces, the effort took the masses away from agriculture to such an extent that mass starvation followed, with at least 30 million people dying of famine. This is now very well documented.

When the Chinese Communist Party was in exile, in northwest China, on the Gansu border below the Tibetan Plateau in the early 1940s, Mao paid much attention to the need to improve pastoral productivity. Mao investigated animal husbandry in the border region, calculated the annual yield of wool from border region sheep, and argued that: "our task is to protect livestock and increase breeding." He was especially keen on increasing fodder supplies to help animals over winter, a sensible proposal in border areas where livestock are a sideline for peasant farmers used to sowing, ploughing, harvesting and storing grasses for the winter. Mao urged local governments to *"popularise the planting of grass for animal pasture. They should mobilise the peasants to cut large quantities of grass in the autumn and to store it up for winter use. create fields for pasture, cut autumn grass, plant willow trees, and dig up grass roots as means of providing fodder.... The*

⁷⁰ Concerning the Question of Tibet, Foreign Languages Press, 1959, 213-214

*duty of the government is to supply seeds and encourage planting.*⁷¹ Mao was especially keen on introducing fine wool *tanyang* rams to be mated with local ewes, *because "the wool of this sheep is extremely fine and soft, and each sheep can yield 2 jin (4 kgs) per year."* Mao concludes by returning to his productivist ideology: *"If we can conscientiously implement the above methods, there can be even greater expansion of livestock in the Border Region."* As we shall see, China attempted to apply all these prescription to Tibet, in a very different climate.

The question of whether the traditional economy of Tibet was indeed unproductive, inefficient and failing to exert mastery over nature, was bound up with the issue of how to officially classify the Tibetans, according to the Stalinist hierarchy of human social evolution. Revolutionary China inherited from Stalin a rigid classification system that assumed a fixed, linear progression, in one direction, of social evolution, from the most primitive society to the most advanced and civilised. By making revolution, people's China had broken through to a new stage, confidently expecting to become exemplary in its socialist, scientific, collectively organised focus on rapidly increasing production, especially heavy industrial production, to catch up and surpass the capitalist economies. Thus China had positioned itself at the top of the ladder of social evolution, even though the ultimate goal of communism was yet to be realised.

At the bottom of the ladder were the most primitive of societies, some of which had yet to achieve the stage of capitalism, let alone socialism. The most primitive economies were use economies, in contrast to the modern exchange economy. People made what they needed, and used for their subsistence, or bartered surpluses for what others nearby had to offer in return. Labour was not yet alienated from its products, because in primitive society there is no middle man, no bourgeois exploiter, capitalist, renter or aristocrat profiting from paying the worker as little as possible, thus accumulating wealth by appropriating the products of the producer. In fact, the most primitive of societies could be considered to be primitive communism, a great sharing among equals. Despite the rigidity of the ladder, there was also a circularity, in that the starting point in social evolution was

⁷¹ Mao Zedong and the Political Economy of the Border Region, tr. Andrew Watson, Cambridge University Press, 1980, 102-104

a form of communism, and its acme was also communism, this time on a large scale, emphasising modern industry.

In the official program of classifying all the minority nationalities, conducted by Han ethnologists in the mid 1950s, there was an inclination to see Tibet as a use economy, perhaps even as a form of primitive communism of the steppes, in a land of no cities, only a few towns, in which the diet of rich and poor was not markedly different. The pastoralists could be seen as egalitarian, sharing the same repetitive tasks, subsisting together on a common diet of meat, butter, tea and barley flour, with little else.

But other choices were available, other positions on the ladder. Between the primitive communism at the bottom and the ultimate modern communism at the top, were the feudal societies of aristocrats exploiting the serfs, and bourgeois capitalism. Tibet was assigned to the feudal category, a decision in which Tibetans had no say, as there were no communist Tibetans. The feudal exploiters were thence the class enemy, to be liquidated by class warfare, in which the toiling masses rise up to denounce their exploiters, speaking bitterness and demanding the aristocrats begone. The fate of Tibet was sealed. The political consequences of this, including compulsory class war, are well documented. What is less well-known is the economic impact of the rapid liquidation of the educated class, and the rapid collectivisation of the rest of the Tibetan population into production brigades and communes, which had the explicit purpose of intensifying production.

Since the existing economy appeared, in Han Chinese eyes, to be no more than nomads wandering a vast landscape with their animals, leading an animal-like existence, there was no perception that pastoralists were skilled, still less of the innumerable plateaus of Tibet as carefully managed production landscapes. Pastoral producers were classified as herdsmen, a lumpen unskilled category suggestive of a class of rural labourers who could be sent anywhere, with little or no knowledge of specific lands, management systems etc. The “feudal” class of big landowners, lay and monastic, was swiftly killed, and the herders themselves herded onto communes, to obey the orders of Han and Tibetan cadres who had greater power over life and death,

Tibetans now say, than any medieval lord.

13th Five-Year Plan: China's New National Parks in Tibet

Gabriel Lafitte

Tibetan proverbs warn of the seductive power of words and concepts to turn black into white:

Water has no paws,

But still it runs straight through the valley.

Words have no arrow point,

But still they cut the human mind to pieces.

“China is considering establishing a national park in the Sanjiangyuan (Sources of Three Rivers) Area to protect the headwaters of the Yangtze, Yellow and Lancang (Mekong) rivers. A meeting of the Central Leading Group for Reform at the end of 2015 decided to upgrade the Sanjiangyuan Nature Reserve, established in 2000 in northwest China’s Qinghai Province, into a national park managed by the central government.

“The Sanjiangyuan National Park will cover 123,100 square kilometers. The Yangtze River area of the park alone will span 90,300 square kilometers including 15 villages and more than 20,000 people. Local people will remain in the park, following their traditional way of life, said Lyu Yuan, a spokesman for Yushu city’s environment protection office. The park will also be rich in wildlife, including some endangered species such as Tibetan antelope and snow leopard. The park is mostly a mechanism of zoning and management. There will not be much visible barriers other than a few signs to separate the buffer zones and core conservation areas.

“President Xi Jinping spoke about the park to lawmakers from Qinghai on Thursday. The government plans to hire at least one member of each family as salaried ranger. Some tourism and educational projects will be allowed on the edges of the park. The buffer zone allows only approved scientific research. The core area strictly bans any activities, Lyu said.

About 1,000 herders will be hired as rangers, a key measure to improve the environment in the new parks. Each ranger will be paid 1,800 yuan a month to watch out for miners, polluters and hunters; monitor wildlife and take care of injured animals, said Zheng Guiyun, a spokeswoman with the provincial wetland office.”

Source: China plans national park to protect headwaters, Xinhua 2016-March-11 http://news.xinhuanet.com/english/2016-03/11/c_135180000.htm

Why National Parks in Tibet?

Why in 2016 did China decide, for the first time, to establish national parks and choose a remote part of Tibet as the location?

China has many nature reserves, officially designated as (*Guójiājí Fēngjǐng Míngshèngqū*, 国家级风景名胜区) meaning nature reserve or more literally national scenic area, but until 2016 no national parks (*Guójiā Gōngyuán* 国家公园). Most of China's area of nature reserves is on the Tibetan Plateau. The distinction between these categories is significant: a national park not only has a higher status but greater protection and greater investment in staff and programs to protect the natural values for which the area is known. Why is China now committed to upgrading many of its nature reserves into national parks, and why the focus on Tibet?

During the many centuries in which Tibet was to lowland China a far and foreign land, the source of China's great rivers remained a welcome mystery, shrouded in mythology linking them to the heavens. Until modern times and the imposition of a territorialised nation-state, there were no expeditions, no mapping parties exhaustively measuring every last tributary to determine which is longest of all and therefore deserves the label of ultimate source. The origins of the Huang He (Yellow River), Chang Jiang (Yangtze) and also the Lancang (Mekong) that exits China via Yunnan, were all mysterious, as one might expect of a culture that did not measure its greatness by territorialised data sets. One need only look at the rich mythology of the Kunlun mountains, queen mother of the West. Likewise the Tian Shan, north of Tibet, the mountains of heaven.

The Modernising Mission

All that changed when China became the People's Republic, on a modernising mission, determined to stamp its authority on a territorialised nation-state built on the heritage of empire and conquest. In the name of modernity and science, expeditions were sent out into lands that had never been governed in any meaningful way from China, up into the Tibetan Plateau, up to the land surrounded by mountains and glaciers, to locate the one true source of each river, to map its coordinates onto the global grid, thus validating new China's claim to Tibet and to China's place in the world system.

Eventually the expeditions sent by the Chinese Academy of Sciences mapped the blank spaces of Tibet and established precise glacial points of origin, all a thousand kilometres or more upriver from the familiar lands of lowland China. Even as the Cultural Revolution raged, China published books on the extreme weather of Tibet⁷², and, in 1986, a *Cloud Atlas* on the strange cloud formations over Tibet, so unfamiliar to China. An English version, with hundreds of colour photos of clouds, was published the same year.⁷³

Yet perhaps the spell of mythology lingered, despite the proliferation of scientific jargon, of geomorphology and hydrology, cryospheres and mass balances. New China was keen to establish governmental power over all under heaven, yet the celestial mountains on the northern fringes of Tibet, the Tian Shan, kept their mystique. New China was reassured that its' rivers actually began in timeless, eternal glaciers, on peaks far from people, pristine and forever frozen. Science had but enhanced the old beliefs.

But everything changes, the more it is observed. As the measurements piled up, over decades, what seemed eternal began to seem variable, fluctuating, even ephemeral. The glaciers were retreating; the endless grassland between the glaciers and the lowlands degrading. Everywhere the scientists measured, they found problems, earth-

72 Catalogue of Chinese Publications in Tibetan Studies 1949-1991, Foreign Languages Press, 1994, 304

73 Atlas of Clouds Over the Qinghai-Xizang Plateau, Science Press & Academic Press, 1986

quakes, massive landslides, watershed degradation, even desertification, climate change, loss of permafrost, dropping lake levels. Could it be that China's rivers were under threat, right from their newly found sources? The price of numbering is incessant anxiety.

China's top priority was to establish the felt presence of the state, even in areas of the Tibetan Plateau where no state had ever had an active presence, so much so that anthropologists argue whether the many "stateless societies" of Tibet repudiated state control deliberately, as a societal repudiation of hierarchy.

In the Maoist era the presence of the state was most immediately and evidently the military presence, followed by state campaigns to make the land more productive. Making the rivers rising in Tibet more productive meant damming them, in Qinghai (Amdo in Tibetan), in a series of large dams to generate hydro electricity on the Yellow River, largely sent to heavy industry in Gansu, a hub for Mao's campaign of military industrialisation.

Ideologies of Productivism and Protection

In recent years, as China's singular enthusiasm for the ideology of productivism has waned, at least in Tibet, where crops familiar to Chinese farmers cannot be grown, a new ideology has arisen, intended to inscribe state power, for a new purpose. While China has never lost its productivist agenda, and a highly visible program of interventions to maximise production, the new ideology prioritises protection. The new ideology arose from the concern that China's water supply was threatened by degradation across the pasture lands of Tibet, in the upper reaches of both the Yellow and Yangtze Rivers. The government of Qinghai province, with little else that might attract Beijing's attention, assiduously cultivated the slogan of "China's Number One Water Tower" to define Qinghai's importance to downriver China. In remote provinces, local cadres are adept at generating alarm in Beijing, to loosen purse strings and claim extra subsidies. In central Tibet, this is achieved by constantly depicting the Tibetans as a danger to national unity. In Qinghai, where Tibetans are but one of several nationalities, the rivers, both at their glacial sources and as they meander across the grasslands, became Qinghai's

entrée to special funding. Qinghai adopted a key trope of ecologists, which had been taken up by exiled Tibetans, that “the ecology of Tibet is fragile”, and investment in protection of watersheds is essential.

These two ideologies, of productivism and protection, co-exist within both party and state, competing for predominance, and for territory. Until now productivism (in Chinese 发展主义, fazhan zhuyi) has prevailed, for the obvious reason that it generates cash flow and thus rewards for its supporters and official enablers; while taking land out of production, in the name of protection, has no matching capacity for accumulations of wealth. But in a party-state, wealth is not the only driver. Party cadre promotion remains highly centralised, with elaborate rules defining what counts as success in implementing directives from above, the primary qualification for promotion. Now the protectionists have managed to build into the cadre promotion rules new categories of official success that specify territorialisation of protected areas, locked away behind red lines on maps, as new criteria enabling local cadres to gain promotion. There are now incentives for cadres who have posted to remote areas, especially areas where local populations are disempowered and unable to defend their productive lands, to declare protected areas that are permanently locked away from productive use. In some remote but special areas now under direct control from Beijing, local cadres implementing the new central ideology of protection can expect to be rewarded by Beijing, starting with a next posting in an area where wealth accumulation is more readily available.

In a territorialised nation-state with strong central government the tension between contending ideologies, and the powerful ministries in charge of those competing policy agendas, is resolved through staking exclusive claims to territory. Economic ministries have many ways of creating industrial enclaves and free trade zones. Natural resource ministries in charge of protecting water supply or China’s response to climate change, are now empowered, as never before, to declare exclusive Main Function Zoning of areas they seek to control. In a centralised, top-down system of competing silos the key for ministries responsible for environmental programs is to gain exclusive, demarcated, territorialised control; and to rewrite the cadre promotion rules. This has now been achieved, for implementation in

the 13th Five-Year Plan period of 2016 to 2020.

The cost of this internal competition within the party-state apparatus is that customary multiple uses of land are no longer allowed. Land is designated for one specific purpose exclusively, and the metric for defining successful implementation is reduced to a single measure.

The Rise of Main Functional Zoning

The concept of Main Functional Zoning, popularly known as “red lines” has grown greatly in recent years, as a primary mechanism of the turf wars within the party-state for exclusive territory. It was central to the 11th Five-Year Plan of 2006. As a 2012 semi-official report states: *“Main Functional Zoning was proposed in the 11th FYP as a tool of planned regional sustainable development designed to zone lands at national and provincial scales: for economic development and urbanization, and for protection of land with high ecological and food production capabilities. Zones are identified based on nine quantitative indicators (for example, cultivable land, ecosystem fragility and importance, economic development, natural disaster risk, etc.) and strategic choice, a qualitative consideration. Western China is predominately zoned as Restricted Development with limited Key Development areas. Nearly 80 per cent of territories in W. China are identified in the Main Functional Zoning Plan of China as either ‘restricted’ or ‘prohibited development’ zones. This acknowledges the fragility and ecosystem values of Western China, with the intention of retaining ecosystem functions during economic and social development processes. Distinct environment and development strategy and policies are needed for W. China. W. China plays a key role for the whole of the nation. This has been recognised in China’s Main Functional Zoning, in particular by designating large areas of restricted development along with a large number of national nature reserves in the region. China’s central government has committed significant financial resources and established nature reserves (1100 in the region, comprising 85% of the national total). Main Functional Zoning identifies restricted development areas and has imposed ecological migration on many small communities. The very large scale of the zones, lack of local government capacity and the limited policy guidance and enforcement over the application of Restricted Development, constrains the practical utility of the current system as a tool for green develop-*

*ment.*⁷⁴

Main Functional Zoning has been a key method of China's central planners since 2006, when the National Development and Reform Commission (NDRC), formerly the State Planning Commission, introduced it a primary tool for categorising and controlling territory. Nine years later, China's State Council, in recommitting to Main Functional Zoning, defined it as : "a new initiative involving the status and level of each region's natural resources and environmental conditions involved in economic and social development of the country's population distribution and urbanization, land use patterns."⁷⁵ Such sweeping powers of categorisation were soon matched by the assembling, under the auspices of the NDRC, of the entire spectrum of ministries whose work is encroached on by the NDRC's Main Functional Zoning system. This whole-of-government Leading Group was brought together in 2007, involving the Ministry of Construction, Ministry of Finance, Ministry of Land, Ministry of Water Resources, Ministry of Agriculture, Ministry of Science and Environmental Protection Administration, Chinese Academy of Forestry, Earthquake, Bureau of Meteorology, Bureau of Surveying and Mapping, Bureau Of Oceanography, all instructed to follow the lead of the NDRC.⁷⁶

It may be an oversimplification to suggest that the fundamental categories of Main Functional Zoning are landscapes deemed useful and those declared useless, differentiating territory with factor endowments conducive to wealth creation, from territory of little utilitarian value, areas traditionally depicted in China as "waste land." Yet such a basic dualism does seem to drive the basic mapping of Main Functional Zones, especially in Western China, where low population concentrations and systemic disempowerment of local communities give central planners scope for broad brush and bold designations of large areas, areas too large to actually be functional. The opportunity, for newly empowered Beijing-based super ministries, notably the

74 CCICED Task Force Summary Report: Strategy and Policies on Environment and Development in Western China, CCICED, 2012

75 State Council notice on National Main Function Zoning plan, No. scs 200685 6 March 2015

76 State Council notice on National Main Function Zoning plan 2015

central planners of the National Development and Reform Commission, to paint broad swathes of western China in the singular colours of single definitive functions, is tempting. It stakes the claim of the NDRC to supervene, overriding the usual economic development ministries and the state owned enterprises under them to maintain as usual their business of mining, resource extraction, deforestation, dam building etc.

These classifications of so much of Tibet as a Main Functional Zone for carbon capture and watershed rehabilitation puts climate change and water supply as the key, even the sole, functions of the best pasture lands of Tibet, to the exclusion of all else, including the livelihoods of the pastoralists of these Tibetan heartlands.

Bureaucratic Turf Wars over Controlling Tibetan Lands

Yet these key Main Functions, of climate mitigation and downstream water security, although taken in today's new normal to be self-evidently good and achievable goals, are actually the responsibilities, in China's rigid system, of competing bureaucracies held in check by central planners.

“The portfolios of climate change, environment, and energy are split between various Chinese agencies and ministries. The main department in charge of climate related matters is the National Development and Reform Commission (NDRC). This ‘super-ministry’ sets out China’s main economic directions. The Ministry of Environmental Protection (MEP) covers only environmental issues, and has no mandate to deal with climate-related matters. Overall, the institutional apparatus governing energy, climate, and environmental policies is highly fragmented and compartmentalised. This can make coordination and cooperation difficult.”⁷⁷

The NDRC was, until 1998, the State Planning Commission, creator of the Five-Year Plans, and it remains powerful, with an expanded remit that now includes climate adaptation as well as development, giving it the ability, especially in western China, where popular opinion is suppressed, to declare Main Functional Zoning that prioritises

⁷⁷ Pierre Nabé, A review of recent developments in China's climate and environmental policy, China Analysis, Sept 2015 http://www.ecfr.eu/page/-/CA_1509_Climate.pdf

territorialised climate services over economic functions.

Cornell Professor of Government Andrew Mertha in 2008 published a book length analysis of how water policy is made in China, especially policy on hydro power dams. Mertha, who interviewed many senior Chinese water policy officials, argues that China's system persists in being one of "fragmented authoritarianism." Recent crack-downs on NGOs and environmental "policy entrepreneurs" are, in Mertha's words, chilling and disheartening. Throughout, the NDRC has remained central. If anything, the rise of climate change as an external and domestic pressure on China's leaders, as well as a host of pollution and environmental issues, resulting in the new ideology of protection, has given the NDRC a new goal, in addition to its abiding productivist goal of promoting development and growth. Thus, within the one super-ministry, there are now two contending goals: economic growth and protection of landscapes for climate change mitigation. Under these circumstances Main Functional Zoning is now entrenched as the mechanism for making the zero/sum decision, as to which ideology prevails, in which landscape.

Mertha calls the NDRC the "economic helmsman", which *has in fact retained its authoritative position within the Chinese government. Indeed, the NDRC, in the parlance of national officials, is often referred to as the 'small State Council' (xiao guowuyuan) because of its tremendous power and administrative range. The NDRC enjoys a degree of power that many other commissions can only dream of. There is a more substantive reason for the NDRC's enormous power – its immensely broad functional jurisdiction and policy area.*⁷⁸ The remit of the NDRC has only grown further, now that pollution and climate have become urgent issues both within China, and as external pressure from the global community, resulting in the new ideology of protection, and Main Functional Zoning as the central planners' method of choosing which ideology applies where.

When reading NDRC reports and plans, the distinction between production and protection is not always clear, as both goals share a language of targets fulfilled and objectives reached, usually expressed numerically. In some ways NDRC's usual language of productivist

⁷⁸ Andrew C Mertha, *China's Water Warriors*, Cornell, 2nd ed., 2010, 43-4

achievement has simply been extended to speak of protection as a numerical achievement too. For example, the NDRC report on its 2014 work and plans for 2015 states: “*We made enhanced efforts to protect and restore major ecosystems such as wetlands, forests, and areas of biological diversity and richness; and continued to carry out ecological projects to convert marginal farmland back to forest, turn grazing land back into grassland, protect virgin forests, and build key forest shelter-belts. We will issue and implement guidelines on accelerating ecological advancement and on the basis of research, formulate a plan for implementing the structural reform for promoting ecological progress and a system for setting targets for ecological improvement. We will launch a new group of projects to return marginal cultivated land to forests or grasslands and major projects to develop forests for ecological conservation. In 2015, we will return an additional 667 thousand hectares of cultivated land to forests or grasslands, and afforest six million hectares of land.*”⁷⁹ The rhetoric is no different to other sections of the same report, itemising success in production of grain, hydropower, oil or coal. This is the language of mastery.

Central Planning Onwards and Upwards

China’s routinized amnesia and erasure of land uses other than primal ungrazed grassland makes invisible the loss of grazing, rangeland, pastoralist livelihoods and Tibetan food security. Instead, China’s National Development & Reform Commission (NDRC) represents its’ plans as progressive forward momentum towards achieving the new goal of more grassland. Every year the NDRC’s language is upbeat, in legislative voice, highly prescriptive, a measure of success, erasing complexity and the multiple uses of landscapes. One year after the above report, the NDRC in 2016 stated: “*As much as 54% of livestock and poultry farming is now carried out on a large scale; trials to replace grain crop cultivation with feed crop cultivation and to rotate crops between grain and soybean were launched across the board. The overall level of mechanization in plowing, sowing, and harvesting*

⁷⁹ National Development & Reform Commission, Report On The Implementation Of The 2014 Plan For National Economic And Social Development And On The 2015 Draft Plan For National Economic And Social Development, Delivered at the Third Session of the National People’s Congress on March 5, 2015

reached 63%, and advances in agricultural science and technology contributed to 56% of agricultural production. We expanded the scope of a new round of projects to return marginal farmland to forest or grassland and afforested 6.32 million hectares of land, and the national vegetation fractional coverage of grasslands reached 54%.⁸⁰ The increase of intensive agribusiness and the decrease in pastoral grazing land all appear similarly positive, progressive, modern and rational.

From its first adoption in 2006, Main Functional Zoning has been based on remote sensing imagery generated by satellites in orbit above the planet. This may have its uses, in familiar lands where there is value in generalising land use patterns beyond the particulars of local places. But in unfamiliar landscapes, such as Tibet, which few Chinese planners have personal knowledge of, the ability of satellite-based GIS technologies to discern through infrared signals the “carrying capacity” of the land is dubious. Yet that is exactly what NDRC has done, insisting that its calculations of “carrying capacity” are objective, scientific and accurate. Reliance on remote sensing is remote control of Tibet, in an extreme form.

Growing More Grass In Tibet: Integral to China’s Global Climate Diplomacy

Western China, especially the Tibetan Plateau, has become China’s primary contribution to the global effort to mitigate or at least adapt to inevitable climate change, until China’s promises of actual emissions reductions become effective. Officially, that is to happen starting in 2030.

Whether the promise of “growing more grass” across much of western China, on lands from which grazing is now banned, will succeed in capturing significantly more carbon, is far from clear. Not only

⁸⁰ National Development & Reform Commission, Report On The Implementation Of The 2015 Plan For National Economic And Social Development And On The 2016 Draft Plan For National Economic And Social Development, *Delivered at the Fourth Session of the Twelfth National People’s Congress on March 5, 2016* <http://blogs.wsj.com/chinareal-time/2016/03/05/china-npc-2016-the-reports/>

is it not clear, on the ground, that short-term increases in biomass on ungrazed areas contribute meaningfully to planetary long-term carbon sequestration, bureaucratic conflict persists. The conflicts are both horizontal –between competing ministries at national level- and vertical, between officials at local, provincial and national levels, even within one ministry.

“Indeed, whether the government’s [climate] plans and policies can be successfully implemented mostly depends on China’s governance structure. The institutional framework is characterised by a discrepancy between local and national levels: policies and targets are elaborated at national level but implemented by provincial and municipal governments. In this top-down system, implementation tasks are devolved to local officials. They are evaluated on the basis of their results both in achieving GDP growth and in meeting environmental standards. And the absence of a single ministry responsible for all issues related to climate change and energy may constrain the implementation of stronger governance on these issues.

“Different provinces have different targets, which do not take into account carbon emissions that are “outsourced” through interprovincial trade. A study by the Tsinghua-MIT China energy and climate project found that China’s eastern provinces outsourced 14 percent of their territorial emissions to central and western provinces in 2007. Hence, provincial targets should be adjusted, which would mean that eastern provinces would have to make more reductions, alleviating the burden on central and western provinces.”⁸¹

The burden on western provinces, to do much more than their share of climate remediation, falls especially heavily on the Tibetan Plateau, which is where most of China’s nature reserves and protected areas are. This is for the obvious reason that the Tibetans are disempowered, routinely branded a threat to national unity if they speak up for their livelihoods and landscapes. It is comparatively easy

81 Pierre Nabé, A review of recent developments in China’s climate and environmental policy, 2015

China Analysis Sept 2015, European Council on Foreign Relations, <http://ecfr.eu>

for central authorities to impose Main Functional Zoning on Tibet, as a definitive national response to a national issue such as climate change or pollution. If anything, the popular debate about smog and urban pollution has only strengthened the key institutions of China's authoritarianism, such as the NDRC. Alarm at smog levels has led many Chinese opinion leaders to demand stronger government, stricter enforcement of environmental laws, and national government overriding vested local interests and their local government protectors. This has suited a national government which, under Xi Jinping's leadership since 2012, has sought to position the party and the state as the sole source of effective action against polluters (and corruption); while coercively silencing many of the NGOs and protesters who named the polluters (and the corrupt) and demanded action.

This recentralisation of power leaves the party in command, but in need of showing an anxious international community it is willing to act on climate change, and an anxious domestic constituency that it acts effectively on pollution and smog; while still pushing for economic growth. This is the deepest source, within the party-state, for the awkwardly competing ideologies of productivism and protection, for a mechanism for allocating territories to each, and for committing so much of Tibet to the provision of environmental services: water flow and biomass carbon capture.

Until recently, the highly centralised cadre promotion system (*ganbu yu renshi guanli zhidu*) did not reflect the weighting of both ideologies as roughly equal. Cadres were able to gain promotion by fulfilling production targets, but were only nominally eligible for rewards for meeting environmental goals. Gradually, the incentives for cadres to withstand local pressures to maintain impunity for polluters have grown, and calls for substantial incentivisation have grown. For example a senior party official in Heilongjiang province in 2015 called for the inclusion of environmental protection standards in the evaluation system for local officials and cadres.⁸²

However this is not the first attempt at including performance on

⁸² Jin Weike, China's environmental pollution has already entered a stage of 'normalisation', Gongshi Wang, 27 April 2015

environmental targets as cadre promotion criteria. In 2013 cadres were told of a long list of targets they are expected to fulfil: “*Quality, profitable, sustainable economic development, livelihood improvement, social harmony and progress, ecological progress, and Party building should be included in as important content; resource consumption, environmental protection, excess capacity digestion, safe production should be given heavier weight; technological innovation, education and culture, employment, income, social security, and health conditions should be more highlighted.*”⁸³

Not only is this an impossibly long list impossible to fulfil, it is full of contradictions, and in practice cadres have usually paid more attention to local, and locally deliverable incentives, including illegal ones. The centre has responded with not only incentives but disincentives, the “hold-to-account” system, or *wenzhezhi* (问责制), which punishes disobedient cadres, again ineffectively.⁸⁴

Gradually, over three successive Five-Year Plan periods, including the just-begun 13th Plan, Main Functional Zoning has become a powerful tool of central planning, a reinforcement of the NDRC as “helmsman” of China’s development, and a tool backed by incentives for cadres at all levels to deliver implementation of the land uses prescribed by Main Functional Zoning. This is especially true in western China, where, due to the impossibility of local opposition, cadres have a freer hand to impose MFZ.

Tibet as China’s Laboratory of Main Functional Zoning

Although MFZ so often reduces a complex production landscape to a single function, China’s government has to pursue multiple objectives, if the “China Dream” is to be realised. Not only is climate change to be mitigated and water security downriver to be protected, there are many other official goals inherent in the great project of modernising China and its vast hinterlands. Among the national goals most affecting Tibet are rural policy, poverty alleviation, food

83 http://www.cciced.net/encciced/newscenter/latestnews/201312/t20131217_265122.html

84 Ciqi Mei and Margaret M. Pearson, Killing a Chicken to Scare the Monkeys? Deterrence Failure and Local Defiance In China, *The China Journal*, No. 72 (July 2014), pp. 75-97

security policy, energy and resource extraction policy, and state-owned enterprise reform. As one would expect, NDRC annual work reports and plans for the year ahead cover these issues as well, always in the same prescriptive, legislative voice evident in the extracts quoted earlier.

Yet, on the ground, in the lives of Tibetan pastoralists, land use, climate adaptation, livelihoods, income generation and overcoming poverty (especially after climate disasters that decimate herds) are all part of daily life, part of the land management decisions mobile herders have always made seasonally. In no way are these issues separable territorially, occupying discrete terrains, separable by administrative diktat into different landscapes for different purposes. However, that is exactly what Main Functional Zoning does, and its inscription onto Tibetan lands is only intensifying.

It might seem obvious that if China genuinely seeks to alleviate, in fact completely end, all poverty among Tibetans by 2020, which is the official 13th Five-Year Plan goal, then achieving it is only hampered by banning grazing, which reduces Tibetan pastoralists to dependence on official handouts on subsistence rations as they live out useless lives in concrete cantonments on the fringes of towns across the Tibetan Plateau. Why dispossess and displace pastoralist livestock producers from their ancestral production landscapes if the official objective is food security, and poverty alleviation?

The NDRC Plan for implementation during 2016 explicitly addresses all of these goals, often with precise targets, sometimes backed by promises to utilise Main Functional Zoning to ensure success, for example, in maintaining food security in each of China's provinces: *"We will guarantee food security in China. We will hold provincial governors responsible for food security across the board and improve the mechanism under which the central and local authorities work together to ensure food security. In order to ensure that grain production, cultivated land acreage, and production capacity all remain stable, we will make explorations into establishing functional zones for grain production and protective areas for the production of major agricultural products."*⁸⁵

85 p33 <http://blogs.wsj.com/chinarealtime/2016/03/05/china-npc-2016-the-reports/>

Likewise, the modernisation and industrialisation of rural production is also a priority: *“We will promote the integrated development of the primary, secondary, and tertiary industries in rural areas. We will coordinate the production of food, cash, and feed crops and the development of the farming, forestry, livestock, and fishing industries, and promote integrated planting, breeding, and processing operations; at the same time, we will nurture new types of agribusiness and fully engage the multiple functions of agriculture. Pilot demonstration projects for rural industrial integration will be carried out in about 100 counties, 1,000 townships and 100,000 villages. We will improve the mechanism for integrating farmers’ interests into agricultural industry chains so that farmers can receive more benefits as rural industrial integration produces more value.”*⁸⁶

Industrialising Rural Tibet

In Tibet, rural industrialisation and intensification of production usually means shifting the traditional extensive livestock production into peri-urban feedlots. In central Tibet this means less mobility, a more sedentary mode of livestock production reliant on purchasing fodder and forage to feed to penned animals. A recent research report by Chinese authors from Beijing found that: *“sedentary grazing can increase the cost of livestock production because herders have to purchase forage to provide supplementary fodder. Therefore, governmental policies about grazing sedentarisation and market incentives for increasing livestock production can undermine adaptive capacity of the Tibetan herder communities. From this perspective, institutional change has made the Tibetan grassland social ecological systems less resilient to climate variability and change. Although the present livelihood adaption strategies related to sedentary grazing have improved grassland productivity and economic profitability of the herding livelihood, they have led to continuous deterioration of pastures. The local grazing system has become more and more dependent on artificial feeding and inputs coming from outside the grazing system.”*⁸⁷

86 <http://blogs.wsj.com/chinarealtime/2016/03/05/china-npc-2016-the-reports/>

87 Wang, J., Y. Wang, S. Li, and D. Qin. 2016. Climate adaptation, institutional change, and sustainable livelihoods of herder communities in northern Tibet. *Ecology and Society* 21(1):5. <http://www.ecologyandsociety.org/vol21/iss1/art5/>

On poverty alleviation, the 13th Plan and the NDRC Plan for 2016 are ambitious and highly specific as to targets. NDRC says: *“We will move forward with targeted measures to fight poverty across the board. We will support development and poverty reduction in contiguous poor areas. We will also boost support for alleviating poverty in border areas and areas with concentrations of ethnic minorities. We will continue to support the development of Xinjiang, Tibet, and the Tibetan ethnic areas in Sichuan, Yunnan, Gansu, and Qinghai provinces, increasing central government support for these areas, and scaling up one-to-one assistance programs.*

“Key Poverty Alleviation Programs

*Relocation from Inhospitable Areas: **people living in inhospitable conditions who have registered for government poverty assistance will be relocated** and provided with housing. We have set a target to relocate over two million people this year. In order to eradicate poverty in local areas, all resources available in poor regions will be utilized to support the development of industries, such as specialized farming and forestry, rural sightseeing, and solar power. This year we have set the target of lifting more than six million people out of poverty through industry-led initiatives.”⁸⁸*

On the Tibetan Plateau, these key objectives for official intervention in Tibetan lives and land management are to be achieved separately, in separate areas, on the basis of Main Functional Zoning. These three key objectives are three of the four goals that drive official policy and in turn establish the state as the author, architect and bio-power in charge of Tibet. The fourth official objective actually comes first, in the remapping of Tibet on the basis of Main Functional Zoning. That is the objective of taking much of Tibet’s pastoral production landscapes out of production, in the name of *xibu da kaifa*, literally closing pastures to grow more grass, the dominant official slogan since 2003. This is the rising ideology of protection. On this the NDRC is explicit and specific: *“We will launch a new round of efforts to return marginal cultivated land to forest or grassland, and intensify efforts to carry out the national afforestation project. We will move*

88 P41 <http://blogs.wsj.com/chinarealtime/2016/03/05/china-npc-2016-the-reports/>

*steadily forward with the establishment of a system of national parks. We will continue to advance the comprehensive governance of the water environment in key water basins and the environment in key areas, such as those at the source of dust storms affecting Beijing and Tianjin, areas afflicted by the spread of stony deserts, and areas where grazing land has been returned to grassland. A major biodiversity protection project will be launched. We will step up the ecological conservation of lakes and wetlands and establish ecological red lines for forests, grasslands, wetlands and the ocean.*⁸⁹

These four key goals could be mutually interdependent and supportive of each other: to maintain or enhance food security also increases incomes of the poor; likewise protection of fragile landscapes around the world enlists local populations as guardians, rangers, stewards of the programs of replanting and rehabilitation that enhance water supply and biodiversity conservation. But if all four key goals were to be achieved together, the human and animal populations would remain on the land, actively engaged in its restoration and productive use. The yaks would continue to graze, and the herders continue to herd, while also employed to replant grass seeds where there is degradation. There is much scientific evidence that this is the best strategy, not only for human livelihoods, but also for biodiversity.⁹⁰

But China's central planners have separated territorially the attainment of these four key goals. Poverty alleviation is to be achieved

89 P39 <http://blogs.wsj.com/chinarealtime/2016/03/05/china-npc-2016-the-reports/>

90 Li Wenjun and Kongpo Tsering (Gongbozuren), Pastoralism: the custodian of China's grasslands, International Institute of Environment & Development 2013, <http://pubs.iied.org/10042IIED.html?c=dry> also: <http://pubs.iied.org/10079IIED.html?c=dry> and <http://pubs.iied.org/10042CIIED.html?c=dry>

Ecological Applications, 17(2), 2007, pp. 541–557

Julia A. Klein, John Harte, and Xin-Quan Zhao; Experimental Warming, Not Grazing, Decreases Rangeland Quality On The Tibetan Plateau, Ecological Applications, 17(2), 2007, pp. 541–557

Julia A. Klein, John Harte, and Xin-Quan Zhao, Decline in Medicinal and Forage Species with Warming is Mediated by Plant Traits on the Tibetan Plateau, Ecosystems (2008) 11: 775–789

explicitly by relocating people en masse, because, in official eyes, Tibetans remain poor because they live in Tibet, a land so frigid and harsh that poverty is inevitable, spatially contiguous, and ineradicable. It is not yet clear where they are to be removed to, whether to the urban fringes of towns and cities within Tibet, or further away. Food security, insofar as it is an official concern in Tibet, is to be achieved by scaling up industrialised agriculture, again on urban fringes, in ranches and feedlots close to the urban market demand. Main Functional Zoning will, as in all areas of China, promote urbanisation as the growth pole, with a ring around each town for industrialised food production and for poverty alleviation. As Main Functional Zoning spreads further, that will leave the vast plateau as a hinterland designated as nature reserve and national park, in the name of climate mitigation and water supply. By area, MFZ has already apportioned the biggest area for *xibu da kaifa*, grass growing uninterrupted by grazing, and this area will grow.

Cognitive Dissonance?

It may seem an expensive, inefficient, even clumsy way of achieving these four objectives of the party-state, to implement each separately, in separate territories. Is there an internal logic uniting all four? Despite the appearance of cognitive dissonance, is there a coherent thread?

These policies all share certain characteristics. All fragment the Tibetan population, having long fragmented the land under the Household Responsibility System for rural land users decades ago. All reduce Tibetans to dependence on the state, either as welfare recipients who are supposed to be grateful for the benevolence of central leaders. All establish the party-state as being fully in charge on the grasslands, as never before. All enable the state to dispense favours, such as allocating land tenure rights, employment, vocational training or access to urban markets, to those who, by their deferential behaviour, show the right attitude; while cancelling such favours if people fail to show the right attitude. In short, all of these policies will make Tibetans more visible, legible to official scrutiny, more vulnerable, a new precariat under the constant surveillance of security grid management, seldom off camera. In these ways, what seem at first to be

four policies, with four different rationales, all pulling in differing directions, share a common basis.

Tibetans, especially in exile, will readily hasten to go a step further, and accuse China of a master strategy of weakening, or even destroying Tibetan culture, identity and viability as an ongoing civilisation. If it were that simple, China could have achieved this decades ago, especially in the revolutionary Maoist era when the official slogan of smashing the four olds meant, in Tibet, smashing everything Tibetan.

The more likely reality is that, having never understood the land or people of Tibet, China, in its quest for modernity with Chinese characteristics, has over decades fumbled towards this seemingly coherent suite of policies, all of them wrapped in the rhetorics of scientific objectivity, historic inevitability, logical necessity, responsible global climate change citizenship, benevolent poverty alleviation, resource and food security and maintenance of environmental services. Growing out of China's abiding perception of Tibet as a foreign and unfamiliar land, it was all too easy to take up a modern global planning tool, of main functional zoning, and give it Chinese characteristics, resulting in the territorialised split of the Tibetan Plateau, into zones for water supply, grass growth and carbon capture, with other zones for intensive food production and poverty relief. On paper, it all looks good, the sort of energetic and decisive statist interventions that have won China praise as the exemplary model developing society, celebrated worldwide as having lifted more out of poverty than any country ever. That accolade, repeated endlessly, accepts the fundamental premise of China's party-state propaganda, which proclaims official China as the source of all that is good, the author of all progress.

China's planners have fully taken on the modernist argument that specialised division of labour is the key to raising productivity, growth and wealth accumulation. On the Tibetan Plateau those divisions of labour, if the current 13th Five-Year Plan is implemented according to plan (a big if), those divisions of labour will be territorialised. The livestock production zone will surround the towns and cities, likewise the poverty alleviation zone of relocated pastoralists will also be

close to towns, yet not within them, for security reasons. Meanwhile the vast land of a thousand plateaus, designated as national parks and nature reserves will become a zone of human exclusion, as well as the exclusion of grazing animals, policed by Tibetan rangers employed to enforce the scientific regulations that value grass production, for carbon capture and China's global climate mitigation credentials, as the highest goal, that trumps all other legal land use.

China's Main Functional Zoning is the fundamental premise driving these policies that are depopulating rural Tibet and concentrating the Tibetan population on urban fringes, while, in the name of security grid management, restricting their right to become fully urban. What unites all of these policies, and earlier productivist policies now nullified by the rise of Main Functional Zoning and the classification of most of Tibet as "fragile ecology", is the desire of the state to be manifestly in charge throughout Tibet.

Put another way, what is intolerable to China's party-state is that the Tibetan people go on in their customary self-sufficient and sustainable way, with little need for the constant presence in their lives of an intrusive, directive party-state that delivers urban modernity, demands gratitude and disempowers those made to depend on it.

The Plan for a Chengdu to Lhasa Railway as a Case Study in Dependence

When the single track rail line across the permafrost of northern Tibet to Lhasa began operation in 2006, China congratulated itself, long and loud, for its engineering accomplishment.

The sky train across the roof of the world was a world first, the highest altitude train line in the world. The propaganda machine in overdrive declared China could conquer all natural obstacles, having gained mastery over the glacial peaks and the vast, empty northern plain –the Changtang- traversed by the new line, plied by 361 specially designed carriages built by Canada's Bombardier.

In the decade since then, the trains have arrived daily, from Beijing, Shanghai, Chengdu and other major cities, bringing the bulk of the millions of domestic tourists on package tours of "China's Tibet",

herded from one state-owned scenic site to the next by accredited tour guides on script about each iconic photo opp. Then they go back, on the same air-conditioned, pressurised train, taking 48 hours to return to Beijing or Shanghai.

Little else takes this route from Lanzhou, via Xining and Gormo to Lhasa; as there is limited freight traffic in (most goes by road) and almost nothing leaves Tibet, since China has failed to develop Tibet's pastoral economy, and the copper mines to both west and east of Lhasa have largely failed to scale up to significant operations.

Since 2006, China has continued to invest mightily in rail, especially in high-speed routes, both north-south and east-west, creating deep linkages and economic stimulus with Chinese developmentalist state characteristics. China understandably is proud of these accomplishments, even if they are achieved by borrowing heavily from future generations to finance staggering capital expenditures.

But none of the recently constructed rail lines have been celebrated as much as the opening of the Lhasa line. Even high speed lines are now so many that they have become routine. The inauguration of a high speed line across the northernmost mountains of the Tibetan Plateau attracted little attention.

However, China has now announced, as part of the 13th Five-Year Plan to 2020 that it will fund and proceed with a highly ambitious rail line from Chengdu, capital of Sichuan province, to Lhasa via Ny-ningtri. This rail line, tunnelling and bridging its way through precipitous Kham, or eastern Tibet, and deep into central Tibet could take as much as three successive Five-Year Plans to build. For engineers, this is a greater challenge than the existing line across the alpine deserts of the Changtang. Xinhua announced that: *"the new railway will be about 1,629 km long, and it will only take 15 hours for trains traveling between Lhasa and Chengdu."*⁹¹ The route is slightly shorter than the northern Tibetan desert route, and trains will average 108 kmh.

91 China to build second railway linking Tibet with inland, Xinhua's China Economic Information Service, 7 March 2016

From Inland China High Speed to Xinjiang via Tibet

If we are to understand the impacts and obstacles of the Chengdu-Nyingtri-Lhasa route, we could start by taking a closer look at the new high speed line across far northern Tibet, the new fast route connecting eastern China via Lanzhou with Xinjiang and the Eurasia overland route to Europe.

Historically, the Tibetan Plateau has not been a shortcut to anywhere. The silk route traders skirted Tibet. China's current plans for international rail networks focus on the "one belt, one road" route through central Asia, and on a grand plan to connect to India, Myanmar and Southeast Asia, via Yunnan, creating another grand architecture of trade by rail, for China's future prosperity and access to raw materials. The first route skirts Tibet, to the north, the latter skirts the southern flanks of Tibet, which remains a vast island in the sky, entire unto itself.

But if we look more closely at the new high speed route to Urumqi, the capital of Xinjiang, we learn what China rail has achieved in the past decade, what its capabilities are now, and how ready it is to tackle the deep gorges and high peaks en route from Chengdu to Lhasa.

In 2013 *The Economist* reported on this new rail line: "*The new high-speed railway line to Urumqi climbs hundreds of metres onto the Tibetan plateau before slicing past the valley where the Dalai Lama was born. It climbs to oxygen-starved altitudes and then descends to the edge of the Gobi desert for a final sprint of several hundred windblown kilometres across a Martian landscape. The line will reach higher than any other bullet-train track in the world and extend what is already by far the world's longest high-speed rail network by nearly one-fifth compared with its current length. The challenge will be explaining why this particular stretch is necessary.*"⁹²

The route to Xinjiang is beset by technical challenges, especially extremes of weather, including gales so strong they can threaten to blow trains off track. However Bombardier's Chinese partner, Sifang,

⁹² Faster than a speeding bullet: China's new rail network, already the world's longest, will soon stretch considerably farther, *The Economist*, Nov 9th 2013

has overcome these problems, and even sent its new design carriages to Vienna to be tested in a wind tunnel, the ultimate seal of approval. Little wonder, then, that *International Rail Journal* marvels at the new high speed line in Xinjiang: “*The 1776km high-speed line from Lanzhou to Urumqi in the Xinjiang region of northwest China must rank alongside the Qinghai Tibet Railway as one of China’s greatest engineering achievements of recent years. The 31-station line crosses the Gobi desert and the Qilian Mountains [Chokle Namgyal in Tibetan], reaching a summit of 3607m above sea level in the Qilianshan No 2 Tunnel, making it the world’s highest high-speed line.*”

“This is an environment defined by extremes, from high desert winds and sandstorms to intense ultraviolet radiation and heavy snowfall. Ensuring rolling stock could meet the demands of operating safely and reliably at speeds of up to 250km/h was one of the key engineering challenges of this remarkable railway, and CRRC Corporation has spent three years developing a high-speed train specifically for operation in this high-altitude environment.”

*“The 250km/h trains are being supplied to China Railway Corporation (CRC) by CRRC’s Qingdao **Sifang** subsidiary and are designed to operate in temperatures ranging from -40 to +40°C as well as sandstorms, high-winds, and intense ultraviolet light. Bogies have been adapted to prevent frost, snow, and ice accumulation while the sealed body shell reduces the risk of failures caused by condensing meltwater. Underfloor equipment cabinets are pressure-sealed to minimise sand and dust ingress and a sediment control ventilation system ensures on-board air quality is maintained. An anti-roll device ensures lateral stability in strong winds. Electrical equipment has been configured to minimise the risk of damage from lightning strikes, and traction motors, converters, and transformers have been configured for operation in low ambient temperatures.”*

Many of these technical adaptations to extreme weather are relevant to the line to Lhasa via Nyingtri, due to start construction soon. In Kham, the winds are not as fierce, but the terrain is far more difficult, as is evident in this transect cross-section of the Tibetan Plateau, starting (on the right) in the lowland Sichuan, reaching Nyingtri at 4300 metres.

Why Build It?

In democracies, railway projects, especially ambitious long distance projects, have to justify their huge capital expenditure, alongside alternative uses for the same capital. To justify going ahead, proponents of a major rail construction have to produce a business case that, at the very least, shows the likely economic benefit outweighs the cost of construction. In global development finance, when the development banks choose to finance a major project, there is a similar requirement that both before a project is approved, and again after its completion, the economic and social benefits are quantified, as against alternatives.

For example, when the Asian Development Bank (ADB) and the French government's aid agency contemplated joining the Chinese government in financing a rail line through rugged northwest Yunnan, from Dali to Lijiang, many studies and reports were done to make the case for the project which was expected to cost \$548 million and ended up at over \$800 million for a rail line only 167 kms long. On the ADB website many downloadable documents enable anyone to access the rationale for this project, before, during and after its construction. The ADB's "*Validation Report*" of 2015 calls the project a success for reasons that could apply equally to the Chengdu-Nyingtri-Lhasa railway: "*due to inadequate transport, the largely mountainous project area had not been integrated into the economic mainstream. The then existing class II roads had to pass through difficult terrains, had limited passing capacity, and were affected by rain. Despite abundant natural resources, many people in the area were poor, with most working in the agriculture sector. In the mountainous areas, people supplement their incomes by engaging in animal husbandry or becoming migrant labourers.*"⁹³

The railway now connects these poor mountain folk not only to Kunming, the capital of Yunnan, but to high speed rail links right across

93 Asian Development Bank, Validation Report, Dali-Lijiang Railway Project, Reference Number: PVR-387, Project Number: 36432-013, Loan Number: 2116, January 2015, <http://www.adb.org/documents/people-s-republic-china-dali-lijiang-railway-project>

China: *“The railway link was to allow connectivity from northwestern Yunnan province to Kunming, Shanghai, and Beijing via three of the 16 east–west and north–south national rail Corridors. The project and associated developments could stimulate industrial and natural resource development, tourism, and related industries; generate employment; increase living standards; and help reduce poverty.”* The business case, made in 2004, was quite specific about how success was to be quantified: *“The project’s expected outcome was the development of an efficient, reliable, and affordable railway transport system to improve access and reduce transport costs in the project area. The identified performance indicators were (i) a project economic internal rate of return (EIRR) of 17.0%, (ii) increased railway freight traffic from 5.4 million tons in 2010 to 7.2 million tons by 2015, (iii) increased railway passenger traffic from 3.1 million passengers in 2010 to 4.4 million passengers in 2015.”*

Most of these targets were not fulfilled. After the rail line was built in 2009, the number of passengers two years later was only one third the projected number, rail freight was minimal, the rate of return on capital deployed was far lower than expected, yet ADB (as expected) declared itself generally satisfied.

No such process exists for the Chengdu-Nyingtri-Lhasa railway, since it is a project of the 13th Five-Year Plan, financed entirely by China, and makes no business case, still less a publicly available one.

Military Uses

The case for proceeding is less a business case, and more to do with accomplishing other goals of China’s central leaders. A high priority is Beijing’s long standing preoccupation with security and stability, especially the 2015 decision to no longer divide the Tibetan Plateau into the Lanzhou Military Region covering northern Tibet, and the Chengdu Military Region covering southern Tibet, both Kham and the U-Tsang province of central Tibet including Lhasa. The locus of military command in Chengdu has long been an embarrassment, as the only way of projecting military power out of Chengdu, up into eastern and central Tibet has been via the two highways, chronically prone to monsoon-triggered landslides, earthquakes and other extreme weather events. In case of an emergency on China’s borders, or

another uprising of the Tibetans, if local garrisons of PLA troops and PAP paramilitary prove inadequate, the logistical supply line from Chengdu is long and unreliable.

Nyingtri is only 50kms from the Indian border, a border China does not recognise, instead routinely mapping the neighbouring Indian state of Arunachal Pradesh as “southern Tibet” on all official maps of Tibet.

Now that the Lanzhou and Chengdu Military Regions have been abolished, and replaced by a single Western Theatre Command (modelled on US lines), it has become essential that China can speedily move military assets into troubled areas, not only in Tibet but also Xinjiang, to supplement existing ground forces already in station. The Chengdu-Nyingtri-Lhasa rail line is essential, and needs to make no business case, as the military case is compelling.

The absence of a business case, made against competing claims for investment, does not trouble China’s central planners at a time when China persists in massive stimulatory expenditures financed by increasing debt. The long term sustainability of ever-increasing debt worries many observers, including Dr Wang Tao, of UBS. She writes: *“The fact that debt is rising much faster than output and an increasing share of debt is allocated in non-productive or excess capacity sectors means resources may have been wasted and more potential bad debt are being created.”* At present, China’s central leaders give highest priority to stimulating growth, and investment in big-ticket railway construction has long been a favourite. But the Chengdu to Lhasa rail project could take as long as three consecutive Five-Year Plan periods to complete, with many shifts in priorities and capabilities along the way. It is quite possible that in coming years this project will be seen as the expensive construction of non-productive assets, at a cost of alarmingly high debt levels to be paid by future generations. The project may need to be re-evaluated, and make a business case, even if such information is not made public.

A quite different scenario is also possible: that China makes completion of this rail line a matter of national pride, as it did with the construction of the Lanzhou-Xining-Gormo-Lhasa line a decade

ago. If it becomes a matter of national honour, and completion a question of national pride, the economic case becomes irrelevant. Politics trumps economics.

This is clearly the case with the other major rail project announced as part of the 13th Five-Year Plan, as well as the Chengdu to Lhasa line. A railway linking China with Taiwan was also announced, without any consultations with Taiwan, a 130kms long undersea tunnel to connect the island republic to the People's Republic.⁹⁴ Taiwan quickly repudiated the idea, and it was quickly forgotten.

Tibet in China's Central Plan Priorities

How much the Chengdu-Nyingtri-Lhasa rail project means to China can be gauged by the official list of 60 headline projects of the 13th Five-Year Plan, which are listed in an order highly suggestive of the priorities of China's leaders, and their fascination with high tech. The list begins with the most exciting of projects:

1. *Aero-engine, gas turbine*
2. *Quantum communication and computer*
3. *Brain science, brain-like research*
4. *National cyberspace security*
5. *Deep space exploration*
6. *Seed industry*
7. *Clean, efficient use of coal*
8. *Integrated information network*
9. *New materials*
10. *Laboratories for scientists*
11. *10,000 elite entrepreneurs*
12. *10,000 overseas talents back to China*
13. *1 million professionals every year*
14. *1,200 bases to train skilled professionals*

⁹⁴ Xu Wei, Cross-Straits rail still on the table, China Daily-US Edition, 10 March 2016

15. *800 million mu of high-standard farmland*
16. *Internet plus modern agriculture*
17. *Big planes*
18. *New-generation heavy lift carrier rockets, new satellites*
19. *Deep-sea exploration, seabed resources utilization.*⁹⁵

As one gets towards the tail end of the 60 wish list projects of 13FYP, the excitement fizzles:

- “57. *5 million km of rural road*
58. *World-class universities*
59. *Protection of Chinese ancient books*
60. *Cultivating professionals capable of telling China story.*”

Where do the Chengdu to Lhasa railway, and other Five-Year Plan interventions in Tibet fit, on this key list? Roughly, in the middle:

- “34. *Sichuan-Tibet railway*
42. *New hydro power plants with an aggregate capacity of 60,000 mw*
47. *Big reservoirs in Tibet and other areas*
50. *Urbanization of 100 million people in central and west China*
56. *Ecological restoration of Qinghai-Tibet Plateau and other ecologically important areas.*”

China’s 13th Five-Year Plan proposes spending at least RMB 3.8 trillion on rail projects, and the 12th FYP spend was similar; extraordinary amounts (in any currency). The national budget for railway construction in 2016 is RMB 800 m, or US\$121 million, maintaining the pace of construction in recent years. In eastern China, where population densities are much higher, there is greater expectation that a business case can be made, proving these capital expenditures

⁹⁵ China’s major projects to be implemented in coming five years, Xinhua’s China Economic Information Service, 7 March 2016

are justifiable.

In western China, not only are the outlays more questionable, they are openly questioned, despite the growing insistence by party leaders that they not be questioned. Zhao Jian, a professor of Beijing Jiaotong University's School of Economics and Management, openly questions the logic behind rail lines such as the Chengdu to Lhasa railway. He writes: *"Many planned railroad projects in the central and western regions were proposed based on projected demand for steel and coal. A line in the northwestern province of Qinghai, for example, was designed to transport iron ore to a steel factory in Qinghai's Golmud. Leave aside the fact that taxes paid by steel and coal factories cannot possibly cover the cost of repairing the damage to the fragile ecosystem common in Qinghai, there is no need to develop mining and refinery businesses in the region given the central government's goal of trimming overcapacity in these industries. This means many local governments need to reconsider their railroad development plans. In general, central and western regions should not rely on building railroads to drive growth because their population densities are low. Because rail projects usually require huge investments, their losses tend to be huge as well. The focus of rail development over the next five years should be on the transit systems in metropolitan areas."*⁹⁶

Prof. Zhou will almost certainly be ignored, likewise his call for cost/benefit analysis. The Chengdu to Lhasa railway has been in planning for a long time, and this is not the first time funding to begin construction has been announced. Five years ago, at the beginning of the 12th Five-Year Plan much the same announcements were made. The official *Work Report* of the Tibet Autonomous Region government confidently stated in 2011 that construction would soon begin. TAR chairman Pema Thinley *"pointed out in the work report that during the period of the 12th Five-Year Plan, construction will start on the Lhasa-Nyingtri Railroad and feasibility studies will be carried out on the Tibet sections of the Sichuan-Tibet and Yunnan-Tibet Railroads."*⁹⁷

96 Zhao Jian, Rail Industry Should Focus on Big Cities' Transport Needs, Caixin, 17 March 2016

97 "十二五"期间开工建设拉萨至林芝铁路, Construction of the Lhasa to Nyingtri railway to start during the period of the "12th Five-Year Plan", 2011年01月12日 09:43中国新闻网, January 12, 2011, ChinaNewsNet

Megaprojects have long gestations. A project such as this is a major technical challenge, even though China has for more than a decade built more rail lines than anyone anywhere at any time. Tibet is different. But engineering obstacles are only part of the story. Neither at the start of the 12th nor the 13th Five-Year Plans was a budget for this rail line released, only a headline overall national spend. It is not clear that the project has backers of sufficient political weight, especially if, in coming years, as China's debts mount, enthusiasm for expensive, debt-financed projects requiring 10 or even 15 years to construct, will persist. There are plenty of major projects to build "pillar industries" in Tibet that have been announced in several successive Five-Year Plans, but failed to materialise. The big copper mines are one example.

Without doubt, the military, especially the People's Armed Police (PAP) will be in favour, but the military don't finance the rail construction. PAP units from distant provinces Jiangsu, Fujian, and Henan were dispatched to assist suppression of the 2009 unrest in Xinjiang.⁹⁸ Ever since being ordered to quell the Tiananmen masses in 1989, the PLA has not been keen to be drawn into "mass incidents" which ought to be resolved by negotiation, not force. The PLA was brought in to Tibet in 2008.⁹⁹ Yet PLA planners often insist that prevention is better than cure, which is up to local civilian leaders. But since the PLA is deeply entrenched throughout Tibet,

98 "Map of People's Armed Police Troops Dispatched to Xinjiang," *China Digital Times*, July 10, 2009, <http://chinadigitaltimes.net/2009/07/mapof-peoples-armed-police-troops-dispatched-to-xinjiang/>

99 Murray Scot Tanner, How China Manages Internal Security Challenges and Its Impact on PLA Missions, in Roy Kamphausen, David Lai and Andrew Scobell eds., *Beyond The Strait: PLA Missions Other Than Taiwan*

<http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=910>

"Tibetan Riots Spread to Provinces; Protesters Torch Police Station; PLA Moves In," Choi Chi-yuk, *South China Morning Post*, Monday, March 17, 2008

Jim Yardley, "As Tibet Erupted, China Security Forces Wavered," *New York Times*, March 24, 2008

prevention of unrest does inevitably involve PLA units that are stationed as garrisons in every major Tibetan town. Only in extreme circumstances should it be necessary to bring in extra forces from afar. But the 2008 crisis, in so many parts of Tibet, showed starkly that when local officials complacently believe their own propaganda, that the minority nationality masses are happy, and are stirred up only by foreign agitators, the situation can get out of hand, and external forces need to be brought in quickly if the masses are to be quelled. The 2008 protests and subsequent wave of public protest suicides happened mostly in the Tibetan prefectures of Kandze and Ngawa (Aba in Chinese), in Sichuan province; directly on the route of the planned Chengdu-Nyingtri-Lhasa rail line.

Nyingtri: A New Hill station Magnet

Beyond the various armed forces, and the enthusiasm of cadres stationed in Tibet for more investment, there is no obvious vested interest promoting this often-promised and often delayed rail construction project. The rail route will pass conveniently close to the Gyama copper and gold mine, upriver from Lhasa, enabling ready shipment of copper concentrates to distant smelters, if the on-site smelter, also frequently announced, fails to scale up beyond its initial experimental size. But Gyama is already not far from the existing Lhasa rail hub.

Nyingtri and nearby Bayi are both towns attractive to wealthy Chinese seeking a benign climate in summer, to escape the heat, humidity and pollution of the lowlands, especially the Sichuan basin and its megacities of Chongqing and Chengdu.

The wealth being accumulated by the new rich is staggering: China now has more billionaires than the US. Much of that wealth is now generated far inland, in Chengdu and Chongqing, primary beneficiaries of China's drive to "open up the west." Chengdu advertises on airport hoardings across the world that if you are one of the few remaining global top 500 companies yet to relocate to Chengdu, you'd better get in quick. You name the brand; chances are their factories are in Chongqing or Chengdu.

But the climate of these super cities in summer is stifflingly hot, humid and polluted. Think of the British in India, who similarly hated the Indian summer, its heat and monsoon downpours. The 19th century solution was the hill stations, mostly in the Himalayan foothills. Every summer, the entire British Raj ruled India from Shimla, relocating for the season from Calcutta. Dharamsala likewise was built as an idyll of Englishness, for the annual exodus from the plains, away from the press of sweaty Indians.

All stories about the new rail line from Sichuan to Lhasa emphasize Nyingtri, (in Chinese Linzhi) already a magnet for the lowland new rich. Nyingtri, roughly halfway across the plateau, well east of Lhasa, enjoys the most benign climate, warmer and wetter than Lhasa, able to grow many fruits, nuts, vegetables and with plentiful rivers. Already the luxury villas dominate the prime locations, even though technically the land remains in public ownership. Those villas are on the market, and accessible online. On Airbnb it looks almost tropical. Then there are the luxury hotels, especially in nearby Bayi, a brand new town, long a ghost town but now populated. Some are just cinderblock and reflective plate glass; others are more upmarket and feature token Tibetan embellishments.

Bayi is not a Tibetan town. Even its name is Chinese for August first, the date the People's Liberation Army celebrates its anniversaries. It began life as a PLA military base. Nyingtri and Bayi are most definitely open for business, and the rail station will bring tourists by the millions. Mass tourism may still be a decade away yet, but it confirms that Tibet is destined to be urban, peopled by the relocated Tibetan poor relocated from the countryside, employed casually as a new proletariat, by the Han *tuhao* new rich enjoying their summers far from the grime of the lowlands.

But are a copper mine near Lhasa, the villas of new rich, and the military integration of the entire Tibetan Plateau into the newly formed Western Theatre Command sufficient reasons to go ahead with construction of the Chengdu-Lhasa-Nyingtri railway? This is not yet clear, in the absence of an announced budget for the project.

Engineering Precipitous Kham

From Chengdu and the Sichuan basin the new railway climbs to the Tibetan Plateau from Chaksam (in Chinese Luding), the crossing of the Dadu River at the foot of the high plateau. Chaksam in Tibetan means iron bridge, after the old forged iron chain link bridge, a technology mastered many centuries ago both in Tibet and China. In Tibet there are many chaksam. In Tibetan, a railway is a chaglam, literally iron path. The chaglam entering Tibet at Chaksam recapitulates the entry of Chinese Communist Party troops into Tibet, escaping their KMT Nationalist pursuers in 1935 on the famous Long March. Once the PLA soldiers were across the bridge, an exploit endlessly mythologised in later revolutionary propaganda, they had escaped only to find themselves even more unwelcome among the Tibetans whose monasteries and food stores the PLA looted. It was not an auspicious start to CCP-Tibetan relations.

Decades of preparatory work have preceded the decision to proceed with this new transTibetan chaglam; as was the case with the Lanzhou-Xining-Gormo-Lhasa line traversing Tibet's northern alpine desert. That line required much scientific research, primarily because so much of the line is over permafrost, which proves to be anything but permanent when rail bed ballast, soaking up the heat of the sun, is laid across the high plateau, resulting in not only permafrost melt, but dangerous slumping as meltwater melts away, very dangerous for a fast moving train. In the case of the Nyingtri line, the problems are only intermittently the technical fixes needed to stabilise permafrost, and are more to do with the precipitous terrain.¹⁰⁰

Kham is often, in Tibetan, poetically and accurately defined as “precipitous Kham.” The massif of eastern Tibet thrust into lowland China by the collision of the Indian and Eurasian continents, is deeply dissected by the great rivers that rise in Tibet and water both China and Southeast Asia. The railway must traverse both the massif and the deep valleys cut by wild mountain rivers over millions of years,

100 HUANG Run-qiu, LI Yan-ron2, QU Ke and, WANG Ke, Engineering Geological Assessment for Route Selection of Railway Line in Geologically Active Area: A Case Study in China, *Journal of Mountain Science*, (2013) 10(4): 495–508

the gorges of the Yangtze, Mekong and the Salween of Myanmar.

The new lines will have to cross two major tributaries of the Yangtze, the Dadu (Mu Chu in Tibetan) and Yalong (Nyak Chu in Tibetan) rivers, before crossing the main channel of the Yangtze (Dri Chu in Tibetan). The Yangtze is the actual boundary between Sichuan to the east and Tibet Autonomous Region to the west. The line then has to cross the Nu river, (Myanmar's Salween, Gyalmo Ngulchu in Tibetan) and skirt major tributaries of the Yarlung Tsangpo (Brahmaputra). Between these many river crossings, the rail line has again and again to climb to the Tibetan Plateau floor, which varies between 4000 and 5000m. Only after reaching Nyingtri is there a naturally available manageable gradient, where the line can ascend the Nyang Chu, a tributary of the Yarlung Tsangpo, in those stretches where the banks can accommodate both a highway and a railway.

The mountain most sacred of all to Bonpo practitioners is near Nyingtri. Kongpo Bonri is a pilgrimage circuit (walked by all anti-clockwise) very much alive today, despite the close proximity of the 318 Highway. *“What makes Bonri holy? In the thirteenth century a lama called Ripa Drugse visited the mountain. Seeing that he was a magus of the Bon religion, the indigenous spirits of the place attacked him, but his spiritual training prevailed, and he succeeded in subduing them. In his meditation on the forested slopes of the mountain the lama saw that he was merely completing a mission that had been initiated by the founder of the Bon religion, Tonpa Shenrab himself, thousands of years earlier. Ripa Drugse recorded his exploits and visions in his writings, and “opened” Bonri as a pilgrimage place for adherents of his faith. Over the centuries other lamas followed him, writing down their own achievements and visions. The creation of Bonri as a holy mountain was thus a cumulative process, and all these accounts were later compiled, in the eighteenth century, in a neyig, a sacred “guidebook” to the area. These compilations are not merely descriptive, but prescriptive: they tell pilgrims what to do and how they should perceive the sites they visit.*¹⁰¹

Trains cannot handle steep gradients as well as trucks do on highways. The alternation of altitudes across Kham is a great challenge,

101 Samten Karmay ed., *Bon: the Magic Word: the Indigenous Religion of Tibet*, Rubin Museum of Art, 2008, 137

requiring much tunnelling and bridging to even out the gradient, especially if the train is to manage the 1600 kms from Chengdu to Lhasa in 15 hours, including stops.

The speed of the trains will be enhanced by keeping stops to a minimum. On the 1776 kms of the new high-speed line to Urumqi in Xinjiang, there are only 31 stations, on average 57 kms apart, but actually clustered in populated areas with long stretches in between; and high-speed trains stop at only a few of those stations.

End of the Line Lhasa in the Era of High Speed Rail

The construction of the Chengdu to Lhasa line should not be seen in isolation; it is only one of many new lines, and only part of a huge debt-funded capital expenditure. In China, more attention is focused on the rapid expansion of high-speed rail, which is greatly shrinking the entire People's Republic, enabling those who can afford it fast access to any lowland market. The expansion of high-speed rail, even if Tibet is not included, will also mean reaching Tibet from Shanghai or Beijing or Guangzhou will be much faster, even if it entails changing to a slower train at Lanzhou or Chengdu.

The RMB 3.8 trillion budget allocated for 13th Five-Year Plan rail projects, to 2020, should include finalising the grid of high-speed lines. In English, this is known as a series of four east-west lines, and a series of four north-south lines. In Chinese, this vision of intersecting rail lines is simply known as the vertical and horizontal lines, as if China's geobody can be inscribed, just like the writing of a Chinese character, the ultimate in ensuring China is ultra-modern, yet with Chinese characteristics. The four vertical and four horizontal brush strokes were completed in 2015, leaving rail engineers free to move on.

The high-speed construction boom has been in the most densely populated provinces, until now. The high speed line across northern Tibet, linking Lanzhou to Urumqi, which began operation in 2014, promises to cover 1776 kms in as little as eight hours, and extends high-speed rail far to the west. But Xinjiang offers wealth accumulation opportunities quite unlike Tibet. Xinjiang these days is a major

industrial hub, with oil, gas, coal-fired electricity generators enabling a shift of aluminium smelting westward, as well as Xinjiang's position as China's entry portal to the energy resources of Central Asia. Inner Mongolia likewise is a major source of wealth accumulation for China, with its rare earths, coal, oil, gas and steel mills. Two high-speed lines into Inner Mongolia are planned, due for completion by the end of this Five-Year Plan in 2020.¹⁰²

While there is little economic justification for a new rail line into Tibet, and still less for a high-speed line, there are high-speed lines and other upgraded rail lines just below the Tibetan Plateau, which make Tibet more accessible. A high-speed (up to 250 kmh) line will soon link X'ian and Chengdu.¹⁰³ Other rail lines connecting China's northwest with its southwest have also been built recently, but not for high speed. Some ascend the eastern edges of the Tibetan Plateau, some stay in the lowlands, but all bring Tibet closer.

*"The Cheng-Lan railway, with a length of 457.59 km starts from Chengdu to get connected with Lan-Yu Railway (linking Lanzhou and Chongqing). This railway line together with the finished Bao-Cheng (Baoji-Chengdu) railway, the under-constructed Lan-Yu [Lanzhou to Chongqing] line will form a developed railway network connecting the northwest to southwest of China. The Cheng-Lan railway discussed in the paper will work as an important branch of the national traffic network. This railway starts at an elevation of about 500 m above sea level, runs northwards through the Longmenshan mountain, and climbs up to the east of the Tibetan Plateau at an elevation of 3,500 m. After that, it crosses watershed mountains between the Yangtze River and the Yellow River, and finally reaches Lanzhou City at an elevation of 1,500 m. The railway line passes through three fault zones, i.e., the Longmanshan, Minjiang, and Dongkunlun. Landslides induced by the 2008 Wenchuan earthquake make the above-mentioned geological environment even worse. The region where the railway stretches over is classified as active geological area with high georisk."*¹⁰⁴

102 Keith Barrow, Go-ahead for high-speed lines to Inner Mongolia, International Railway Journal, January 06, 2016

103 Kevin Smith, China steps up railway diplomacy in east Asia, International Railway Journal, February 03, 2016

104 HUANG Run-qiu, LI Yan-ron2, QU Ke and, WANG Ke, Engineering

Despite the earthquake and landslide risks, these projects are going ahead. The availability of high speed rail is rapidly changing how Chinese travel. Although many Chinese complain that high speed rail is expensive, attracting only those who can afford it, there are plenty of rich and aspirant rich, and plenty of first tier and second tier cities across China that need personal visits from entrepreneurs. The latest high speed rolling stock features not only ultramodern design, but also carriages with few seats for the poor, and many beds for the rich. High speed, on long haul routes such as Lanzhou to Urumqi, Xinjiang in eight hours, is an overnight journey, comfortably asleep in luxury.

This new way to travel, competitive with flying, even over long distances, promises to be highly profitable for the train manufacturers, especially Bombardier. *“China Railway Corporation (CRC) has awarded Bombardier Sifang Transportation (BST), a joint venture of Bombardier and CRRC’s CSR Sifang Rolling Stock, a Yuan 1.1bn (\$US 169.8m) contract to supply five 16-car high-speed sleeper trains. The 250km/h stainless-steel bodied trains are specially designed for overnight services and are fitted with sleeping berths. Manufacture of the 430m-long trains will take place at BST’s production facility in Qingdao, China and the sets will be powered by Bombardier’s Mitrac propulsion system, supplied by Bombardier’s CPC Propulsion System subsidiary. A prototype of the train presented to CRC in July included 532 soft-class berths and 110 second-class seats. The prototype was intended to gauge reaction to the overnight concept which CRC hopes will help it make better use of the high-speed network for passengers who face long journeys due to the great distances between cities.”*¹⁰⁵

The Chengdu to Lhasa rail line will similarly be highly profitable for Bombardier and its quarrelling Chinese partners, since Bombardier invented the pressurised train carriages used in Tibet to protect lowlanders from exposure to the thin air of Tibet until they step out onto the platform in Lhasa. Bombardier invented what it calls the

Geological Assessment for Route Selection of Railway Line in Geologically Active Area: A Case Study in China, *Journal of Mountain Science*, (2013) 10(4): 495–508

105 Kevin Smith, China orders more high-speed sleeper trains, *International Railway Journal*, December 18, 2015

Local Tibet car, and the Tibet tourist car which has Coach/Sleeper/Restaurant.¹⁰⁶ These designs will be available for the Chengdu to Lhasa line, and there is no competition, no other product designed for high altitudes.

The combination of widespread high speed throughout China's lowlands, and the Bombardier Local Tibet pressurised car in the uplands will make Tibet much closer and more accessible. Currently, the train timetable allows 41 hours for trains departing Beijing to reach Lhasa, over 46 hours Shanghai to Lhasa and nearly 53 hours Guangzhou to Lhasa.¹⁰⁷ For passengers embarking in Shanghai or Guangzhou, the combination of high-speed and the Chengdu to Lhasa rail makes for a much shorter journey, avoiding a long northward detour. The result will be that the 46 hours from Shanghai to Lhasa should be reduced to only 25.¹⁰⁸ When the high-speed line from Guangzhou to Chengdu is completed, the current 53 hours will be halved.

These timings matter, not only to business people, but to tourists too, who have limited holiday time.

A Railway for Ending Tibetan Poverty?

Unlike the Urumqi line and the alpine desert lines across northern Tibet, the Chengdu to Lhasa line traverses some of the most densely populated Tibetan counties, and China will argue that the rationale for its construction is poverty alleviation. In the census of 2000, the total Tibetan population in the counties directly on this new rail line was 444,000, out of a total Tibetan population of over 5,000,000. By Chinese standards, this is not a big population but around one in twelve of all Tibetans will be directly impacted by this railway.

106 <http://www.bombardier.com/en/media/newsList/details.1246-bombardier-awarded-a-contract-for-high-altitude-passenger-rail-cars-in-tibet.bombardiercom.html>?

<http://www.bombardier.com/content/dam/Websites/bombardiercom/Sites/supporting-documents/Bombardier-Transportation-SiteFactSheet-Qingdao-China-en.pdf>

107 <http://www.chinatibettrain.com/fares.htm>

108 http://www.gochengdoo.com/en/blog/item/1718/10hour_chengdushanghai_train_opens_this_month_more_fast_trains_on_the_way

Around the world, it is a standard argument that enabling poor people to access distant, wealthy, urban markets is a way of alleviating poverty. This is a standard argument for railway construction across areas inhabited by the poor, and is routinely invoked by, for example, the World Bank. Similarly, China argued that poor Tibetans would be enriched by the trading opportunities opened by the 2006 rail line from Lanzhou and Xining to Lhasa; and no doubt will argue that the Chengdu to Lhasa line will benefit the poor.

In reality China has done almost nothing in the past 60 years to integrate the natural advantages of Tibet, in livestock production, dairy and wool, into the Chinese economy. It takes much more than a railway line to get Tibetan produce to Chinese markets. It also requires a commodity chain, investment in logistics and marketing, the construction of stock yards, cold chains, factories for processing and value adding, and a distribution system that returns value to producers, rather than monopolising the increase in price every time a commodity changes hands. Almost none of these preconditions exist in Tibet, or in the Chinese cities closest to Tibet, including Chengdu.

At much lower altitudes, the Asian Development Bank reluctantly rated the impact on poverty of the \$800m spent on building the Dali to Lijiang railway as “significant.”¹⁰⁹ The Chengdu to Lhasa rail line is to traverse heartlands of Tibetan pastoral production, but without any plans for enabling pastoral producers to access markets, even though dairy products are now highly fashionable health foods sold at premium prices in China’s cities.

The rail line will largely follow the existing highway, which has been greatly upgraded in recent years, at great expense, yet without doing much to enable poor Tibetans effective access to China’s urban markets, consuming milk powder, ice cream and yoghurt imported from New Zealand instead. The poverty argument is propaganda, with no substance behind it.

109 Asian Development Bank, Validation Report, Dali–Lijiang Railway Project, January 2015, 8 <http://www.adb.org/documents/people-s-republic-china-dali-lijiang-railway-project>

Actual Beneficiaries

If Tibetans are unlikely to benefit, who will? One certainty is that Bombardier is positioned to supply the rolling stock. Montreal-based Bombardier sold 361 pressurised carriages specifically designed for the thin air of Tibet, for the first rail line into Tibet, a proud moment.

Bombardier went on to invest heavily in China, with a joint venture factory to produce railcars. But Bombardier today is overstretched, in debt, close to collapse. Above all, it badly needs to make sales, and get cash flow through the door.

Bombardier remains in a delicate and vulnerable situation, brought on by a huge accumulation of debt in its aircraft manufacturing business, due to delays in creating a saleable aircraft, and making actual sales. The family owned company, built by the inventors of the Skidoo snowmobile, invested heavily in designing aircraft that could compete with giants Boeing and Airbus, only to have their fuel-efficient C Series arrive at a time when fuel costs are no longer of much concern to airlines. So deep is Bombardier's debt, leaving it bereft of working capital, it urgently needed to raise fresh capital to stay in business, after reporting a massive loss due to writing off much of the costs of developing the new aircraft.

Bombardier in late 2015 considered selling its railcar manufacturing wing to its Chinese partners, even though the whole idea of the 50/50 joint venture was to not only give Bombardier the connections and inside track on getting Chinese orders, but also joining the Chinese in competing worldwide for orders. To lose its rail arm, headquartered in Germany, would be the loss of core assets. Bombardier's unique business model of manufacturing both railway rolling stock and aeroplanes had long been able to balance the regular income of the rail sales with the much more volatile cash flow of aircraft. To lose the rail business, especially to its own Chinese partners, would be humiliating, and so alarmed the Quebec provincial government that it stepped in, arguing that it is normal that governments protect their aircraft manufacturers.

At the time of this crisis, China's two big state-owned rail construction corporations were, at Beijing's insistence, merging into one giant, and were preoccupied with how this shotgun wedding would be done. Perhaps it is only this accident of timing that enabled Bombardier to escape receiving a formal takeover offer from China.

Bombardier explored every possible source of fresh capital, including launching an IPO to bring money and new shareholders on board, even though the family owners insist on maintaining control, through giving themselves shares with 10 times the voting rights of other shareholders. The IPO fell through, as Bombardier's shares slid over 70%, as news of the aircraft design and manufacture losses was revealed, leaving Bombardier with a reputation among investors of a chronic under-performer.

More generous in approach was the Quebec provincial government, which invested \$1 billion in Bombardier, a protective, mercantilist investment for its Montreal-based hometown hero, followed swiftly by a major capital injection from Quebec's public employee pension fund, which in return gets to appoint 30% of the Bombardier board. The pension fund, Caisse de dépôt et placement du Québec purchased 30 per cent of Bombardier's rail division in November 2015 for C\$2 billion.¹¹⁰

It looked, by early 2016, that Bombardier had recapitalised itself, and was on the verge, at last, of selling a substantial number of its new aircraft to Delta Airlines. The crisis, however, was not over. Bombardier has now had a falling-out with its Chinese partner, which bid against Bombardier for a contract to build trains for Chicago. China Sifang's bid was not only cheaper than Bombardier's. What clinched the deal was Sifang's promise to build its factory on Chicago's poor and black South Side; while Bombardier already has a factory in upstate New York. Bombardier's response to being outflanked by its own partner was outrage, calling the Chicago decision "rigged" and "Illegal."¹¹¹

110 Ross Marowitz, Chairman Beaudoin's future clouds certification of C-Series; Two new deals for Bombardier rail division, *Montreal Gazette*, 19 December 2015

111 Kristine O'ram, Chicago Transit 'rigged' bidding process: Bombar-

Bombardier, having suffered the indignity of its Chinese tech transfer partners hoping to buy out their senior partner, is in a tense and unstable relationship with its train builder partners, and the train builders are all quarrelling with the train operators over who is to blame for China's poor record of train smashes.

Who Gains Most?

The greatest beneficiary, rather obviously, is China's party-state. But, less obviously, the benefit of the vast expenditure needed to construct the Chengdu to Lhasa rail is not economic. There is no economic justification for this line, no business case to be made, no cost/benefit analysis showing any return on investment. It may well accelerate the tourism boom, as China's mass domestic tourists find east coast China to Lhasa in 25 comfy train hours a unique selling proposition hard to resist, and they get to discover Bayi, and entirely Chinese city in southern Tibet, surrounded by "virgin forest". While the party-state controls all major scenic sites, and controls their interpretation, mass tourism seldom returns substantial revenue to the state.

The other potential economic pay-off of a rail line across Kham is access to the biggest copper province of Tibet, around Jomda, between Derge and Chamdo, in a district usually called Yulong. Here the biggest deposits of copper, gold, silver and other valuable metals have been found, and carefully evaluated by teams of geologists over decades. However, these remain stranded assets unless they can connect with markets and initially with smelters that can convert the concentrates produced on site into separate, pure metals. The size and scale of the Yulong deposits, and their remoteness, and China's acute reliance on imported copper and gold, all suggest the necessity for a rail line.

There are two highways linking Chengdu to Kham and central Tibet. The more northerly route, highway G317, passes close to the copper deposits. The planned railway takes the more southerly of these two dier; Protest over Chinese firm's vow to build plant on poverty-ridden south side, Montreal gazette 14 April 2016

Bertrand Marotte, Bombardier says Chicago 'rigged' rail contract, The Globe and Mail, 14 April 2016

routes, along highway G318, 200 kms south of the copper deposits, in terrain so rugged there is barely a dirt road connecting the two highways. The intrepid Gyurme Dorje, in his *Tibet Handbook* devotes pages to this remote area and its monasteries.¹¹²

There could be no greater evidence that there will be very little economic return on the capital invested to build the Chengdu to Lhasa line than the bypassing of the copper of Yulong. Yulong is just within Tibet Autonomous Region, on the west side of the Dri Chu (Yangtze), and thus potentially a contributor to the revenues of a government utterly reliant on subsidies from Beijing, so short is local revenue.

China's party-state says development is the answer to all Tibetan problems, and that economic growth across China remains its top priority. Yet, in Tibet, it is dependence on Beijing that constantly grows, with no sign of effective economic take-off in central Tibet (TAR). As economist Andrew Fischer has shown in depth, the dependence only deepens, while plans to integrate the actual Tibetan pastoral livestock economy along the new rail line, into China's economy, do not exist. Peking University sociology professor Ma Rong first characterised central Tibet as a dependent economy in 1993, and dependence has since only intensified.¹¹³

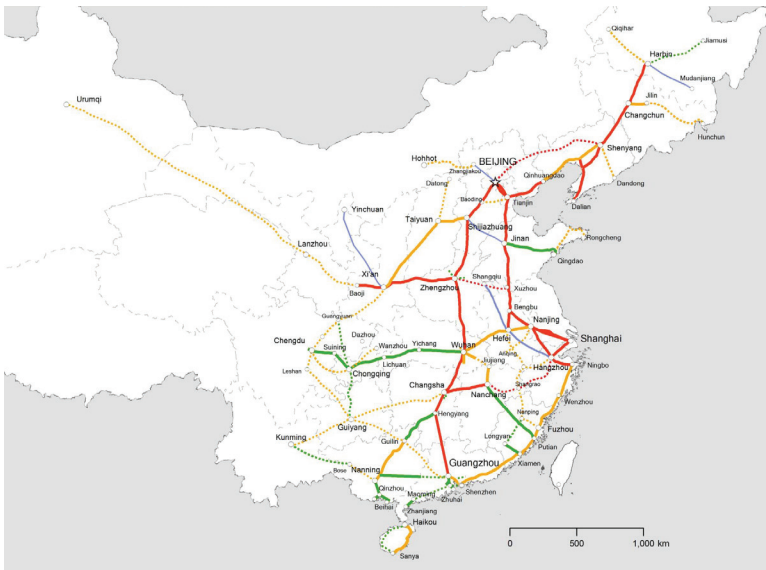
The pay-off, for the party-state, is dependence, control, inscribing the presence of the sovereign state across the land, and in the lives of the Tibetans. Sociologist Ma Rong has long argued that *“the TAR has not been integrated into the ‘core’ economically. An entirely new economic and administrative formation was established; radically different from the old [Tibetan] regime. This new setup was imported from outside and did not emerge from the native soil. Nor was it an attempt to add new elements that could be grafted onto the old foundation.”*¹¹⁴

112 Gyurme Dorje, *Tibet Handbook* 4th edition, Footprint, 2009, 570-576

113 Ma Rong, *Economic Patterns, Migration and Ethnic Relationships in the Tibetan Autonomous Region, China*, in Calvin Goldscheider ed., *Population, Ethnicity and Nation-Building*, Westview 1995

114 Ma Rong, *Population and Society in Contemporary Tibet*, Hong Kong University Press, 2011, 180-183

The inscription of a railway, through Kandze, the most unhappy of all Tibetan prefectures, and on to Lhasa, could in theory reverse this trend, strengthen the rural Tibetan economy, add value to pastoral livestock production, and open up access to urban markets, much as Inner Mongolia has become a major base for dairy production distributed throughout China.¹¹⁵ In reality, this railway, as with all major projects of the party-state in Tibet, is intended only to manifest the presence of the state on the land, and in the lives of the masses, while providing the world with images of sleek, modern trains speeding through the Tibetan countryside.



This *chaglam*, Tibetan for railway, literally iron path, could yet become a boost, lifting poor Tibetans out of remoteness and inability to access markets, if only Beijing would pay as much attention to the soft infrastructure of development: vocational training, micro-credit, agricultural extension, livestock insurance, logistics at a local and

¹¹⁵ Julia A. Klein, Maria E. Fernandez-Gimenez, Han Wei et al., A Participatory Framework for Building Resilient Social-Ecological Pastoral Systems, in: Restoring Community Connections to the Land: Building Resilience through Community-based Rangeland Management in China and Mongolia, CABI, 2012

regional level. But Beijing remains fixated on hard infrastructure, on mega-projects, all of which establish state authority, where traditionally no state had authority. Such projects make local populations visible and legible to the security state.

If one looks at the official list of the 13th Five-Year Plan projects specifically targeting Tibet, one could argue that none, except for the railway, have much potential to become integral to the Tibetan economy, embedded in Tibet's pastoral production landscapes.

The five key projects of the 13th Plan that most directly impact Tibet are, in priority order, the Sichuan-Tibet railway, new hydro power plants with an aggregate capacity of 60,000 mw, Big reservoirs in Tibet and other area, urbanization of 100 million people in central and west China, ecological restoration of Qinghai-Tibet Plateau and other ecologically important areas. What is remarkable is that none strengthen the Tibetan economy, in fact most require removal, relocation and displacement of Tibetan communities, whether in the name of ecological restoration, poverty alleviation, dam or railway building. Far from keeping folks on their land, enhancing their productivity and access to markets, all of these big projects, with their big budgets, and big immigrant construction workforces, all further reduce Tibet to more extreme dependence, on the fringes of a modern economy superimposed onto Tibet.

This has been the pattern for decades. The new iron path into Tibet is not the only path governing Tibet; and the dependence of Tibet on Beijing subsidies is not the only form of dependence. Central leaders in Beijing are in a pattern of path dependence, a polite social science term for addiction to repeating the same folly over and over, even when it consistently fails to get results. This is the fate of Tibet.

