

Dynamics of development on the Tibetan Plateau

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No comprehensive account is as yet available on the dynamics of modernisation on the Tibetan Plateau. Given the size, administrative fragmentation and diversity of the plateau, this is not surprising. We now do have many small-scale studies, by development agencies as well as social scientists, of the livelihoods, indicators of human well being, and economic opportunities of rural Tibetans and urban centres of capital accumulation. These enable a tentative political economy model to be proposed.

China has attempted the industrialisation of Tibet for 50 years, and only in the Tsaidam Basin has it succeeded. Elsewhere enterprise losses are chronic, subsidies are enormous, dependence on external inputs overwhelming, while the subsistence economy has not been strengthened or integrated with the enclave economy.

Many Tibetans now wonder if such state failure is systemic, indicative of a dysfunctional model that fails to consider the basic realities. The most fundamental reality is that nearly all the plateau is an extensive land use zone in which sustainable productivity is best maintained by traditional community based economic organisation, amid a dispersed population. The structural distortions resulting from chronic dependence on subsidies, the failure of industrialisation, the underinvestment in rural production, education, health and food security, all suggest a policy that, after 50 years, is questionable. Fresh policy directions are needed.

This paper examines a growing convergence of ideas between Chinese and Tibetan economists and development policy planners. Tibetan economists and development planners are now enunciating alternative models. The new approach is based on adding value to subsistence production, reinstating traditional community based organisations responsible for natural risk management decision making, and strengthening the mobility required for sustainability, rangeland productivity and biodiversity conservation. These Tibetan models are based on the comparative advantages of the subsistence economy, and are a ground-up, farmer first approach. Comparative advantage now includes new factors, such as the perception among high income Chinese urban consumers that yoghurt, cheese, leather and wool are fashionable and in much demand.

Chinese policy makers are shifting towards seeing Tibet as a water source rather than an extractive zone. Chinese economists increasingly question whether the standard emphasis on industrialisation, in large and small urban centres, is a policy suited to remote regions. This policy has been standard for 50 years, through all major policy shifts, and is meant to foster not only growth and wealth creation, but also employment and poverty alleviation. Alternative policies emphasise the gains to be made by adding value

to subsistence products, investment in education and basic human services, and targeted poverty alleviation designed to maintain the mobility of extensive land users.

Within a political economy approach, several models offer possible explanations of the dynamics of modern Tibetan development. It may be premature to suggest a master narrative encompassing the past 50 years, especially if such a model is to account for the persistent failure of a development state to attain its developmental goals in Tibet. Yet we can test some hypotheses: the geographic and ecological determinist models based in physical sciences, the evolutionary models of neoliberal economic transition theory, the dependency theory model drawn from colonial experience worldwide. It may be that none of these models fit what we know.

We may now tentatively depict the experience of the past 50 years as the creation of a modern extractive enclave economy superimposed on a pre-existing subsistence economy, so far with remarkable few linkages between two spatially separate economies. One is the modern urban economy, which is both capital intensive and labour intensive, reliant on external inputs, and highly localised spatially. The other is extensive, starved of capital and short of labour, and persists in subsistence mode, unconnected to the urban economy and socially excluded from the human service that are delivered only to urban areas and those enjoying urban incomes.

The major change of the past 50 years is the imposition from above of spatial inequality, of wealth concentrated in enclaves and poverty spread across the hinterlands. Within the enclaves there are few industries, fewer profitable enterprises, and employment is concentrated in tertiary sectors of administration, logistics and maintaining the presence of the distant state. In the vast hinterland malnutrition, poverty, rangeland degradation, deprivation, social exclusion and deteriorating productivity are pervasive. This spatial inequality is not development, nor a stage in a natural evolution towards development.