

Poverty and marginalization of Tibetans in China from reform to WTO: statistical evidence from Tibet (TAR) and some interpretations

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The discrimination of Tibetans within China over the last 50 years has been a generally accepted fact by the international community, but very little rigorous socio-economic analysis has been conducted on dynamic that such discrimination has taken in the current period of liberalization and intense economic growth in China. This paper seeks to clarify and map out the nature of poverty and discrimination in Tibet in the 1990s, and then to provide several explanations. Statistics from the National Bureau of Statistics (NBS) in China will be used and the analysis will focus on the province of Tibet (TAR) given the fact that a large majority of the ethnic Tibetans in the province can be exclusively isolated in the rural statistics.

Although the Chinese government claims to have reduced absolute poverty in Tibet (TAR) from 480,000 in the early 1990s to 70,000 in 2002, this reduction does not appear to be borne out in the SSB data for the province. When indexed to inflation, the average net income per rural household in Tibet suddenly fell in real terms by over 20 percent between 1990 and 1995. Although slowly regaining its value after 1995, it only reached its 1990 real value by 2000, and by 1998 it fell in rank to the lowest of all such incomes in China, falling from 95 percent of the national average in 1990 to about 56 percent in 1998. All told, the average income per rural household in Tibet, at about 41 US cents a day in 1998 (non PPP), was only marginally higher than the Chinese measure for absolute poverty, which itself is far below the PPP dollar-a-day measure established by the international community.

This sharp fall in real and relative rural incomes in Tibet does not appear to be related to questions of either geographical remoteness or productivity, as typically posited by the government as the primary explanation for entrenched poverty in the western reaches of the country. Rather, the timing of the sudden fall in real incomes appears to have been related to shifts in the macroeconomic and fiscal policies of the government in the early to mid-1990s and their repercussions within an ethnically discriminatory context. The years leading up to the 1990s saw the heavy repression of local dissent within the TAR, aborting any initiatives for local indigenously-led development. This was contrary to the experience of the other western Chinese provinces, where local and rural processing industries proliferated in the mid to late 1980s during the distributional conflicts of the "commodity wars" and the related local state developmental activism. Although such regionalism was controversial at the national level, it nonetheless gave these provinces an opportunity to diversify away from the disadvantaged sectors of the national economy, such as agriculture and raw material extraction, and thus to respond to

the worsening terms of trade in these sectors from the mid-1980s onwards. Such diversification consequently formed the backbone of successful poverty alleviation strategies, or at least, it delayed the slow-down in poverty reduction observed in these regions by allowing local economic actors to capture substantial value-added in the processing of local resources and by increasing the wage component of rural incomes.

In contrast, by the early 1990s there were virtually no rural industries in the TAR, and this situation has remained constant throughout the 1990s, despite heavy investment in the province by the Central government. To the contrary, the rural economy has remained specialised in the production of a few traditional commodities, and economic power has remained entirely concentrated in the urban areas under the effective administrative and fiscal authority of the Central government. Subsequently, when the domestic pricing of most primary commodities was liberalized in the early 1990s – and in the case of wool, international trade as well – Tibetan farm incomes suffered a sharp fall. Simultaneous austerity measures brought a sharp drop off in subsidies and an increase in service prices. Thus given their severe dependence on traditional commodities, Tibetan farmers and nomads had very few alternatives to be able to respond to the changing price and fiscal environment. Repression and the tight security environment of the early 1990s allowed for very little margin of manoeuvre for local initiatives. As a result, incomes fell in both real and relative terms.

The scenario is particularly significant given its clear demonstration of the interdependence of discrimination and impoverishment. It therefore highlights the pivotal importance of economic, social, and cultural rights – or rights as entitlements as articulated by Amartya Sen – in the planning of effective poverty alleviation. It is also relevant to the current ascension of China to the WTO. The tariff reductions and trade liberalization that were begun in the reform period will be largely completed, particularly with respect to grain imports. This will most likely produce a further downward push on agricultural prices, exacerbating the above observations on a larger scale in Tibet as well as in China.