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Note: The papers in this volume have been edited into the current form, in some cases without further review by the authors. Some were translated from papers presented in Chinese.

## Chapter 1

# **Sustainable Rural Development in Mountainous Regions with a Focus on Agriculture in the Tibet Autonomous Region - An Overview of the Conference's Objectives and Outcomes**

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## **INTRODUCTION**

This chapter describes the background and objectives of the conference, its structure, and major outcomes and recommendations. It is not intended to be a conventional report of the proceedings of the conference by providing a session-wise record of discussions but rather reflects the spirit of the conference and a summary account of how it went and what it achieved.

## **BACKGROUND AND OBJECTIVES**

### **The Tibet Autonomous Region**

The Tibet Autonomous Region of China (TAR) covers 1.2 million square kilometres and is located in the south-western part of China between 26°50'N and 36°53'N latitude and 78°25' E to 99°06'E longitude. It borders the other Chinese provinces of Qinghai and Xinjiang to the north, Sichuan and Yunnan to the southeast, and the South Asian countries of India, Nepal, and Bhutan to the southwest and south. With an average altitude of more than 4,000 masl and characterised by harsh climatic



conditions and fragile geological features, it is one of the least developed regions of China.

The TAR has a population of over 2.5 million people (Tashi et al. 2002), and the main source of livelihood continues to be pastoral production. Crop production is restricted to the central valleys and is dominated by barley, the staple food of Tibetans. Administratively, the TAR is divided into seven prefectures: Shigatse, Shannan, Naqu, Chamdo, Ali, Linzhi and the capital city of Lhasa. The prefectures are further sub-divided into 71 administrative counties, two city counties (downtown Lhasa and Shigatse), and one special administrative office (*Shuanghu*). The seven prefectures have nearly 900 townships and more than 7,000 villages.

The total area of useable land in the TAR is reported to be about 76.03 million ha, which is about 63% of the entire territory (Tibetan Bureau of Land Planning 1992). However, the bulk of this land consists of rangelands—at 61.6 million ha or 80% of all useable land. Forest cover represents a mere 13.9 million ha or just 11.5% of the total area. A significant portion of the territory is covered by barren and wastelands—at 44.3 million ha, about 37% of the total land resources.

In 2002, the TAR had an estimated livestock population of about 63.3 million yaks and cattle, 0.56 million horses and donkeys, and 178 million sheep and goats (Tashi and Partap 2004, this volume). The annual production of meat from yaks and sheep stands at around 0.17 million tons, wool at 9,940 tons, and milk products at 0.243 million tons.

Barley is the most important crop, and the annual total cultivated area is about 127,100 ha of land. The average barley consumption in rural Tibet is reported to be around 155 kg per capita. Wheat is the second most important crop with an annual coverage of 55,040 ha. Other crops include rapeseed for oil production, potatoes, and vegetables. In recent years, vegetable production in greenhouses has increased rapidly to reach around 7,500 ha. There has been also a significant increase in the area of land used for growing forage crops in prefectures like Chamdo.

Besides pastoral and agricultural production, tourism is a fast-growing economic sector. The rich cultural heritage of the Tibetan people and the scenic landscape of the region are highly attractive to tourists from both mainland China and the outside world. However, this is still largely undeveloped and limited to accessible areas.

## Conference background

This conference is the third in a series of conferences organised jointly by the German Foundation for International Development (InWEnt), Germany, and the International Centre for Integrated Mountain Development (ICIMOD), Nepal, focusing on poverty in mountain regions. The first one, held in Kathmandu, Nepal, in 2000, (Banskota et al. 2000) focused on poverty in the Hindu Kush-Himalayan (HKH) region as a whole. The second one, which was held in Chengdu, Sichuan province, China, in 2002, (Jodha et al. 2004) focused on poverty in the mountain areas of China. The focus of this current conference is specifically on the Tibet Autonomous Region (TAR) as it was identified at the Chengdu workshop as the least developed of the mountain regions in China. The overall objective of the conference was to contribute to a process of agriculturally-related, sustainable rural development in mountainous regions of the Tibet Autonomous Region (TAR). Specifically, its aim was to share key experiences of integrated rural development in mountainous regions with a focus on the TAR; to identify key challenges and opportunities for the development of rural areas of the TAR and reduction of poverty in them; and to provide recommendations for market-oriented and sustainable agricultural and rural development strategies (see also Tashi et al. 2002).

The conference was organised by the Tibetan Academy of Agricultural and Animal Husbandry Sciences (TAAAS) with support from InWEnt, Germany; ICIMOD, Nepal; and the EU-China Panam Integrated Rural Development Project (PIRDP) Office. A Steering Committee comprised of representatives from these agencies provided oversight of the arrangements. The conference consisted of a pre-conference workshop, held on July 23, 2004, to enable Chinese participants to review the issues and discuss them among themselves, to discuss progress made towards poverty alleviation, to draw lessons from experiences, and to identify issues for presentation at the main conference. For the international participants, a field trip was organised to the European Union (EU)-supported Panam Integrated Rural Development Project from 21 July to 23 July, 2004, to familiarise them with field conditions in Tibet and to observe agricultural and rural development activities in the field. The main conference took place from 24-28 July, 2005, in Lhasa. The main conference included an opening session, four plenary sessions, four group work sessions, and a round table meeting of development agencies and non-government organisations (NGOs) active in the TAR. Both the opening and closing sessions were attended by high-level representatives of the TAR government.



## **PRE-CONFERENCE FIELD TRIP**

The Pre-conference Field Trip to the Panam Integrated Rural Development Project funded by the EU provided international participants with an opportunity to observe agricultural and rural development activities in the villages. The three-day trip included visits to project villages and the project research station as well as interaction with local government officials and beneficiaries. The participants also had the opportunity to visit cultural heritage sites at Shigatse and to experience local customs and traditions. Innovations from the project included rehabilitation of degraded rangelands through reseeding and plantation and introduction of improved barley, wheat, potato, and fodder species. The project's support for introduction of solar heating and lighting systems, piped water supplies, and market access roads was reported by the villagers to be highly beneficial. The participants observed that the standards of living in the villages they visited were much lower than in and around Lhasa.

## **PRE-CONFERENCE WORKSHOP**

The Pre-Conference Workshop was aimed at providing local participants with an opportunity to interact among themselves in Chinese, as many of them did not speak English and might have found it difficult to participate in the main conference. The idea was to enable them to have an opportunity for free and frank discussions of their respective experiences in implementing poverty alleviation schemes and their assessment of the benefits of various schemes operational in the TAR, so that they could bring the lessons and issues requiring further discussion to the main conference. The proceedings from this workshop were published as a separate volume containing all the papers that were written in Chinese, as these are a valuable source of information and reference for Chinese speakers.

## **MAIN CONFERENCE**

### **Session 1: Defining and assessing poverty in remote and mountainous regions**

There was general consensus among the participants that the definition of poverty was much more complex than the lack of resources to live productive lives. Poverty had to be perceived not only in economic terms but also in social, cultural, and ecological terms. Therefore, identifying the poor was, in itself, a complex task as those who were rich economically might be socially and culturally or ecologically poor, thus requiring a different strategy. However, if income and living conditions were

considered, it could be accepted that the herders and farmers in TAR were relatively poor. Besides low income and poor housing, malnutrition and poor health were identified as important manifestations of poverty among the rural people.

The paper by Nyima Tashi and Tej Partap (2004, this volume) highlighted the advances made by the TAR in the past decade and the challenges ahead for increasing prosperity. The food security index they used to measure poverty showed that significant strides had been made in improving the availability as well as the quality and variety of food. The experience from Panam Integrated Rural Development Project substantiated the above assessment and provided practical lessons from the field to illustrate the types of poverty in rural areas and their indicators (Kaiser and Zhan 2004, this volume). Following the papers and the group discussions, poverty was described in different categories.

### **Poverty due to low income and economic assets**

The participants deliberated on the dimensions of poverty of income and agreed that the main factors responsible for low incomes were:

- a) lack of access to resources like land and livestock;
- b) lack of investment capital;
- c) lack of access to proper education; and
- d) lack of infrastructure, including lack of access to markets.

In terms of agricultural production, it was mentioned that the landholdings of the farmers were generally too small and insufficient to produce enough food for the family let alone for the markets. Development workers frequently mentioned that the local farmers practice 'primitive methods' of production and that they needed to 'change their mind-sets' towards adopting more enterprising and 'modern methods.' It was also noted that a lot needed to be done for farmers to adopt commercial practices such as investment credits, input subsidies, and price guarantees. Access to information and new technologies was also not readily available to remote farmers.

### **Poverty due to poor education and lack of knowledge**

The majority of local participants felt that poor education and low qualifications of the rural people were indicative of their poverty in comparison to urban areas. Poor education had led to limited social and technical skills in terms of managing their lives; for example, family health and nutrition needs; or in terms of engaging in more productive enterprises to improve their livelihoods. They found it difficult to present their views and development needs to higher-level decision-makers.



Although local administrations provide free education (up to 9<sup>th</sup> Grade) and strongly encourage farmers to send their children to school, lower enrolment and higher drop-out rates in comparison to expectations were typical features of rural education in the TAR. This could well be because of shortage of labour, lack of financial resources, and lack of competitiveness in examinations for further education.

### **Poverty due to poor infrastructure and physical assets**

Participants stated that most rural settlements were characterised by poor housing conditions with no proper sanitation, ventilation, or insulation facilities. As a result, respiratory and diarrhoeal diseases were rampant. State-supported facilities for health care, water supply, and electricity had not yet reached many of the rural areas. In many places, there were no roads, access to them, or economic support structures like manufacturing and marketing companies. Even where some basic public services were available, the local people were not well organised or equipped to maintain these services.

### **Poverty due to lack of natural resources**

Participants generally believed that poverty was also a manifestation of the harsh natural conditions in remote mountain areas. Mountain areas were generally inaccessible and isolated from the economic centres (county, prefecture seats, and so on). Because of the harsh climate, the resource base, such as arable land and forests, was low and the potential for increasing its productivity limited by the short growing season. Most rural households did not have access to resources for their basic needs and, even for those who had, landholdings were usually small and marginal. As a result, the carrying capacity of local resources was stretched by an increasing population, particularly in Tibet where the family planning policy was not the same as in inner China. Resource degradation, particularly of pastures, was reported to be taking place rapidly and effective means to restore such degraded pastures were not available.

There were only a few community-based organisations to manage resources like pastures and few opportunities for poor households to participate in decision-making on natural resource use and management. Wherever mineral resources were available, the benefits from mining did not accrue to the local people as they were owned by private companies from outside the region. Rural people also did not have funds to invest in intensive farming and industrialisation of agriculture, nor in off-farm enterprises such as tourism.

### **Indicators of poverty**

The conference participants debated about the indicators that best served to measure the level of poverty in remote mountain areas of Tibet. While there was general consensus that conventional indicators such as per capita income, literacy rates, food sufficiency, and clothing and housing status should continue to be used, other indicators, such as the levels of social harmony and cultural and ecological integrity, needed to be included. In this respect, mention was made of the Gross National Happiness indicators used by Bhutan as an index of development encompassing both quantitative indicators of income as well as qualitative indicators such as cultural identity, ecological health, and good governance.

### **Poverty trends in the TAR**

There was general acknowledgement that significant progress had been made in alleviating poverty and improving the livelihoods of people in the TAR, although the pace of development was rather slow. However, regional disparities were noticeable between rural and urban areas with remote rural areas still having no access to basic facilities like clean drinking water, electricity, and facilities for education and health. There were also marked differences in living standards between communities living along the highways and near road-heads and those that were not connected by roads. Overall, there was little improvement in the health of the people as medical expenses had increased in previous years due to a shift in government policy towards privatisation in health services. (It should be noted here that farmers were still given cards for free health care. Only if the quota was used up were they expected to pay themselves.)

It was recognised by participants that the consequences of urbanisation and its impact on poverty were unclear, controversial, and not studied and analysed. For some rural communities, urbanisation had led to the loss of land for infrastructural development without adequate compensation mechanisms being in place.

### **Session II: Approaches and Experiences**

During this session, poverty alleviation approaches and experiences from other regions of China and from Bhutan, Nepal, and Pakistan were shared. The session also included a 'Round Table Discussion' on approaches and experiences in rural development by international agencies and non-government organisations (NGO) working in Tibet, and this was facilitated by TAAAS. A report on this meeting has been included as a separate chapter in this book.



The case studies from within mountainous areas of China provided good examples of successful resource use and conservation measures. The paper by Wang Deziang and Yang Gaihe (this volume) provided a comprehensive overview of the measures taken to protect the fragile headwater areas of major waterways like the Yangtze, Langtang, and Yellow rivers. Likewise, Zhang Yong Ze and Pubu Danba (this volume) gave a good account of the ecological conservation measures adopted through the establishment of a network of protected areas representing the major ecosystems in Tibet.

From Nepal (Banskota and Sharma, this volume), the experience of promoting eco-tourism as a vehicle for income generation and poverty alleviation in the trans-Himalayan district of Mustang was shared. It was noted that eco-tourism could play an important role in developing the economy of remote, mountain areas provided it was integrated with traditional sources of livelihood such as yak rearing and crop production. Currently most benefits have accrued to the government and tour operators and very little tourist income has trickled down to the local population. Therefore, it was suggested that the development of the tourism sector should take place through active participation of local communities from the planning stage and that roles, responsibilities, and mechanisms for engagement and sharing benefits should be articulated and respected.

The paper by Abdul Malik (this volume) from Pakistan related the experience of the Aga Khan Rural Support Programme (AKRSP) in the northern areas and Chitral. The AKRSP approached local development by looking at three constraints: a) lack of organisation; b) lack of skills (technical, organisational, and management); and c) dearth of capital. The basic assumption behind this was that if people are organised and given the skills and the resources, they can take on the development challenges and face them effectively. Over a period of 10 years between 1991 and 2001, the per capita income of the people was reported to have nearly doubled from a mere US\$ 131 to US\$ 241. Of particular interest was the AKRSP's experience that people who were members of village organisations were observed to have incomes that were 15-20% higher than those of non-members. The paper also highlighted the importance of both mainstream rural development interventions that were not target specific, such as improvement in physical structures like roads and agricultural extension services, as well as targeted schemes, such as group credit and savings, aimed at benefiting the chronically poor and women's groups.

Bhutan's experience in taking up an integrated approach to natural resource management was also shared during the plenary and group discussions. The positive benefits of integrating agriculture, forestry, and livestock research and development activities as a steady and sustainable means of improving rural livelihoods were highlighted. The approach allowed professionals who were otherwise oriented towards their own sectors to discuss regularly and engage in a holistic development approach encompassing economic as well as social and environmental concerns.

### **Session III: Challenges**

In this session, key challenges were identified by conference participants. These are outlined in the following passages.

#### ***Understanding and mapping poverty***

The nature and extent of poverty in the TAR was still not very well understood or documented. There was a paucity of data and information that could be used for mapping poverty. Definitions of poverty and its indicators were still not adequately articulated in government documents and this gave rise to difficulties in identifying the poor and target groups for poverty alleviation projects.

#### ***Poverty alleviation approaches***

Poverty alleviation efforts were poorly coordinated and spread across vast areas and did not adequately reflect local conditions and needs in the mountain region. Adopting an area-based approach taking into consideration the specific natural environment, physical conditions, and the priorities and aspirations of local communities posed a serious challenge to planners and development agencies; and, in this respect, although the government was moving towards a more integrated approach to rural development, more needed to be done to scale up the process. The conflicts of interest among the various actors involved in rural development also hampered progress in the field and there needed to be a mechanism for dialogue and resolution of such conflicts.

#### ***Decentralisation and participation***

Although there was serious commitment on the part of the government to decentralising authority to local bodies and adopting participatory approaches to planning and implementation of development programmes, there was still poor understanding of the mechanisms of doing so. The capacity of government officials and local leaders to engage in participatory decision-making needed to be improved and



their understanding and attitude towards decentralisation reoriented. The participants were of the opinion that local people should not be regarded as backward and their way of life 'primitive' and that their views should be taken seriously.

### ***Environmental degradation***

Over dependence on natural resources such as pastures and crop lands and the lack of alternative sources of livelihood for rural herders and farmers were leading to degradation of the environment through overgrazing and intensification of cropping by using chemical fertilizers and pesticides. This not only resulted in physical degradation of resources but also in loss of biological diversity through the introduction of new commercial varieties. Therefore, balancing livelihood improvement through commercialisation and ecological protection posed a major challenge.

### ***Institutional support***

A major challenge to the TAR government was going to be to strengthen cooperation and coordination among the various institutions engaged in rural development. Lack of coordination among stakeholders, particularly the line agencies involved in delivering rural services, was referred to as a major constraint in making meaningful progress towards poverty alleviation. There was a deficit of experienced personnel as well as a lack of mechanisms for fostering cooperation among the various stakeholders; and these were considered to be important factors hindering development. Frequent transfer of trained personnel with local knowledge and experience was also cited as an important reason contributing to this situation.

### ***Harsh natural conditions***

The TAR is characterised by high altitude, and it has a cold arid ecosystem that has natural limitations for economic development. The shallow and fragile soils and cold dry climate limited agricultural intensification, and remote and inaccessible settlements made it difficult to develop social and industrial infrastructures. With the increase in population and expansion of infrastructure on to usable land, the size of landholdings had decreased (see Goldstein, this volume), affecting the economic viability of farming. The Tibetan natural environment is not conducive to intensive livestock farming. The change from nomadic pastoralism to settled livestock farming had increased the vulnerability of herders to inclement weather conditions, since their traditional means of absorbing such risks through temporal and spatial movement of livestock had been discouraged.

### ***Coping with globalisation and commercialisation***

The conference acknowledged that globalisation was inevitable and would bring both positive benefits as well as negative impacts to rural areas of Tibet as was the case with anywhere else in the world. Steps should be taken to manage the pace of globalisation if the benefits were to be harnessed and the negative impacts minimised. With China's entry into the WTO and an aggressive market economy emerging throughout the country, Tibet had become vulnerable to being overwhelmed by the forces of globalisation before it could prepare itself adequately. It was discussed that TAR had many unique opportunities and comparative advantages such as cultivation of medicinal herbs, organic meat and crops, and cultural and eco-tourism that must be carefully studied and launched as globally competitive goods and services. On the other hand, rapid and unchecked commercialisation would lead to the breakdown of the existing social safety networks and to increased vulnerability to external market forces, loss of cultural identity, and accelerated ecological degradation through increased demands on the natural resources and pressure on the fragile landscape.

The major constraints to benefiting from the market economy were identified as the poor quality of local products as well as the lack of adequate quantities to meet market demands. Tibetan herders and farmers were small, marginal operators who could not attain the minimum scale of production that warranted market exploration and investment in marketing infrastructure. Hence organising small producers into cooperatives and associations would be a pre-requisite for embarking on commercial enterprise. Likewise to address the quality requirements of the market and comply with the various standards set by the WTO for launching products in the international market, the capacity and mechanisms for quality control should be put in place.

### ***Organisational and institutional reforms***

While there was considerable commitment and goodwill from both central and provincial governments towards developing the rural areas of Tibet, further adjustments were needed to establish an effective administrative and technical support system that would translate this commitment and goodwill into tangible benefits for rural people. The challenge, as in many developing countries, was how the bureaucrats and technocrats could be transformed from managers and instructors into facilitators and moderators of development programmes. Rationalisation of government organisations and service agencies through careful analysis of their functions and capacities needed to be carried out in order to institutionalise a more effective and coordinated delivery mechanism, as



there was currently little cooperation between government agencies, or between them and other actors like international development partners and NGOs even when they were working in the same areas. Therefore, strengthening cooperation among these organisations by instituting appropriate mechanisms for dialogue and collective and transparent decision-making would be a major challenge.

### ***Increasing disparity between rural and urban areas***

There was general acknowledgement that the gaps in living standards and income between rural and urban areas were widening. The average per capita income in rural areas was only one-fifth that of urban areas (Lu et al., this volume). With poor access to social services, such as health and education, the prevalence of health problems and unemployment were much higher in rural areas. Lack of education and skills and limited labour productivity due to poor health were considered to be the key factors disabling Tibetans from competing with outsiders for non-farm employment and hence their low levels of income and living standards. Improving access to basic social services, creating non-farm employment, and building the capacity of local youths to take up non-farm employment were important challenges that needed to be addressed.

### ***Development policies and their implementation***

One of the reasons cited for the continuing poverty in rural areas was ineffective implementation of policies. While the policies were generally aimed at increasing income levels through economic development, they did not take into account considerations of social acceptability and ecological sustainability. Even when there were good policies, they were not effectively implemented on the ground by line agencies. Participants also recognised that there was a lack of fit between the national policy to adopt a free market economy and traditional products which were geared towards meeting the sustenance and social needs of rural households. The constraints faced in implementing policies, such as the privatisation of pastureland, were not fed back to policy-makers. Overall, appropriate policies for common resources like pastures, water, and forests that would encapsulate local people's needs and priorities as well as the larger national interests of economic development needed to be formulated. Policies should also be framed keeping in mind the environmental services that upstream communities provide to downstream areas through protection of river catchments and reducing floods and sedimentation.

## **Session IV: Strategies and policies**

This session was devoted to discussions to identify appropriate policies and strategies for pursuing sustainable rural development in Tibet. Based on the papers and group work several options emerged, many of which were specific to rural areas of Tibet.

### ***Shift in development philosophy***

The participants felt that pursuing purely economic development did not meet the needs of traditional societies like the Tibetan one. A more holistic goal for development encompassing social, cultural, and environmental aspects, in addition to economic improvement, should be pursued. Development programmes should move away from providing free goods and services to facilitating self-help systems and capacity building of local people to implement their own choice of activities. Development officials must move away from the conventional role of benefactors to being partners in development with local communities.

### ***Participatory planning and implementation***

Institutional reforms to enable increased participation of local people in planning and implementing their own development programmes were considered necessary. This would entail creating awareness and building the capacities of all stakeholders, from government officials and NGOs to community members and leaders, to understand and adopt participatory approaches to planning and implementation. A concerted effort to identify ways and means to involve traditional communities and institutions in the development process must be adopted as an integral strategy of new development projects.

### ***Area-specific policies and programmes***

It was pointed out that one of the major constraints hindering rural development was the adoption of blanket policies and approaches that did not take local socioeconomic and geophysical specificities into account. In the process, many well-intentioned programmes had limited reach and impact in the target areas, as they were either socially and culturally incompatible or technically and environmentally unsuited to the locality. Large programmes should, therefore, ensure that enough flexibility is maintained in their implementation mechanisms to allow for the adjustments needed to meet local specificities and priorities. A conscious effort should be made to ensure development programmes will be spread equally among regions to avoid regional disparities and movement of populations from one area to another. To this end, development of regional centres for providing advanced social and



economic services was an important goal if mass out-migration to Lhasa was to be avoided.

### ***Formation of groups and cooperatives***

For rural herders and farmers to participate effectively in their own development and engage in income-generating activities, the participants felt it imperative that government and development partners should actively support the formation of target groups such as women's credit and savings' group or herders' cooperatives. The formation of target groups would allow for faster reach of programmes, such as control of health problems related to malnutrition or iodine deficiency through targeting mothers and educating them on food habits and nutrition. Unless cooperatives were formed, individual herders and farmers would not have the capacity to attain sufficient economy of scale in production nor the capacity to invest in processing and marketing their products.

### ***An integrated and multi-sectoral approach***

It was reported that currently there was little coordination or cooperation among the various government sectors engaged in rural development. Even closely-related sectors like agriculture and animal husbandry were not working together in a team, resulting in a diffused set of activities in the field with little potential for impact (see Kaiser and Zhan, this volume). Rural development could be accelerated by adopting an integrated approach consisting of infrastructural development (roads, schools, health clinics), economic development (agriculture, livestock, secondary industries for product processing), social services (education, health, communication, and so on) and institutional and capacity building (cooperatives, vocational training, and so on) components. For economic development, both farm-based and non-farm avenues, such as tourism and construction industries, had to be pursued. Mechanisms for enabling such an integrated and holistic development approach needed to be created at all levels, from local village to provincial government.

### ***Capitalising on Tibet's niches and comparative advantages***

Tibet's comparative advantages lie in its unique tradition and culture, its pristine plateau environment, and rich pastoral and water resources. Socioeconomic development must take into account these advantages and identify niche products and services that enable Tibetans to compete with other provinces of China or with other countries. Development of the tourism sector by investing in special packages, such as eco-tours, cultural tours, and adventure tours, held great promise in terms of bringing employment and income to rural Tibet. Likewise, Tibet could specialise in

organic livestock products and medicinal herbs by using its vast pastoral areas which are rich in medicinal plants. There was no advantage for Tibet in competing with other regions of China or other industrialised countries in producing meat through intensive farming involving artificial pastures and industrial feeds. Although Tibet is located in the headwaters of the major river systems of Asia, and could become a major player in the water sector in a continent facing increasing shortages of water and energy, as yet the vast potential for harnessing water resources for economic development has not been not tapped. Tibet could potentially exploit this advantage through formulating agreements with areas downstream for payment for water conservation services.

### ***Capacity building***

Capacity building of institutions and individuals at all levels was considered by the participants to be a key strategy for achieving sustainable development. Government institutions needed to be exposed to ideas and experiences from other regions of China as well as from other countries with similar features. In particular, the capacity of line agencies to undertake participatory planning and implementation of development programmes was identified to be of high priority, in addition to the enhancement of knowledge and skills of their staff in their professional fields. Attention should also be given to building the capacity of local institutions in skills in communication and negotiation in order to enable them to lead development effectively in their own areas according to their own priorities and local specificities.

The lack of competitiveness of local people in the job markets was considered a key factor contributing to high unemployment rates. Vocational training to develop the skills of Tibetan youths in emerging job markets like tourism, construction, communication, and energy, was considered to be a vital strategy for generating off-farm employment for them. It was suggested that this should be supported by special concessions from the government through a policy of preferential employment of those who undertook training through such schemes as 'set-aside' projects for Tibetans (see Goldstein, this volume).

### ***Environmental protection***

The central government as well the provincial government of the TAR had given high priority in recent years to the protection of the environment and the conservation of biological resources. Tibet's economic development could not be realised without preserving the integrity of its environment, which is fragile and vulnerable to rapid degradation. Continued efforts needed to be given to the ongoing schemes of protecting various



ecosystems, rehabilitating degraded forests and grasslands, and conserving the soil and water in the headwaters of the rivers. In addition, protection of Tibet's unique floral and faunal diversity, having evolved in extreme geo-climatic conditions, was considered to be of utmost importance as it might render potential cures for many human ailments.

### **Cultural preservation**

The conference noted the rich cultural heritage of Tibet and emphasised the need to enhance its preservation. The Tibetan lifestyle, language, traditional arts and crafts, historical monuments, and cultural sites should not be seen only as assets for tourism development but also for their roles in preserving the cultural identity of the Tibetan minority and for their roles in inspiring future generations. Therefore, development programmes should recognise local culture as one of the principal guiding tenets in their planning and implementation.

### **Orientation towards a market economy**

While China had become a member of the World Trade Organisation (WTO) and, therefore, a major player in the free market, rural Tibet was far from understanding the rules of the game, let alone benefiting from this phenomenon. As already mentioned by participants, the TAR had niche areas, such as tourism and organic products, offering the potential to compete in the open market. However, this could only be realised if the necessary conditions were created. These would include developing the entrepreneurial skills of Tibetans and backing these up with enabling investment and preferential trading policies and the development of market infrastructure such as transport and communication facilities. The TAR Government as well as the Central Government could actively facilitate this process by encouraging the private sector to set up product processing and marketing enterprises in rural areas and through appropriate regulations to ensure fair play for the primary producers, i.e., herders and farmers.

### **Session V: Recommendations**

The conference deliberated on the outputs from the previous thematic sessions and adopted specific recommendations, presenting them at the closing session. It was also agreed that the representatives of the Organising Committee would brief the TAR Government authorities immediately after the conference.

### **Poverty alleviation and rural development**

1. A systematic poverty assessment exercise based on existing data and further surveys should be carried out to better target poor and marginalised households, communities, counties, and prefectures using a participatory development planning approach.
2. Based on the results of the poverty assessment, poverty alleviation plans (PAP) should be formulated for different economic and ecological regions of the TAR, and these integrated into the TAR Social and Economic Development Plan.
3. The PAP should focus on improving social infrastructure and the livelihoods of the rural poor and aim at providing better social services such as education, drinking water supplies, health clinics, and agricultural and livestock production services.
4. Poverty alleviation projects should focus on providing access to nutritious foods, education, safe drinking water, and iodised salt to improve physical and mental health.
5. Emphasis should be given to the promotion of alternative sources of energy, communication, and transportation facilities.
6. Productivity of livestock should be improved through the restoration and improvement of rangeland management and increased fodder production.
7. Poor nutrient recycling on rangelands should be addressed through provision of alternative sources of renewable energy and crop fertilization.
8. Productivity of crops should be increased through the introduction of improved varieties of crops and production technologies.
9. The adoption of participatory planning and implementation of rural development programmes should be strengthened and accelerated by scaling up the county poverty alleviation planning methodology through building the capacity of government officials in participatory planning and management approaches in a focused training programme.
10. An integrated approach to rural development planning and implementation through the involvement of all stakeholders, including government agencies and local institutions, and by improving cross-sectoral cooperation and coordination should be adopted.
11. Support to physical infrastructure in rural areas and in rural townships should be continued.
12. Rural migrants' access to social services through respective legislation policies should be improved.
13. The comprehensive multi-sectoral strategy for poverty alleviation and rural development should be fine-tuned.



### **Income generation**

14. Niche opportunities and comparative advantages of different areas for income generation from both farm and non-farm sources where there is a potential to compete in the open market (for example, integration of organic food production into the pastoral and farming production system) should be assessed and promoted.
15. The vision of a market economy should be articulated and promoted purposefully through different channels, including capacity building of government officials and private sector representatives.
16. Increase the proportion of marketable products through formation of cooperative organisations with the assistance of government and or private sector companies and add value through establishment of processing facilities for identified niches.
17. Improve the quality of products through the introduction of minimum quality standards catering to the demands of both domestic and international markets.
18. Provide an enabling policy environment for private sector involvement through reduced procedural bottlenecks in production and marketing and engage in active facilitation to promote trade and commerce through creating an improved investment climate.
19. Improve and increase access to micro-credit financing systems for rural households.
20. Establish mechanisms to support the rural poor and disadvantaged and help reduce disparities between rich and poor.
21. Strengthen the capacity of producers, research and extension support services, marketing agencies, and government officials to adopt a market-oriented approach, advanced production and processing technologies, quality control and regulations, business acumen, and marketing skills.
22. Increase facilities for vocational training in various fields, from traditional to modern sectors, to create employment opportunities and non-farm income-generating opportunities and adjust the curriculum to market demands.
23. Give preference to local people in infrastructure and other development programmes to provide employment.
24. Provide a programme of free adult education in functional literacy.

### **Coping with globalisation and integrating into a market economy**

25. Develop a coping strategy for poor and marginalised farmers and those affected negatively by the market economy through selective safeguard measures and compensation mechanisms.

26. Focus on high-value niche products that do not compete with food crops and threaten the food security of isolated communities.
27. Diversify the economic base through promotion of goods and services based on the comparative advantages of specific areas.
28. Survey and identify cultural and ecological assets for conservation and promotion of alternative enterprises, such as cultural and eco-tourism, to generate income and employment for rural people.
29. Carry out environmental and sociocultural impact assessments before the development/establishment of commercial enterprises.
30. Study and develop a comprehensive strategy to harness the opportunities of and mitigate the negative impacts of globalisation.
31. Carry out studies on regional economic and trade cooperation in the Hindu Kush-Himalayan region as well as the impact of WTO membership on rural livelihoods in cooperation with international and regional research institutions.

### **Narrowing urban-rural disparities**

32. Facilitate rural labour migration to urban areas and non-agricultural and pastoral sectors.
33. Improve the transportation and market connection between urban and rural areas to provide a favourable marketing environment for agro products.
34. Further reform the governmental public investment policy shift from pro-urban to pro-rural investment patterns for improving social infrastructure in remote communities.
35. Carry out development planning that systematically integrates urban and rural potentials in terms of resources, markets, human resources, information, and technology.
36. Implement a rural urbanisation strategy: small town construction to provide better social services by linking the herder/farmer resettlement programme with the poverty alleviation scheme.

### **Strengthening institutional capacities for implementing sustainable development strategies**

37. Strengthen the capacity of organisations involved in decision-making and policy formulation in order to provide a favourable policy framework for implementing sustainable development strategies in the TAR.
38. Improve the capacity for policy implementation of local government organisations by providing relevant training.
39. Establish a policy consultation committee to support the policy-making process at the level of the autonomous region.
40. Create a transparent and effective development planning mechanism that combines bottom-up participatory planning and conventional top-down approaches through cooperation with national and international agencies.



41. Introduce a Training of Trainers' (TOT) system to improve the qualifications of government officials at various levels.
42. Develop an effective monitoring system comprised of relevant indicators for measuring poverty and for measuring the development process.

### BEYOND THE CONFERENCE

The conference proved to be timely and was much appreciated by the TAR Government. It provided a platform for taking stock of the progress made in socioeconomic development of the region, to share valuable experiences from within China and among neighbouring countries, and to assess the current trends and emerging challenges posed by globalisation of trade and climate change to its economy and its environment. The participants from the TAR and other parts of China showed high levels of commitment to alleviating poverty and conserving the nature and culture of this unique region. There were serious concerns expressed about the region's culture, economy, and environment, but these were far outweighed by the messages of hope, aspiration, and potential for a bright future. The development agencies and NGOs working in the region pledged their commitment to strengthening their efforts to bring peace, prosperity, and happiness to the people of the TAR. The representatives of the organising agencies, TAAAS, TAR; InWEnt, Germany; ICIMOD, Nepal; and EU, Beijing, reiterated their agenda to take forward the recommendations from the conference and proposed the establishment of a Mountain Development Partnership for this purpose.

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## Chapter 2

# Perception, Assessment and Indicators of Poverty and Food Security from the Perspective of the Panam Integrated Rural Development Project

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### INTRODUCTION

This paper commences with basic information about Panam County, Shigatse Prefecture, Tibet Autonomous Region, and goes on to discuss the poverty in Panam County and outlines the major poverty-alleviating policies of the government. The paper then presents the Panam Integrated Rural Development Project (PIRDP), its background, concept, and the current status of the project's implementation. It provides a summary of PIRDP's major contributions towards poverty alleviation and outlines how the momentum could be maintained after the termination of the project in December 2005. Finally, it proposes future options for poverty alleviation and improving standards of living in Panam County.

### Basic information on Panam County

Panam County is located in the south-central part of Shigatse Prefecture of the Tibet Autonomous Region (TAR). Panam County, extending 121 km from north to south and 20 km from east to west, covers a total area of 2,759sq.km. and is one of the smallest of the 18 counties of Shigatse Prefecture. The exact geographical location is north latitude 28° 17'-29° 19' and east longitude 88° 15'-89° 27'. The average altitude of Panam County is above 4,000 m, increases towards the south, and reaches its highest elevation on the south-western border with Sajia county, Sang Qi Ri Mountain at 6,131 masl. Panam County is dissected by numerous valleys and rivers, of which the Nyachu, Dongxi, and Chu Sun rivers are the most important ones. Lying along the road to