

## National Strategies for Rural Development in the TAR

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### INTRODUCTION

This Conference held by the TAR government with support from TAAAS, InWEnt, and ICIMOD, is a timely and relevant event. In the past few days, experts from abroad, other parts of China, and Tibet have come together to exchange their knowledge and experience in sustainable rural development in mountainous regions. They have put forward valuable suggestions about the development of agriculture and animal husbandry in Tibet, and we have greatly benefited from them. In this paper, I would like to provide a brief introduction to agriculture and animal husbandry in Tibet and our policies for rural regions.

### General status

Tibet lies in the southwest of China, sharing borders with other Chinese regions such as Xinjiang, Qinghai, Sichuan, and Yunnan, as well as other countries like India, Nepal, Burma, and Bhutan. It has a total area of over 1.2 million sq.km.

There are altogether seven prefectures with a total of 74 counties in Tibet. By the end of 2003, there were over 2.7 million permanent residents in this region, of which 2.2 million lived in rural areas, making up 84% of the total population. Around 2.46 million were of Tibetan nationality, making up 91.23% of the total population.

Tibet has diverse climatic conditions. Cold dry weather characterises the North-western regions while warm and moist conditions dominate the South-eastern regions. It has long sunshine periods, but low temperatures. The temperature varies greatly between day and night, and the wet seasons are clearly divided from the dry seasons. The air is fresh, but its content of oxygen is low. The average altitude of the region is above 4,000 metres, hence it is called the 'Ridge of the World'. The annual average temperature of Lhasa city is 7.5°C, and the average annual rainfall is 445mm.

Agriculture and animal husbandry constitute the basis and backbone of the Tibetan economy. The whole autonomous region has 3.5 million mu of farming land, supporting cultivation of highland barley, wheat, rice, rape, peas, broad beans, corn, and green vegetables. There are also 15 billion mu of rangeland supporting approximately 23 million free-ranging livestock, mainly yaks, cattle, sheep, goats, horses, pigs, and chickens. For many years, under the leadership of the Chinese Communist Party and through the joint efforts of the people in the Tibet Autonomous Region, the agriculture and animal husbandry in Tibet have been improving rapidly. Especially in the 21<sup>st</sup> century, the focus of agriculture and animal husbandry in rural areas in Tibet has shifted from productivity-promotion to profit-promotion, and the economic effectiveness of agriculture and animal husbandry has been greatly enhanced. Farmers' incomes have been increasing rapidly. In 2003, the production of food, rapeseed oil, and vegetables had recorded an increase of 1, 15, and 87.4% respectively over their production in the year 2000. Meat and milk production had also increased by 22.6 and 26.5% respectively during the same period. The output of village and township enterprises and the output of the diversified economy had increased by 56 and 98%, and the per capita net income of rural households had increased by 27%.

### Policies for rural areas

Ever since the peaceful liberation of Tibet, the central government has attached great importance to the life of rural households. At different periods, the government has made different policies to motivate people to increase agricultural production, to improve the living standards of rural people, and to promote the economy in rural areas. Such policies were well received by the rural people. It is obvious that all the achievements we have made in Tibetan economic development since the peaceful liberation were because of the support of the central government and of people from all over the country. The present preferential policies for Tibetan rural areas can be summed up as follows.

- **Providing the user with rights to land and ownership of livestock:** In rural areas of Tibet, the right of land use is given to individual households. Every household is independent in management, and this policy will be unchanged for a long time. In addition, every household can own and manage its own livestock. Under this policy, while the ownership of land remains with the state, individual households are encouraged to lease it for planting trees and grasses. The government guarantees that the profits from land thus developed and managed will be enjoyed by the leaseholder. This right to land use and economic benefits can

be inherited. The execution of this policy has provided a steady and solid basis for improving the productivity of land and the livelihoods of rural households.

- **Exemption from taxes:** Rural households in Tibet are exempt from agricultural and livestock farming tax as well as agricultural speciality tax and its surtax. Similarly, village and township enterprises are exempt from income tax. In addition, there are further policies to relieve the burden on farmers and herders. These policies have already been put into action.
- **Provision of intensive development assistance:** The whole of Tibet has been identified as a poverty area and provided with intensive development aid. Such aid is available to all rural areas in Tibet. According to statistics, from 2001 to 2003, the central government invested 885 million yuan in the development of Tibet, and the rate of absolute poverty has decreased to under five per cent.
- **Provision of financial subsidies for farming:** Rural households in Tibet are provided with financial subsidies to purchase farm inputs to increase production. Annually, the central government allocates 72 million yuan for the purchase of chemical fertilizers; 31 million yuan for the purchase of pesticides, veterinary medicines and vaccines; and 10 million yuan for the mechanisation of agriculture and supply of diesel oil. In addition, there are various types and amounts of subsidies for purposes such as increasing improved varieties of animals and crops, fighting and preventing calamities, and adopting practical technology in agriculture and animal husbandry.
- **Supporting water conservation and energy projects:** The construction of water conservation and hydropower projects is supported in rural areas of Tibet through implementation of the integrated development of the drainage areas of important rivers. According to statistics, since 2000 A.D. the central government has invested approximately 3,000 million yuan in the construction of such projects in rural Tibet in the form of small hydropower stations, irrigation canals, drinking water supply systems, and so on. This has increased the capacity of power stations by nearly 20,000 kilowatts and the rate of household electricity use by over 50%. The area of properly irrigated land has reached 2.1 million mu. The project has also solved the problem of drinking water supplies for 0.33 million people and 3.88 million livestock in 1,870 villages. Concerning integrated agricultural development, in the past three years the central government has invested nearly



400 million yuan in establishing pilot villages for agricultural and animal husbandry production and technology. This project has enabled people in such villages to gain an increase in per capita annual net income of over 287 yuan.

- **Supporting the improvement of the ecological environment:** The protection and improvement of the ecological environment in rural Tibet are actively promoted. Since 2001, the central government has invested 130 million yuan in the improvement of pastures and the settlement of herders in 14 counties. This project has settled 27,515 herders in 5,503 households. The government has also invested 440 million yuan in pilot projects for natural pasture construction in nine counties and has finished enclosing cultivation of grassland with an area of 270,400 mu. There is also a planned investment of 125 million yuan in three counties for converting grazing land into non-grazing grassland in an area of 1.3 million mu. The government has also invested 261.57 million yuan in three counties for the protection of natural forests in a total area of 18 million mu.
- **Improving access to information:** This is pursued through the project for 'Bringing Television and Radio to Every Village'. By the end of 2003, over 6,000 village TV and radio stations had been established in the whole Tibetan Autonomous Region. Forty-two of the 74 counties have fulfilled the goal of 'bringing TV and radio to every village'. In addition, training of rural film projection teams has intensified, and this enables rural people to watch films twice a month. The government has also established 600 cultural stations at township and village levels and has formed a cultural network at regional, prefectural, county, township, and village levels.
- **Providing free medicare for rural households:** Rural households are provided with free medical care and a health service system covering the whole of Tibet was established. Presently, there is a commune hospital in every township in Tibet and most villages have health workers. Health service networks with county cities as their centres, linking every village, are operational. The per capita annual health care subsidy provided by the central government is over 40 yuan.
- **Supporting childrens' education:** Free food, clothing, and accommodation are provided to students in primary schools in rural Tibet. Increased investments are being made in promoting compulsory education, vocational training, adult education, and distance education in order to eliminate illiteracy. Presently, the

enrollment rate of school-aged children has reached 92%, and the coverage of six-year compulsory education has reached over 80% of the total population.

- **Intensifying support for the development of Tibetan transportation:** A railroad from Qinghai to Tibet, with a total state investment of 262 billion yuan, is under construction. It is expected to be completed in 2007. The construction of branch airports, such as the Nyingtri airport, has begun. The percentage of townships and villages accessible by motor has reached 92 and 72% respectively.

### Plans for future development in rural areas

The future development of rural Tibet will be centred on increasing the income of rural households by focusing on adjustment of the economic structure in rural areas. A correct outlook towards sustainable development should be adopted. According to the requirement for the integrated development of cities and rural areas, and with regard to the source of income for rural households, we will try to realise the 'Three Extensions' and speed up implementation of the 'Five Strategies'.

### The three extensions

- **Extension of the source of income in rural areas from agriculture and animal husbandry to processed products and marketable commodities:** With the support of agricultural and township enterprises, the processing of agricultural and livestock products will be promoted. In doing so, caution will be taken to combine the available skills with advanced technology in order to develop highly competitive products. Effective measures to expand circulation channels for agricultural and livestock products will be taken to promote the systematisation of marketing, support cooperative organisations in rural areas, and speed up the marketing of agricultural and animal husbandry products.
- **Extension of production from the first industry to the secondary and tertiary industries:** Support will be provided to develop alternative opportunities for employment and income to traditional farming, e.g., deployment of rural labour service, livestock product processing, transportation, tourism, food and lodging services, and so on to open up channels of income. In recent years, the TAR Government made a series of preferential policies to support the use of the rural labour force. These policies require all infrastructure projects to intensify the absorption of surplus labour in rural areas. The government also acquires the participation of farmers in state-funded rural construction projects by paying



them lucrative amounts. Continued importance will be attached to the deployment of labour as an important means of increasing income by training the labour force in relevant skills. Intermediary organisations for recruitment of labourers and for safeguarding their interests and well-being will be established. Agricultural and township enterprises will be encouraged to absorb surplus labour in rural areas, intensify the training of rural labourers, and improve the connection between enterprises and rural households to try to make agricultural and township enterprises exert greater influence in development of the rural economy.

- Extension of the presently mono-sectoral rural economy to integrated development of the city and rural economy: Efforts will be intensified to combine the development of county towns, small towns, and rural households. Rural labourers will be provided with assistance to work in towns and cities and agricultural enterprises will be promoted to accelerate the growth of an economy based on agriculture and animal husbandry. Effective measures will be taken to support county-specific pillar industries that take into account the special resources of each county. The participation of the agriculture and animal husbandry sectors in the market economy will be encouraged by exploiting the advantages offered by local conditions and resources, improving communication and production technologies, and building the capacity of the institutions and personnel involved.

### **The five strategies**

- Promote the production of niche products: The first strategy is to develop the economy based on the unique and comparative advantages of Tibet in order to survive in the market. The development of special industries will be a key aspect in the strategic adjustment of the rural economic structure and an important way of increasing income for rural households. In future, with regards to different geographical types, resource features, economic layout, and comparative advantages, products with a market advantage are to be developed, i.e., Cashmere wool, caterpillar fungi, mushrooms, rapeseed oil; and products with high potential such as meat from yaks and Tibetan sheep, improved highland barley, dried fruits, traditional Tibetan medicine; organic vegetables, fruit and tea; and resource conservation products such as fish, edible worm eggs, Tibetan chicken, and pigs. Production is to aim at achieving high quality, low cost, and high efficiency. An integrated development plan will be implemented based on advantageous industries and fast-growing products, improving the competitive power of the rural economy and increasing the income of rural households.

- Promote industrialisation and integration with the market economy: The second strategy is to promote industrialisation and integrated development. Industrialisation will be set as the main thrust for economic development of the autonomous region. The development of leading enterprises is the key to industrialisation and to breaking the barriers between traditional sectors and district divisions, providing support to those who are capable and willing to develop, and supporting leading enterprises that can give impetus to the development of industrialisation. Through such leading enterprises, the needs of individual household production and the demands of the market can be brought together, leading to the transformation of household production into large-scale specialised production. Through leading enterprises, a value chain of production, processing, and marketing can be formed. The output from agricultural and livestock products will continue to increase and enterprises and rural households can both benefit. Through leading enterprises, the mono-sectoral rural economy can be converted into labour-intensive processing industries and commercial industries, thus creating more job opportunities and income for rural households.
- Modernise agriculture and animal husbandry: The third strategy is to speed up modernisation of agriculture and animal husbandry and to promote quality and economic efficiency. The basic requirements for modern agriculture and animal husbandry are a high degree of efficiency, systematic renovation, scientific management, and sustainable development. In future, technological development and renovation will be seen as a key method for addressing the following five challenges. The first challenge is the focus of the scientific research and extension system, which needs to shift from quantity increase to quality improvement, and from mono-technical service to provision of integrated technical services. The second challenge is the application of core technology and research to the development of special industries. A series of important scientific research achievements are to be attained and spread among rural areas, in order to provide strong support for the development of special industries in such areas. The third challenge is the quality of livestock products, for which the protection of the environment for livestock production and the management of agricultural production are critical. The fourth challenge is the training of new types of qualified staff, especially farmers, who have appropriate knowledge of technology, operation, and management. The last challenge is the sustainable development of agriculture and animal husbandry, and this should not take place at the expense of the environment and resource degradation. The agriculture

and animal husbandry sectors are to be developed along with the development of the environment and resources.

- Develop new industries: The fourth strategy is the development of new industries to make use of surplus labour in rural areas. New industrialisation is a historic mission in the process of our country's modernisation. Industrialisation cannot be confined to light industry and heavy industry. Livestock cultivation, livestock product processing, and many other special industries are very important in the context of industrialisation. The new industrialisation in Tibet Autonomous Region must be based on the shift of surplus rural labour and the promotion of employment and income of rural households. While we develop our new technological industries, we should also develop labour-intensive industries, agricultural and livestock product-processing industries, and tertiary industries in rural areas. According to the latest development trend, township enterprises are being restructured, diversified modes of ownership and management promoted, specialty products developed, and large-scale production introduced. The use of information technology is being promoted in the development of township enterprises, as well as in other fields such as production, processing, circulation, service, and management to diversify product types, improve product quality, lower production costs, and improve production efficiency.
- Promote urbanisation: The fifth strategy is to promote urbanisation in order to reduce the rural population. Presently urbanisation in Tibet is still very low, and 80% of the total population still lives in rural areas. This has seriously restrained development of the rural economy and the income of rural households. In the long run, urbanisation can reduce the rural population and facilitate development of the rural economy. The principle of moderate scale and effectiveness will be based on development of small towns in rural areas as a leading force in the integrated development of urban and rural areas. The construction of small towns with the development of township enterprises, service trades in rural areas, and agricultural and livestock processing will be promoted. The key elements of this strategy are to develop rural markets and activate commodity circulation in rural areas to promote the division of labour among rural residents; make small towns the new growth points in the rural economy; and facilitate their being the main force in absorbing surplus labour from rural areas.

Coordinated development of urban and rural areas has been one of the core goals of the central government. This will require improvement in the capability to manage the overall situation and commitment to the

'three rural issues', i.e., promotion of integrated social and economic development; improvement of overall programming and planning; and promotion of different industries to absorb surplus labour and generate employment and income for rural people.

## Conclusions

The rural areas of Tibet have come to a new stage of development with exciting opportunities and challenges ahead. It is hoped that, with the support of the central government and development agencies from abroad, the TAR will be able to realise the opportunities and meet the challenges posed by its unique environment.