First intermediary report

A community-based model of development with Tibetan characteristics

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Contents

Executive summary

Helping the Tibetan people to take control over the economy in their areas is vital for a socially sustainable development which would allow the Tibetans to preserve their identity and cultural heritage. Some significant progress has taken place in recent times: a combination of several factors has led to the emergence of a class of Tibetan entrepreneurs:

- Infrastructure has reached a level which has allowed the integration of the area into the Chinese and global economy.
- The recent increase in food prices has put some money into the pockets of the local people.
- The Chinese policy of "harmonious society" emphasizes a more socially balanced development; impressive results have been achieved in the countryside all over China through the reduction or total cancellation of taxes, massive subsidies from central and province level governments, the expansion of the rural health care scheme and other similar measures.
- The Chinese economy has achieved a level of development where more and more people can afford travelling just for pleasure. The emerging tourism industry has channeled considerable funds to the Tibetan areas.
- Tibetans have learned from Chinese of the Han, Hui and other nationalities how to engage in certain business activities where no Tibetan tradition existed like retail trade and tourism.

On the other hand, a couple of measures could hugely accelerate this process:

- For many Tibetan entrepreneurs, access to start-up capital is extremely problematic. Providing them with adequate funding is certainly an important factor. Most of it could be covered by profitable loans at reasonable interest rates.
- Organizational help like access to wholesale companies or international travel agencies could help them to improve their benefit margin and to extend their visibility and range. Arranging business contacts and developing adequate websites would be concrete examples of such help.
- Using the Tibetan language on computers and smart phones remains problematic. For big computer system developers like Microsoft (Windows) and Google (Android), it would be extremely easy to solve this problem once and for all by adding this language to the standard versions of their systems.
- The emergence of entrepreneurs meets some obstacles within the Tibetan society, like the low position of women or the opinion that you need a high level of culture and education to do business. Breaking the taboos surrounding these topics would not only further economic development; it could also improve the living conditions of many segments of Tibetan society.

The term "entrepreneur" used here does not mean that the projects outlined here will help wealthy businessmen to become even richer. All this is about helping poor people to launch a small family business so that they can get out of poverty.

This is a first intermediary report written after two stays of 2-3 weeks each in the Tibetan areas. In summer 2013, some of the measures proposed below will be tested on a small scale; the results will be published in a second intermediary report. Development of tourism is dealt with in another series of documents (see *Developing a high value added tourism in the Tibetan areas through education, branding and coordinated marketing*). An association will be founded in order to implement the measures outlined above; any active help or donation is highly welcome.

Introduction

Since the introduction of economic reforms in the 1980s, the Tibetan areas have experienced impressive development. However, the results are mixed from the point of view of the local population. On one hand, living conditions have steadily improved. On the other hand, most of the economic activity besides agriculture is in the hands of Han and Hui Chinese.

Nevertheless, recent years have seen a sharp rise in the number of Tibetan entrepreneurs. The numerous monasteries have played an important role in this evolution; through their economic activities, they have had a major influence on the emergence of Tibetan businesses in retail trade and tourism.

Obviously, the Tibetan entrepreneurs are up against fierce competition from well-established businesses from the Chinese lowlands. They lack capital, experience and connections. They have engaged in some activities which are totally foreign to the Tibetan culture.

Figure 1: The Zangxiang Bingguan (literally "Hotel with Tibetan Flavor") owned and managed by the Geerdesi Monastery in Langmusi, Sichuan.

These entrepreneurs operate within the Chinese system which has been enormously successful in allowing farmers to set up businesses and factories; however, this system has been created essentially by and for the Han Chinese culture. The purpose of this paper is to show how it can be adapted to the specificities of the Tibetan culture; actually, this adaptation process is well under way.

Within the context of the Tibetans being a national minority in China, another aspect must be taken into consideration: this development process should also contribute to preserve the Tibetan language, culture and religion. Many national minorities all over the world struggle to preserve their heritage, which is under threat in every state where one ethnic, religious or linguistic group has got a leading role from the demographic, politic and economic point of view. China has implemented many interesting policies to protect and develop the Tibetan heritage. However, development is a dynamic process and requires constant readjustment in order to solve emerging problems or react to new opportunities. Helping the Tibetans to integrate successfully into the economic world of the 21st century is certainly an important aspect of this general development process.

The description of this "development model with Tibetan characteristics" will clearly reveal what we can do to help local entrepreneurs in the Tibetan areas to be successful in the fields of retail trade and tourism. This potential help spans from knowledge transfer and business relations to providing capital and increased visibility. An association will be founded to implement on a small scale some of the measures proposed here in order to check their feasibility.

One of the objectives of the present project is to put at the disposal of policy makers in China and other countries in a similar situation the necessary information to help national minorities develop economically while at the same time preserving and developing their language, religion and cultural heritage. On the other hand, businesses, the academic community and the civil society have also a role to play in integrating Tibetans entrepreneurs into the global economy. Tibetan entrepreneurs have shown that even without

help, they can succeed in an extremely competitive environment. This clearly shows that little help can have a huge impact, since it only accelerates an existing trend.

The Chinese Tibetan areas

The term "Tibet" is quite ambiguous; therefore it will not be used in the present paper. According to the context, it refers to different areas:

- The whole areas inhabited by people who are ethno-linguistically Tibetans (the whole area in light grey on the map below); most of these areas are in China, but they also include most of Bhutan, a major part of Nepal and some areas in India and Pakistan.
- The same areas, but limited to the Chinese territory. This territory can be subdivided into the cultural regions of Central Tibet (with Lhasa as its capital), Amdo and Kham.
- The area which was historically under temporal control of the Lhasa administration (Central Tibet in the map below).
- Today's Tibet Autonomous Region, which is roughly equivalent to the area above, but includes a part of Kham too. This is the area which was under effective control of the Lhasa administration in the second quarter of the 20th century.
- The area where the Dalai Lama had some spiritual authority, which gave the Lhasa administration some degree of temporal control; this area cannot be precisely delimited.

In Chinese, "Tibet" is translated by "西藏" (Pinyin "Xizang", pronounced "shizang"), which actually means "Western Tibet". This refers explicitly to Central Tibet (which is actually the western part of the Tibetan areas). In the present text, "Tibetan areas" (Chinese 藏区) , short for "Chinese Tibetan areas", is used as a generic and unambiguous term for the areas inhabited by ethnic Tibetans in China.

Figure 2: Map of the areas inhabited by ethnic Tibetans in China and surrounding countries.

Almost all these areas are at an altitude of above 3000 m. They feature a mix of high plains, soft hills and steep mountains. See the section Concrete projects on page 24 for a more detailed map of this region.

The Chinese community-based development model

The performance of the Chinese economy in the last 30 years has been quite impressive. Much of it has been achieved through a very flexible system of local governance where collective management plays an important role. However, this system is poorly understood by Western experts.

Most specialists have acknowledged past successes, while at the same time predicting an imminent collapse. When economic growth did not go away, many of them tried to come up with an explanation. Some tried to trace it back to the authoritarian nature of its regime: the fact that the Communist Party could arbitrarily decide new policies and impose them all over the country is sometimes seen as a possible explanation. However, other states ruled by this kind of control-freak regimes have not done well in the economic field. Given the extremely dynamic character of the Chinese economy and the impressive diversity of its society, it seems obvious that there must be a lot of room for individual initiative.

Other experts tried to trace China's recent economic growth back to Western-style economic liberal reforms and to the opening up to Western influence. Although this is not completely wrong, it does not explain why it is not the special economic zones or private enterprises, but collective village enterprises in the countryside which have contributed most to GDP growth in the 1980ies. In a liberal economic model, this would not have been possible.

In the last three decades, many modern Western style companies have emerged in China; some are privately owned, some are state-owned. However, a huge part of the economic activity is still in the hands of small family enterprises called "getihu" which work according to a model which is poorly understood in the West.

Figure 3: A Chinese urban family takes a meal in a "one-table-restaurant" in a small village near Baoji, Shaanxi. Such activities are a typical entry-level activity for farmers to get additional income.

In Western terminology, we could call it a "community-based model", especially in the countryside. The attribution of resources like land is managed by the local community, in a way which favors local families over big companies. The rule of law is only in the process of being built up; as a consequence, business transactions are less risky in closed business communities than when you operate in regions where you don't know anybody. Labor laws are similarly weak and difficult to enforce; working for local entrepreneurs who are integrated in the community is therefore advantageous from many points of view. This development model is based neither on a hierarchical authoritarian regime nor on Western liberalism; it is a third model which few specialists have ever considered as a possible explanation of China's economic rise.

After the 1990s when the wealth gap between cities and the countryside has widened to a critical level, recent years have seen fast economic growth in towns and villages. To a considerable extent, this is due to the policy called "harmonious society", especially to the following measures:

- Progressive abolition of the land tax
- Introduction of a heavily subsidized health care scheme; this has freed savings which otherwise would have been kept in anticipation of a medical problem
- Streamlining of the administrative procedure to set up a getihu business
- No or very low taxes for small getihu
- Low interest credits provided or guaranteed by the local government
- Improved infrastructure in remote areas

Figure 4: In the valleys in the south of Baoji, many countryside restaurants have become flourishing family businesses.

Another factor has hugely facilitated this process, but it is nothing new: the unique Chinese system of agricultural land management has always favored the establishment of complementary economic activities in the countryside. The collectivization of all the land in the 1950ies has never been reversed. Since the reforms in the early 1980ies, land is still collectively owned, but is entrusted to individual families for cultivation. Each family has also got a small piece of constructible land in the village with a house. This system makes sure that almost all have got housing, food, some health coverage and a small income.

Their basic needs are covered with relatively little effort which is concentrated on sowing and harvesting time. They can therefore dedicate much time to a new business activity, even if it does not immediately generate a considerable income. The recent increase in food prices has provided them with some additional income and therefore the possibility of capital accumulation. In addition, China has recently seen a sharp increase in salaries for unqualified factory workers; this is the work farmers take for a limited time to get the capital for starting their own business.

The success of this development model is most apparent in the numerous factories which have emerged everywhere in the countryside, allowing farmers who did not set up their own business to find jobs while staying in their village. Smaller getihu are active in the services sector like shops, restaurants, transportation etc.

Industrializing the countryside is actually nothing new. It was originally the driving idea behind the Great Leap Forward (1958-1962, a terrible disaster) and the Cultural Revolution countryside policy (a moderate success). Mao's

Figure 5: A lonely chimney in a corn field is all that is left from a brick factory in rural Henan province

dream came true post mortem in the early 1980ies, when rural collective enterprises contributed more than any other sector to economic growth. However, in the 1990ies, rural economic activity was eclipsed by growth in the cities; the rural-urban income gap sored. Many rural low-tech factories closed.

A first turn-around came when many debt-ridden state-owned enterprises in the cities were "restructured" in the 1990ies. They were often relocated to places which allowed an increase in competitiveness. Some were restructured using Western capital and knowhow, generally in coastal regions. Others were moved to the countryside, where farmers were willing to work for low salaries, especially if they could take unpaid leave during sowing and harvesting times. Recent policy changes (see above) and the increase in food prices have reinforced this trend and led to a huge construction boom in the countryside. It is not rare to see villages where almost all the houses have been rebuilt or renovated and fit with one or two more floors within the last five years.

Figure 6: A quite isolated village in rural Henan province, where almost all the houses have been rebuilt within the last few years.

It is quite obvious that this development model has achieved impressive results in the densely populated areas inhabited by Han Chinese. The question is to what extent it can be applied to other circumstances like the Tibetan society with its extremely low population density and specific culture.

An economic development model for the Tibetan society

The challenges facing the Tibetans wishing to engage in business are quite similar to the situation of the Han Chinese farmers a couple of decades ago. All over China, the conditions for expansion of industry and the services sector have been progressively improved. The main requirements are infrastructure and basic education. It should be noted that in the Han areas, many successful entrepreneurs just graduated from elementary school or middle school. For most family businesses, practical skills are much more important than formal education.

However, the development of a certain sector depends on much more than just these two factors; social and cultural factors play an important role. After a short overview of the recent evolution, the development potential will be analyzed below with regards to retail trade and tourism.

Recent development in rural Tibetan areas

The same policies as mentioned above have also been applied in Tibetan areas. The result was the emergence of a class of Tibetan entrepreneurs who have set up businesses in trade and tourism. The effect of the rise in food prices has been even more dramatic in the Tibetan areas, in particular among the high plain herders. The price of meat has increased even faster than the price of cereals and vegetable. Whereas farmers see some of their additional income eaten away by increased prices for fuel, fertilizer and pesticides, Tibetan herders don't need any of this. As a consequence, the rural construction boom mentioned above has also taken hold in the Tibetan areas.

Figure 7: Tibetans building a new house in the traditional style of the region

Another aspect which is especially important in the Tibetan areas is the infrastructure. Roads, mobile phone coverage and even 3G coverage are exceptionally advanced for a region with such a low population density. The Chinese central government has spent huge amounts of money to achieve this, and progress is ongoing. Fifteen years ago, in order to get from Lanzhou, the capital of Gansu province, to Hezuo, the administrative seat of the Gannan Tibetan Autonomous Prefecture, it took 8 hours. Since the completion of the highway from Lanzhou to Linxia half-way, it takes four hours. In one year, when the highway from Linxia to Hezuo will be finished, it will take a little more than two hours.

Figure 8: The highway from Linxia to Hezuo under construction.

Retail trade

In the Tibetan culture, there seems to be no tradition of retail trade. The only traditional trade activity was caravan trading, generally consisting in exporting wool, furs and medical plants and importing tea and other products from India and the Chinese lowlands. This activity would nowadays be considered as wholesale trade. Even in past centuries, much of the retail trade in the Tibetan areas was in the hands of Han and Hui Chinese.

In the absence of such a tradition, Tibetans have not been able to benefit from the development in trade in the 1980s and 1990s. Shops owned by Han and Hui Chinese have flourished all over the Tibetan areas, leading at times to tensions with the local population.

The present situation

In recent years, Tibetans have started to compete successfully in retail trade. At first, some engaged in the traditional activities of collecting medicinal plants from farmers and selling them to Chinese pharmaceutical companies. More recently, some have opened small shops.

Figure 9: Small one-room food store in Langmusi, Sichuan province.

A typical scenario could be described in the following way: one or two members of the family have worked for a couple of years for a company, often as truck drivers or salesmen. When they decide to open a shop, they have got the necessary competence, but no own funds. If they can find nobody who is willing to guarantee a bank loan, they will take a loan from a wealthy Tibetan businessman, quite often with interest rates of 25-30% per year. The landlord of their shop often demands for the rent to be paid one or two years in advance; this increases the amount of the credit they need.

The picture above features a "one-room store". In China, the space on the first floor of street front buildings is structured into standard size segments. One segment is just enough to open a small store; larger shops have got two or three segments. In Tibetan areas, the rent for one segment ranges from RMB 7000.-/EUR 800.-/USD 1000.- per year to roughly double this amount.

Small food shops like the one in the picture above require less capital than other shops; they are a standard entry activity for people who are new in retail trade. However, such shops are dependent on small local wholesale companies. Their turnover is too small for them to order directly from producers or large wholesalers. The problem is of course that local wholesale traders have got their own retail shop in town; the benefit margin for other retailers is kept at a minimum, often below 10%. The problem with Chinese retail prices is that goods sell generally for a whole number of Renminbi, the Chinese currency. Wholesale companies can therefore decide the benefit margin of retailers: if for example they sell something for RMB 1.9 to retailers, the latter have to sell it for RMB 2.0. Any other price would be unacceptable to the clients.

Language is also an important aspect. Especially in villages and towns, most Tibetans do not speak Chinese. Quite often, Tibetans who are new in business have got problems communicating with wholesale traders. On the other hand, language is quite often the reason why Tibetans prefer going to Tibetan owned shops; communication is just that much easier.

The own funds necessary to open a small food shop like the one above is around RMB 20,000.-/EUR 2500.-/USD 3000.-. Three quarters are necessary to pay the rent for the shop in advance for two years, one quarter for buying the goods. This loan can be repaid within two years, even if the interest rate is quite high;

however, after these two years, another smaller loan might be necessary to pay the rent for the next two years.

Capital need

The capital necessary for opening a small supermarket is higher; it might range from RMB 50,000.-/EUR 6000.-/USD 8000.- to RMB 100,000.-/EUR 12,000.-/USD 15,000.-. This allows the owners to propose goods with a higher benefit margin like alcoholic beverage and cigarettes, body care products, small household appliances and some clothing. The surface is two to three times larger, which allows the shop to welcome more clients at once. The expected monthly income is obviously much larger than with a small food shop.

The capital for opening a shop specialized in clothing, shoes, household appliances, drug stores or similar kinds of assortment ranges from RMB 100,000.-/EUR 12,000.-/USD 15,000.- to double that amount. The surface which is necessary is not larger than for a small supermarket, but the capital for the goods is much higher. The expected income is again higher than for a supermarket, but it might be spread more unevenly over the year. Food shops, supermarkets, drug stores and shops for household appliances target essentially the local population. Shops for clothing or shoes make most of their turnover with tourists; therefore, their income will be concentrated on the period from April or May to October.

Relationship with wholesale traders

For goods other than food, Tibetan shop owners will rely on wholesale traders in big cities. However, due to their limited Chinese knowledge, communication might be difficult at times. A website could probably help to solve many of these problems. Right now, communication between wholesale and retail traders in China relies extensively on regular meetings, phone communication and sometimes written communication through email and short messages. This is problematic for Tibetan retailers; misunderstandings might arise which could jeopardize the whole undertaking.

A website could work as organizer and translator of the wholesale-retail-relationship. Retailers could order their goods on a website in Tibetan language (or any other minority language in China or other countries in the world). An interface relying on symbols could allow people who can write neither Tibetan nor Chinese to use it too. Han Chinese retailers would get the information relating to the orders in Chinese. The information they enter relating to payment and delivery would again be displayed to the retailers in Tibetan.

Of course, the information about the various items including pictures would have to be entered into the database of the website. The work this requires could be compensated by the streamlined order process. In a first step, only a selection of articles with good sales potential in the Tibetan areas could be entered into the database.

As explained above, finding the necessary capital is a considerable problem for Tibetans who are new in business. Their assortment would therefore be quite limited, especially at the beginning. For their customers, such a website would have an additional advantage: if they do not find what they want in the shop, they can find and order it on this website.

On the main roads in the Tibetan areas, there is quite intense truck traffic; many of the drivers and even some of the owners of these trucks are Tibetans. Thanks to massive government investment into the infrastructure, roads are already quite good and quickly improving. Transporting the goods on a regular basis from the next major city to retail shops all over the Tibetan areas is therefore not a problem.

Such a website could also be used in order to group orders from many small food shops and supermarkets. This could allow them to bring transport cost down and to order from large wholesale companies in the cities. This would increase their benefit margin by avoiding the local wholesale traders.

3G Internet is available everywhere in the Tibetan areas. Tablet PCs with 2G or 3G capability are available for USD 100.- or a little more in China. Providing each new retailer with such a tool is therefore not much of a problem.

The competitive edge of the local population

Like in other countryside areas in China, the local population in the Tibetan areas has got a huge advantage over newcomers to the area. As explained above, language is an important factor. Especially herders have got an increased income due to the recent rise in meat prices; Tibetan yak and sheep meat is in great demand in China. However, their Chinese level is limited at best and quite often totally inexistent. They are grateful for everything they can buy from local traders.

Tibetan farmers and herders, like farmers all over China, generally have got an income which covers their basic needs: food, housing and basic healthcare. In addition, some family members might not be indispensable on the farm. Opening a small shop is a dream for many of them.

When selling to tourists, being a Tibetan might also be an advantage. Some Han Chinese tourists prefer buying from Han or Hui Chinese, which they are used to. Others and certainly a huge majority of foreigners prefer buying from Tibetans. Of course, some basic English knowledge would be very useful, even if now such interactions work reasonably well using sign language and other universal tools of communication.

These factors in combination can certainly compensate a series of negative factors which would tend to disadvantage Tibetan traders. Some of the factors mentioned above can be multiplied by taking adequate measures.

Tourism

Most of what has been said about retail trade is true for the tourism sector too, with a few differences. Another text deals with the specificities of tourism in the Tibetan areas more in detail (see *Developing a high value added tourism in the Tibetan areas through education, branding and coordinated marketing*). Only aspects relevant to both retail trade and tourism shall be shortly dealt with here.

Tourism is generally more demanding with regards to education. Chinese and English language skills are absolutely essential; in contrast, retail trade focused mainly on Tibetan customers does not even require basic Chinese skills if relations with wholesale traders are managed through a website. Being active in the field of tourism also requires some intercultural competence; it can of course be acquired through trial and error, but each error potentially means a loss in income. Education and training tailored to the concrete needs of tourism are absolutely essential (see below).

Figure 10: Cows, tourists, monks and a temple in the Tibetan mountains: these are the ingredients to develop the region, but we have yet to find the optimal recipe.

On the other hand, the potential income from tourism is much greater than in retail trade, since it can attract wealthy customers from many regions of the globe. The competitive edge of the local population over Chinese from the lowlands is also considerable: no matter whether tourists are interested in the Tibetan religion and culture or whether they come for the mountains and landscapes, only the Tibetans can offer "the real thing". Of course, retail trade and tourism are liked one to another. For example, when setting up a shop, the potential of attracting tourists should always be taken into consideration.

The role of monasteries in economic development

To sum up the information from the previous sections, retail trade has got a huge development potential in the Tibetan areas, provided that some conditions are met. The lack of capital has certainly been one of the main factors preventing the emergence of Tibetan owned shops and businesses. On the other hand, throwing money at the local people will not necessarily show the expected results. So far, the situation has been considered at the level of the individual; the role of the community has been left out of the equation.

In the Tibetan areas, the main institutions organizing social life and providing cohesion of the community are the monasteries. This is also more and more true in the field of economic life. Many monasteries have got their own business activities: they own land, houses and hotels, the benefits of which are used for social welfare and to finance monastic activities.

Handing out money in the form of donations or loans to new entrepreneurs is often problematic if there is no local oversight. The actors performing this oversight must have considerable moral authority, so that their role is accepted by the local people. They must also have the necessary experience in business activities to be able to provide competent advice. In the Tibetan areas, only the monasteries satisfy all these conditions.

In the past, Tibetan monasteries had huge religious, economic, political and even military power. Almost all of them were destroyed during the Cultural Revolution, but since the start of the reforms in the 1980s, they were rebuilt and have regained their leading role in religion and society and to some extent in economic activities. The monks managing the businesses of the monasteries are generally highly respected by the local community.

The channeling of funds to local businesses should therefore be done in collaboration with the local monasteries. Tibetan monasteries are used to perform religious ceremonies related to fund-raising. If they are combined with the handing out of funds for new businesses, such ceremonies could achieve two objectives: they would provide advertisement for newly opened shops and they would put the whole undertaking under the moral patronage of the monastery. This would certainly be the best way of making sure that the business is managed in a responsible way and that loans are paid back in time. Involving the monasteries in such a way makes the model of development presented here truly "community-based".

Figure 11: Tibetans queuing up with ceremonial white scarves for a fund-raising ceremony.

Monasteries also play an important role in the local economy because they often own land and buildings outside of the monastery itself. Some of it will be rented to local businesses, to conditions which are much more favorable than what private landlords offer. For example, locals can often pay a monthly rent instead of having to pay it one or two years in advance. Helping monasteries to acquire real estate would therefore certainly promote local businesses.

The involvement of many monasteries in tourism is also considerable. Entrance tickets sold to tourists are an important source of income; major monasteries have got their own tourist guides. Some monasteries even own and manage whole hotels. Their role in this sector will be dealt with more in detail in the text presenting a model for high value added tourism in the Tibetan areas.

All these economic activities are not considered to be in contradiction with Tibetan Buddhism. On the contrary, the overwhelming majority of Tibetans welcome any help allowing the monasteries to develop this sector further. Many families have got one or more members living in a monastery and contribute considerably to their cost of living. If the monasteries could become economically self-reliant to some degree like in ancient times, this would make life easier for many people.

Challenges within Tibetan society

The measures outlined above seem so simple and straight forward that you might wonder why nobody has thought about this. One reason is certainly that helping local people to set up businesses is not part of the Western or Chinese charity tradition. In the Tibetan areas, like all other regions on earth, NGOs are mainly active in extreme poverty relief, education, health care, agriculture and environment.

However, the lack of foreign help and the greater capital and experience of Han and Hui Chinese traders do not explain why Tibetan owned retail trade has taken so long to develop. Some factors inherent to the Tibetan society play an important role. Some of them might be painful to talk about, but it is vital that Tibetans can successfully compete with businesses from other ethnic groups.

There are mainly six characteristics of the Tibetan society which are an obstacle to successful business activities:

- The tension between modernization and preserving traditions
- The lack of a Tibetan retail trade, restaurant and tourism tradition
- The status of women in Tibetan society
- Conflicts within the Tibetan society related to religion: The Shugden issue
- The Tibetan business culture
- The sometimes conflictual relationship between education and economic development

It should be emphasized that the content of this whole section should be considered as being a set of hypotheses; the data on which they rely is not based on a sufficient sample to be considered representative.

The tension between modernization and preserving traditions

The considerable influx of Han and Hui Chinese into the Tibetan areas within the last decades has often been described as a danger to the local culture, religion and language. However, we should not forget that the lack of development is an even greater threat to the Tibetan people. Especially some young Tibetans tend to associate the Chinese coastal regions and/or the West with modernity and the Tibetan way of life with old traditions and backwardness. If the Tibetan areas cannot offer the perspective of a reasonably comfortable and prosperous life to its inhabitants, the most dynamic Tibetans will always be tempted to leave the region in order to move to the Chinese coastal areas or to foreign countries.

The huge majority of the Tibetans are very proud of their cultural heritage and wish to preserve it at all cost. However, the traditional Tibetan economic activities do not allow them to earn a decent living. What is more, nature in the Tibetan areas is certainly beautiful, but the cold and the high altitude are difficult to bear. Tibetans might put on a brave face; they suffer from the cold in winter like any other living being.

Figure 12: Nature is cruel in the Tibetan areas; this masterless dog died from the cold. His flesh has helped other animals to get through the winter.

Even in many modern houses, they can't keep the temperature above 0°C in winter; since water pipes would freeze and burst, there is no running water for a couple of months. The tough life takes its toll: many Tibetans are literally worn out when they are 40 or 50 years old.

Obviously, much progress has been made in recent decades to improve the quality of life. Many former nomads have adopted a semi-nomadic lifestyle: in summer they live in tents on their pastures; in winter they live in houses close to one of the newly built roads. The Chinese government has massively supported this process with subsidized loans and other measures.

Figure 13: One of many new towns where nomads spend the harsh winter months.

Switching from horses as only transportation means to motorbikes and sometimes cars has also made life much easier. Mobile phone antennas have popped up everywhere, even in remote places; this has done a lot to reduce the previous isolation of farmers and herders.

Figure 14: Motorbikes and mobile phones have done a lot to alleviate the isolation of farmers and herders.

However, the Tibetan areas are still very far from offering a comfortable living to their inhabitants. Living in a house in winter instead of a tent means that the temperature inside is quite stable around freezing point instead of going up and down between 0°C and -10°C and below. For this specific problem, solutions exist: better thermic insulation could improve the comfort of living dramatically. More research is needed to find out whether this solution is not implemented yet for financial reasons or simply because it is not well known.

Recently, new legislation in China has made thermic insulation compulsory for new buildings of a certain size. As a result, the thermic insulation industry has experienced a sudden boom; prices will certainly come down due to mass production and new development. It remains to be seen to what extent this technology will be adopted by Tibetans to build or renovate individual houses.

Figure 15: A residential building in Hezuo, Gansu province, is fitted with insulation panels.

Changes in everyday life like part-time permanent houses, motorbikes, mobile phones and (potentially) thermic insulation can improve daily living conditions; on the other hand, they imply radical changes in some aspects of the local culture and life style. This illustrates to some extent the sometimes conflictual relation between tradition and the quest for a better life. However, these changes cannot yet provide attractive jobs other than farming and herding to the local people.

Agriculture has become more attractive in recent years due to the rise in food prices. However, the total GDP produced through agriculture in the Tibetan areas will not rise dramatically in the future. Marketing

strategies like branding and quality labels can of course allow Tibetan agriculture to get into the high price segment (see the text about the development of tourism).

However, the expected rise in income from agriculture is certainly quite small as compared to the expected rise in standard of living in the near future. What is more, demographic growth among Tibetans is quite impressive, due to increased life expectancy and to the selective birth control policy in China: national minorities can have 2-3 children and under some conditions even more, whereas Han Chinese families are limited to one child, to two under special circumstances. The finite natural resources will have to be shared among an ever increasing population.

Diversifying into other fields of activity is therefore essential, even if no such tradition exists in the Tibetan culture. This will necessarily introduce new elements into the Tibetan culture; for this to be accepted by the Tibetans, it is essential that they benefit from this process and that they play an active role in it. So far, all the projects outlined here got unanimous support from all the Tibetans living in these areas. Projects which are not welcome by the locals will of course be immediately scrapped.

The lack of a Tibetan retail trade, restaurant and tourism tradition

Retail trade, restaurants and tourism are key sectors in the Tibetan economy in which local people can easily compete with Han and Hui Chinese. An increasing number of Tibetan entrepreneurs do so successfully. However, the learning process which has led to this development process has never been properly described before. Two examples illustrate it quite well.

"Huoguo" is the Han Chinese version of what is called in Western countries "Chinese fondue" or "hot pot". In Western countries, it consists mainly of beef, horse, lamb and veal meat which the people taking part in the meal put into a boiling beef broth using a long fork. Having meat as the main or even the only ingredient makes it similar to the Mongolian original. In Han Chinese areas, ingredients have been hugely diversified to include many kinds of vegetable and mushrooms, shrimps and other seafood, a great variety of bean, sweet potato and rice noodles and even more unexpected things like soft tofu and coagulated duck blood. Hot pot restaurants are very popular in many Chinese regions, especially in winter. In the Tibetan areas, due to the cold climate, hot pot can be eaten all year round.

Figure 16: Hot pot restaurant and its manager in downtown Hezuo, Gannan Tibetan Autonomous Prefecture, Gansu province.

The story of the Tibetan owner of a hotpot restaurant is quite telling. After graduating from middle school, he joined the army for a couple of years. Then he worked as a salesman for various companies, in Gansu and Xinjiang province. The boss from whom he learned most was a Muslim businessman in Xinjiang. With a

small loan provided by the government, he opened a small shop in his village. A couple of years later, he and a few friends decided to open a hot pot restaurant in their hometown while having dinner in such a restaurant in Lanzhou, the capital of Gansu province. What started as a joke quickly became a flourishing business on two floors of a well situated building in downtown Hezuo.

The story of the owner of a small dumpling and noodle soup restaurant in Langmusi (Sichuan) is different in some aspects, but illustrates the same process. She worked as a waitress in the first restaurant which was set up in the village by Han Chinese, a couple of years before the tourism boom started. Before that, there was simply no restaurant in the whole area. She watched the cook preparing traditional Chinese dishes; after a few years, she used her savings to open her own tiny restaurant. Progressively, she was able to increase the size of it; now it holds four tables. Next doors, her mother runs a small food store.

Figure 17: A small dumplings and noodle soup restaurant in Langmusi, Aba Tibetan Autonomous Prefecture, Sichuan.

These two stories have got a common point: in the absence of a Tibetan tradition in this field, locals had to learn from Han Chinese and other minorities how to open a successful business in their hometown. Experts have often wondered why with the economic reforms since the 1980s, Tibetans have not built up their own retail trade network. In Western academic publications and media, two theories have surfaced, none of which adequately explains the phenomenon.

The first theory says that the Chinese communist regime would not let the Tibetans develop economically, that the system was organized in such a way that all the lucrative activities are reserved for Han Chinese. The success of the Moslem Hui minority shows that this is absurd. This minority has got a long tradition in trade which dates dates to the Silk Road. Its whole society is organized according to Moslem principles, which also shows that in communist China, religion can play an important role in the cohesion of a community.

The second theory says that the Tibetans get so many handouts from the government that they do not feel the need to engage in such activities which are not very lucrative. This is total nonsense too. Tibetans do not lead a comfortable life on government handouts; many work for low salaries as truck drivers or salespeople. They could easily earn more money if they opened their own shop or restaurant or engage in activities related to tourism; they are willing to work hard to make this happen. It is mainly the lack of capital and knowhow which has prevented them from doing so until now.

The status of women in Tibetan society

Many Western specialists and even Chinese intellectuals praise the Tibetan society for its tradition of granting equal rights to women. They often contrast this with the allegedly patriarchal Han Chinese society. However, the reality on the ground is generally quite different. It is not easy to get information on this topic; many Tibetans, men as well as women, do not want to talk about it. However, the little they say clearly indicates that there are considerable problems.

Historical document often describe the Tibetan women as being gentle and very hardworking. I have found no instance of Tibetan men being described in this way. In traditional farmer and herder families, tasks

requiring physical strength are done by men, but they have got a lot of spare time; women, on the contrary, are busy the whole day.

Figure 18: Women harvesting barley, the most widespread crop in the Tibetan areas. Photo: Sangjike.

The Tibetan society is becoming more urbanized. In this process, the task distribution undergoes some changes. Obviously, many Tibetan men work hard to feed their family. However, since Tibetan men are not used to do boring work all day long, the family heads will try to avoid having to find a job. If the family opens a shop, for example, they will purchase the goods and let their wife and children (if in working age) do the selling. Purchasing the goods means travelling a lot, since wholesale traders are often hundreds of kilometers away. While travelling, they will meet with their friends and have a lot of fun; meantime, their wives have to stay in the shop and serve the clients the whole day, every day all year round.

There are certainly families which do not function according to this scheme; however, it seems to be sufficiently widespread so as to be a serious obstacle to economic development. The equation is very simple: the Tibetans have to compete with the Han Chinese where both men and women work hard. The consequence of this for any development project is also quite straightforward: if you need local partners who are used to work hard, look for women.

Figure 19: Such teahouses have got a mainly male clientele. Traditionally, men go out to have fun, women stay at home.

There are signs that things are changing. The Tibetan society has never been rigidly codified like for example the Western or Han Chinese societies in the 19th century. This will make change much easier than

in other comparable cases. In past centuries, especially in the Tibetan areas outside of Central Tibet, i.e. in Kham and Amdo, women could rise to prominent positions and even become respected war leaders; in Central Tibet, on the other hand, the situation of women was traditionally better than in the warrior culture in Kham and Amdo.

However, keeping the present problems in this field a taboo will certainly not contribute to improving the situation. The steadfastness with which most Western intellectuals cling to the myth of gender equality in Tibetan society is quite amazing. The status of women in Tibetan Buddhism occasionally stirs up some controversy, but hardly any information is available about their status in lay society in the Tibetan areas. Filling this gap would certainly contribute to improving the situation and make it easier for the Tibetan society as a whole to develop economically and to compete successfully with Han and Hui Chinese businesses.

Conflicts within the Tibetan society related to religion: The Shugden issue

Another fracture within the Tibetan society is also a serious threat to its development: the controversy around the Shugden deity (or demon) has led to a deep rift between two communities: those who worship Shugden and those who don't. It is difficult to get a clear picture of the consequences of this problem across the Tibetan areas. Such conflicts are often hidden below the surface: everything looks quiet and peaceful, but when you get a deeper insight, you realize that there are two Tibetan communities which avoid any kind of contact.

Despite language problems and conflicts of interest, the relationship between the different ethnic communities works quite smoothly in the Tibetan areas. I have never heard a Tibetan telling me: "The Han Chinese (or the Hui Chinese) are our enemies". The only time I heard a Tibetan use the word "enemy", she used it to qualify Tibetans who worship the Shugden deity. In that place, this conflict has led to the Tibetan community being split in two, with both sides not even talking to each other. Han and Hui Chinese are the only link between them.

Figure 20: A Shugden mandala. Source: International Kadampa Buddhist Union, Cumbria.

Traditionally, the Tibetan society was always based on religious tolerance. This tolerance is quite common in Asian cultures; however, in most cultures of the continent, religion does not have the huge importance which Buddhism has got in the Tibetan society. Despite this, various Buddhist sects and the animist Bön religion have always coexisted quite peacefully in the past. The conflict around the Shugden cult could potentially have the same catastrophic impact on the Tibetan society as the conflict between the Dalai Lama and the Panchen Lama which started in the 1920ies and led to a deep rift for several decades.

Such conflicts are extremely harmful to the economic and social development of the Tibetan society. Solving them through mutual tolerance and compassion should be considered to be a priority. The way in which these conflicts materialize at the level of religious and political leaders grabs some attention by Western specialists and media; the consequences on the society in the Tibetan areas are hardly ever mentioned.

The Tibetan business culture

As mentioned above, the Tibetan business culture originates in the caravan trading tradition. These traders were situated quite high in the social hierarchy. They travelled thousands of kilometers to the Chinese or Indian lowlands to sell Tibetan products like wool and rare plants or mushrooms for medical use; they came back with tea and other goods which were not produced in the Tibetan areas.

When such caravans arrived in a Tibetan town, the traders could sell their goods almost immediately. What is more, they were often the only sources of information about the outside world. Their status was therefore quite different from retail traders in Europe, the Chinese lowlands and most other culture on earth, where peddlers and owners of small shops were in fierce competition one against another and had to do their best to attract and satisfy customers.

With today's modern transport infrastructure, bringing goods from far away is not a heroic deed anymore. Obviously, in modern societies, the work of retail traders consists mainly in serving their customers, which is not always a pleasant activity. Tibetan entrepreneurs seem to have a hard time to adjust to this change in social status.

Most of them still consider that building up a network of business relations is the essence of their trade. They will naturally tend to travel a lot and have long talks with people from their network in comfortable tea houses. However, in modern business, retailers do not even have to travel; quite often, salesmen from wholesale traders will come to their shops to sell their goods. This is of course not necessarily true for very small shops with a low turnover, but Tibetan shops should precisely try to escape from this category.

There is another problem with the doing-business-in-teahouses-tradition: it is the exact contrary of modern high-tech business. Instead of using written documents, email, web forms and web-based databases to manage transactions, everything is decided orally. Distant communication is generally done through voice messaging. Obviously, this kind of communication requires extensive networking, since everything is based on trust; business relations tend to be limited to local communities where the people know each other.

Modern businesses tend to work more and more with Internet. Especially companies working in trade and tourism rely on it for advertisement, managing transactions and customer feedback. However, most Tibetan businessmen make no efforts to master these tools; since they want to be in control of all that happens in their company, they do not push their employees to become familiar with them either. As a consequence, Tibetan entrepreneurs tend to become active only in fields where the new technologies are not indispensable. Obviously, this tends to keep their turnover and benefit margin quite low.

The sometimes conflictual relationship between education and economic development

The use of new technologies is obviously a question of education; other economic activities also require a certain level of education. Then why should there be a conflict between education and economic development?

Traditionally, formal education in the Tibetan civilization was not designed primarily to promote economic development. This was also true for the Han Chinese and Western civilization and probably all other civilizations in the world: all of them were essentially focused on culture and religion. In some regions on earth, natural forces like rivers had to be harnessed in order to make life possible for the population. This was the case for example in the Nile valley and Mesopotamia, where desertification led to the emergence of the first empires: only the rational use of ever scarcer water resources could allow the survival of these human societies. In Han Chinese areas, there was no such dramatic change of the environment, but flood prevention and irrigation were part of the responsibilities of the Chinese state for thousands of years. These tasks and the resulting need for management skills have obviously favored the emergence of a more pragmatic educational system.

In the Tibetan areas, until a few decades ago, infrastructure works organized by the state could not improve the living conditions of the people: due to the mountainous terrain and the low population density, the cost for building roads or railways was out of proportion with the potential benefit. Irrigation was organized only locally. Therefore, the state apparatus remained small and highly decentralized; engineering and management did not become part of the curriculum in the educational system.

Increasing militarization has also contributed to inflating the state apparatus and directing formal education towards more pragmatic goals. In many regions of the globe, this process took place in the 19th and 20th centuries, but not in the Tibetan areas. The high plateau was protected by the Himalaya range in the south, extremely rugged terrain in the east and a huge desert high plain in the north; it did not need much military protection.

Since 1950, the new combination of monastic and state education has led to a fast spread of literacy among the population. State schools and universities have joined the monasteries in their role as centers of cultural and religious learning, research and teaching. The traditional activities in Tibetan monasteries do not only consist in prayers and meditation; Buddhist philosophy and science are also integral part of the curriculum. In recent times, they have started to teach not only monks, but also lay people.

Figure 21: The richly sculpted entrance to a monastic elementary school for lay children.

The Chinese public educational system has also made huge efforts to preserve and develop the Tibetan culture, language and religion. All the students of the national Minority Universities with whom I have talked told me that these institutions play an important role in this field; their evaluation was very positive. Many students actually get their education both from formal courses in public universities and colleges and from informal courses organized in the monasteries.

Figure 22: The Central Minority University in Beijing.

However, neither the monasteries nor the public educational system teach them much which could be useful in assisting the economic development of the Tibetan areas. Obviously, some monks have got a lot of experience in managing the economic activities of their monastery, but I have never heard about management courses organized by a monastery.

The Chinese public educational system has trained many excellent engineers and researchers in natural sciences and technology; their massive presence in Western universities and the achievements of Chinese companies in the high-tech sector show it. However, the ability of this system to teach concrete skills is much less impressive. In most Western educational systems, the lower the entrance requirements of schools and colleges, the more concrete and immediately applicable the curriculum is. In China, the lower the requirements, the less the students will actually learn.

Among Western countries, Germany, Switzerland and some other countries are widely known for their apprenticeship systems. Students who do not perform well with purely formal curricula can still get degrees which are widely recognized and well appreciated on the labor market. After middle school, they will start working in a private company or in the public sector for three or four days a week; during one or two days a week, they will get theoretical courses. This combination of on-the-job training with the related formal education has been a key factor contributing to the efficiency of the economies using this system.

In China, practical knowledge is transmitted mostly through informal on-the-job training. The recent performance of the Chinese economy shows that this has worked well for the Han Chinese areas which had a longstanding tradition in most business sectors. However, building up concrete skills in regions like the Tibetan areas where such traditions do not exist will take a very long time with such a system.

The absence of organized training possibilities where Tibetans could acquire concrete skills leading to decently paid jobs demotivates many of them. Others will work hard to enter university; most choose Tibetan language and culture as a major. After graduating, they will have good job opportunities, but not many where they can apply the competence acquired during their study.

Culture and religion are certainly a major asset of the Tibetan areas, which can contribute to a considerable extent to the development of the region. However, even in the best Chinese Minorities Universities, cultural management is not part of the curriculum: the students learn a lot about the Tibetan heritage, but they don't learn how to use this treasure to lift their region out of poverty.

This is not just a question of making money; it is also about sharing their knowledge with people from other cultures. Exile Tibetans have become specialists in promoting and spreading their culture and religion, especially in Western countries. In the Chinese Tibetan areas, such activities are limited to a few places like

Lhasa and a few major monasteries. How to explain the Tibetan culture to Han Chinese tourists and to foreigners and courses about cultural and tourism management should become part of the curriculum in all Chinese Minorities Universities.

The monasteries have played an important role in the emergence of Tibetan businessmen, and they play an important role in the field of education. However, there have been no attempts yet to combine these two activities in order to set up courses which could help local people to learn the practical skills they need to set up successful businesses in trade and tourism. The monasteries have got most of the competence which such activities require: they have got a longstanding pedagogical tradition and this educational role could be combined with the funding and supervision role outlined above.

An educational system focusing on practical skills is key to the development of trade and tourism. Historically, this field was included neither in the Han nor in the Tibetan educational system. However, once a solid system is in place with a longstanding tradition of teaching complex and abstract topics, it can easily cope with teaching basic courses in concrete shop keeping or hospitality skills.

The absence of such courses has certainly contributed to the widespread opinion in Tibetan society that in order to do business, you need a good level of formal education. Many examples from all around the world show that the contrary is true. In most cultures, people with very little formal education have opened small shops, even though some of them could barely count to ten.

Figure 23: The owner of this shop in La Paz, Bolivia, started very young to trade items of daily necessity between a small town in an Andean valley and the surrounding indigenous communities; most transactions were done through barter.

With a little initial support, Tibetans can easily become successful retail traders even in the modern high-tech world. Owning a small shop has always been an efficient entry-level activity which will lead to more demanding forms of business later on or in the next generation.

Using the Tibetan language on computers and smart phones

Tibetans face a serious problem when trying to use new technologies: most computers and smart phones need installing additional fonts and input methods before they can work with Tibetan characters. Apple has solved this problem: since 2011, all versions of MacOS and iOS have got integrated support for Tibetan. Just select the Tibetan keyboard, and you can write and display text in Tibetan.

With Windows and Android, the situation is totally different. The first time I tried to write Tibetan characters on my Windows computer, it took me several hours to find an input method which worked properly. I was in China at that time, and several solutions developed in Western countries were located on

websites which were virulently anti-Chinese. The only consequence of putting this software there was of course that it was not accessible to Tibetans living in China. Some of the input methods are not compatible one with another. Others were developed in China and available only with documentation in Chinese; Tibetans living in foreign countries will find it hard to use them.

Another problem is that there is no universal Microsoft font which can display all the relevant languages properly. Arial Unicode was supposed to be one such font; however, if you try to display Tibetan text using this font, all the characters will be torn apart into small pieces. This means that websites using Tibetan characters have to use specific Tibetan fonts just for Tibetan texts, but not for text in other languages; this is not always easy to achieve with multilingual CMS (content management systems) which are currently used for many websites and blogs.

Figure 24: Tibetans are passionate computer users, but installing Tibetan fonts and keyboards remains a nightmare.

Then I tried to install Tibetan on Android smart phones and tablet computers. I was in Beijing's biggest "electronic market", where you find in six huge buildings everything related to consumer electronics and computers. For a whole day, I walked from one shop to another, trying to find specialists who could help me to install Tibetan fonts and input methods on the products they sold; in the end, I had to do most of it myself. However, with the only working solution I have been able to find so far, the system has to be "rooted" (i.e. you must be able to access the system files). On some cheap tablet PCs, this is already the case when you buy them; on others, this requires following a complex procedure which is generally only available in Chinese; on still others, it is impossible. Then you have to replace the default system font by a new one, which is able to display Tibetan characters, but has got no Chinese characters. As a consequence, if your system language is set to Chinese, the system messages are simply not displayed anymore. Choosing Tibetan as system language is not an available option; you have to select a Western language, which is of course problematic for Tibetans living in China.

On Tibetan language TV channels, some smart phone producers in collaboration with local universities run ads boasting that they have been able to install Tibetan fonts and input methods on specific smart phones; of course, these features are only offered on quite expensive brands. How is it possible that in the 21st century, having a smartphone writing Tibetan is an achievement even worth mentioning?

Figure 25: After considerable efforts, this tablet PC is able to display Tibetan text and keyboard, but it cannot display Chinese characters anymore.

Microsoft (Windows) and Google (Android) are among the biggest software producers in the world. Is it asking too much that they provide the Tibetans with systems where they can simply select Tibetan as the system language and start to use their native language and its traditional writing system? I have worked for several years as a software and web developer. If I get in trouble simply trying to write a few Tibetan characters on a modern computer system, just imagine the problems Tibetans, who are new to this technology, will have. This is a scandal. Should we not help the Tibetans to preserve their language and culture? The same is of course true for many other minority languages in the world.

Concrete projects

The various aspects of development in the Tibetan areas outlined above are still only a theory built on observation of the present situation. For this to become a real "model" of development, at least some of the measures proposed above must be implemented on a small scale and tested regarding their feasibility. This will be done from summer 2013 on.

The Tibet Development Association will be founded shortly in Switzerland and will collect the funds necessary to carry out the activities described below. It is hoped that it will be able to collect CHF 20,000.- until the end of June 2013. The amounts necessary for the various activities are detailed below.

All these projects will focus on the Gannan Tibetan Autonomous Prefecture in the south of Gansu province and the north of Aba Tibetan Autonomous Prefecture in the north-west of Sichuan province; in the map below, this is the area between Hezuo in the south-west of Gansu province and Zoige in the north of Sichuan province.

This area has recently seen a fast increase of Chinese tourism: it is located on the main road from Lanzhou to Chengdu and therefore easy to reach from any place in China, including through the public transportation system. A highway is currently under construction parallel to this road. The relatively low altitude of the region (between 3000 and 4000 meters, in yellow on the map below) makes it quite attractive for people who are not used to the thin air of higher regions. What is more, it offers an

alternation of high plains and relatively gentle-sloped mountains which is perfect for tourism. It is marked on the map below with a red rectangle.

Figure 26: The owner of this restaurant did it without foreign help. He serves Tibetan food in small bungalows shaped like Tibetan tents.

Focusing on low-income families and people

All the projects mentioned here are entirely focused on low-income families. As mentioned above, the revenue from agriculture and herding has increased in recent times. Therefore, the top priority is to help Tibetans who, for one reason or another, have lost their revenue form agriculture or never had any. They are most interested in expanding their activities into trade and tourism.

On the other hand, the revenue of farmers and herders is very often not enough to offer a decent standard of living. Some of their family members are therefore the second group of people interested in the projects outlined here.

In the field of education and tourism, monks are a third group. If for example a monastery has been able to open a hotel, this does not mean that it has become "rich". The monks rely mostly on subsidies from their families; handouts from the state are far from sufficient for living. If a monastery gets additional sources of income, this will not only improve the lives of the monks, it will also make the lives of their families easier.

Helping small shops to get access to major wholesale companies

Food shops and small supermarkets play a major role in the development of other trading activities. What is more, the income they generate is widely distributed among the population, and it is a first choice for families who have lost the income from farming and herding for various reasons. Helping locals to start such businesses and to get a decent income from it is therefore key to the whole development process.

The first concrete project will consist in organizing a wholesale-retail relationship for food shops and small supermarkets on the road between Lanzhou and Zoige. Major wholesale companies offer the lowest prices, but they sell only whole truckloads consisting of entire pallets of each product. For small shops to benefit from their goods, orders from a dozen shops or more have to be organized in such a way that one weekly delivery covers most of their needs. The start-up capital for the first truckload will be provided by the association and is estimated at CHF 5000.-. The website necessary to organize the orders will be developed without costs by the author of the present text.

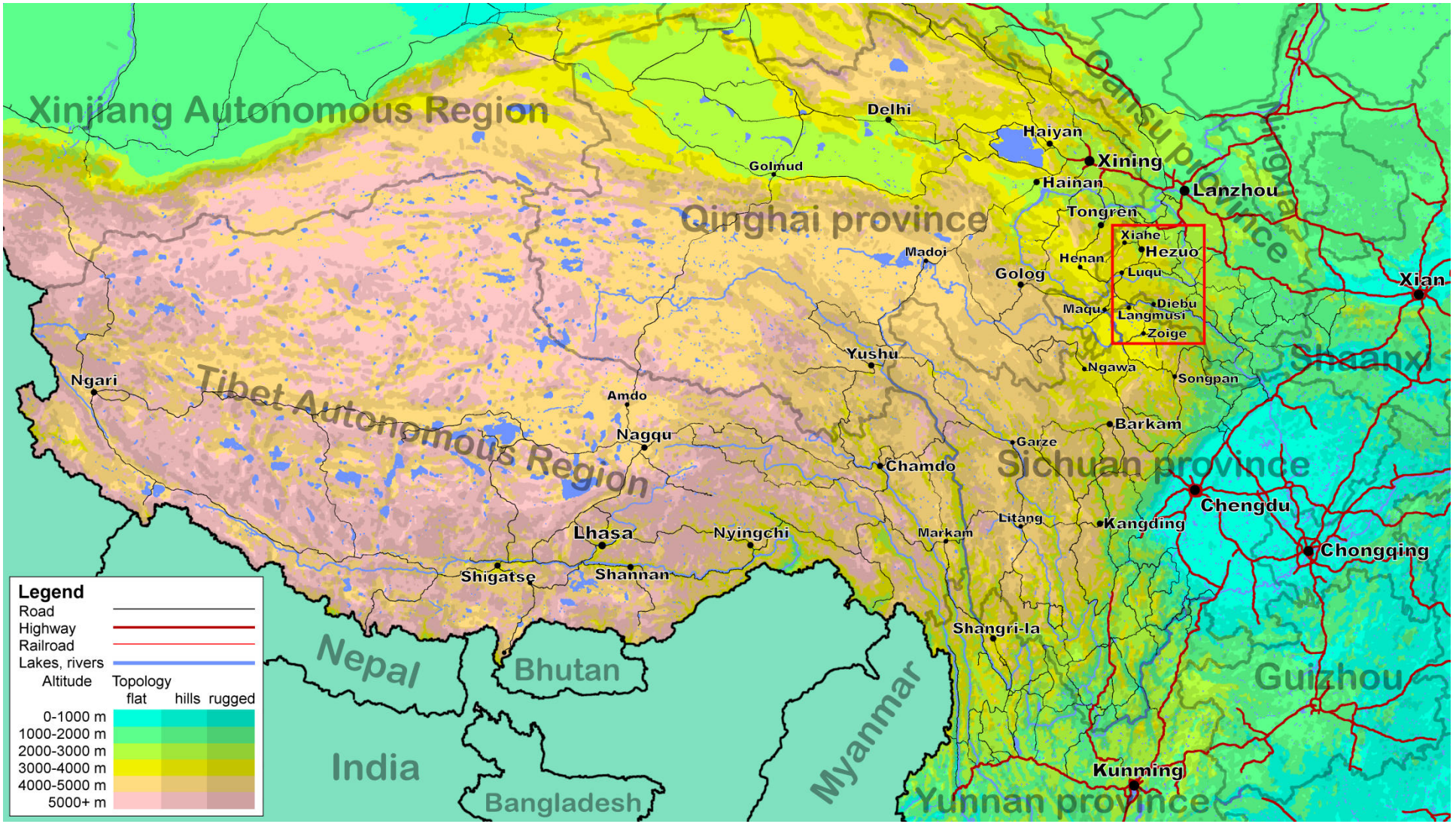

Figure 27: Map of the Tibetan areas. The region targeted by the projects described here is marked by a red square.

Testing and demonstrating the use of thermic insulation

With the help of a local building contractor, the use of outside thermic insulation panels will be demonstrated on a small residential house and, if this test is conclusive, on a small hotel. The cost is estimated at CHF 500.- for the residential house and at CHF 2500.- for the hotel. The purpose is to improve the living comfort in winter and to reduce the energy necessary for heating. In the case of the hotel, this would allow it to remain open for guests in winter. Since the staff is present the whole year round, this would provide additional income without increasing the costs. In spring and autumn, the insulation would improve the comfort for the guests.

Testing and documenting trekking and mountain bike activities for tourists

In the region around Langmusi, several trekking and biking tours will be tested and documented for tourists. This will allow the partners of this project to offer tourism information and to get some additional revenue by renting bikes. The capital necessary for buying the bikes and the necessary protection gear is estimated at CHF 2000.-.

Providing zero interest loans to new shops

Many Tibetans with the necessary experience in retail trade would like to open their own shop, but they cannot find the necessary capital. Direct contact with beneficiaries of loans provided by the association will provide a deep insight into the problems they might face in the initial phase. CHF 10,000.- are necessary.

Interest-free loans versus commercial loans

All the projects outlined above will have one guiding principle: the funds collected by the association will be provided in the form of interest-free loans; the oversight will be provided by local monasteries. The pay-back will be negotiated according to the expected income and can be adjusted once business has actually started. The purpose is to explore the possibility of large-scale investment into the Tibetan areas. Donations cannot even come close to covering the huge need in start-up capital and will therefore never make a real difference at the scale of the whole Tibetan population.

Once the income generated by zero-interest loans and the percentage of failing businesses is known, the potential for profitable loans can be estimated. It is expected that the supervision by local monasteries can notably reduce the percentage of failures.

Collecting the funds

The necessary funds will be collected in several ways:

- Crowd-funding on Internet
- Direct contacts with Western companies which are active in the relevant economic sectors: retail and wholesale trade, building contractors, tourism, trekking, biking, etc.
- Public conferences organized by associations having some relationship with China
- Direct personal contacts

It is of course difficult to estimate what amount can be collected until June 2013. Therefore, every donation is welcome!

Conclusion

The present paper is only a first intermediary report; its findings should be considered as mere hypotheses which will be confirmed or rejected by further research. Still, a clear picture emerges from the data collected during two field trips and in the historical literature: with a little knowhow transfer and capital investment, we can do a lot to help Tibetan entrepreneurs to develop their businesses in retail trade and tourism.

A thorough knowledge of the Chinese development model, of its institutional framework and of the Tibetan society is vital to make sure that these projects can succeed. As always when working in the context of a national minority, success should be measured not only according to commercial criteria, but also in terms of preservation of the local language and culture. The best way to achieve this is to find ongoing changes

which are considered positive by the local people. The emergence of Tibetan entrepreneurs is a good example of such a process which deserves our support.

Obviously, such a project can only be carried out with financial and knowhow support from many partners. Therefore, the present paper is not only the description of a research project, but also an appeal to all the people and institutions active in one of the fields involved to contribute actively to its success.

Figure 28: Hills around Langmusi in the sunset.