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Andrew Martin Fischer

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Development Studies Institute

London School of Economics and Political Science

Houghton Street **Tel: +44 (020) 7955 7425/6252**

London **Fax: +44 (020) 7955-6844**

WC2A 2AE UK **Email: d.daley@lse.ac.uk**

Web site: www.lse.ac.uk/depts/destin

Subsistence Capacity: The commodification of rural labour re-examined through the case of Tibet[1]

Andrew Martin Fischer
Development Studies Institute, LSE

Abstract

Using the example of Tibet in Western China, this paper reflects on some of the paradoxical processes involved in rural labour transitions in the developing world. Two are commonly observed in Tibet. First, although rural Tibetans are officially among the poorest in China in terms of per capita income, they are not very inclined to engage in low-wage employment, which is generally stigmatised and avoided when possible. Rather, they 'involute' into subsistence while targeting more coveted employment options through selective education and migration strategies. Second, even though poor according to most measures, they are the wealthiest in rural China in terms of per capita assets. These paradoxes can be understood through the concept of 'subsistence capacity'. Elaborating on Arthur Lewis, relative subsistence capacity determines relative wage expectations. Absolute subsistence capacity determines the ability of households to maintain autonomy from labour markets when wages on offer do not conform to their expectations, thereby sustaining culturally-embedded conceptions of labour hierarchy. Subsistence in this sense is crucial to rural perceptions of wealth and dignity. However, these strategies are unsustainable in the long term. This study supports the proposition advanced by Karl Polanyi that the creation of commodified labour requires coercion, particularly where labour is rooted in significant asset wealth. In the Tibetan case, this has occurred through government policies that increasingly emphasise resettlement into urban areas, thereby risking a ghettoization of rural Tibetans in small towns.

INTRODUCTION

In terms of per capita income and expenditure data, or health and education indicators, everyone agrees that Tibetan rural areas are among the poorest in China; it is a logical conclusion, given that everyone is referring to the same data sources. Similarly, in my own fieldwork, most rural Tibetans I interviewed self-defined themselves as poor on the basis of low levels of education, health, or modern conveniences, relative to urban areas or the rest of China. On the basis of these insights, we tend to assume that the increased integration of Tibetans into wage labour would improve their lot. Indeed, in my own earlier work (Fischer, 2002; 2004a; 2004b; and 2005a), I argued that Tibetans are in urgent need of expanded (albeit protected and preferential) low-skill off-farm employment. This conclusion obviously is based on the assumption that, if and when such employment would be available, it would represent a competitive substitution of

[1] The Crisis States Research Centre at the London School of Economics generously provided funding for field research in 2003 and 2004, all of which directly contributed to this paper. Additional funding was provided by the Central Research Fund of the University of London, the Québec Government (*Fonds québecois de la recherche sur la société et la culture*), the UK Government (Overseas Research Student Award), the London School of Economics, and the Canadian Section of Amnesty International. I am grateful for the input of several fellow Tibet scholars on the ideas of this paper, in particular Ken Bauer, Susan Costello, Melvyn Goldstein, Daniel Winkler and several Tibetan scholars in China who are best kept anonymous. Obviously, any opinions and errors are my own.

lower to higher earning forms of labour, which farmers and nomads would therefore welcome.

However, I have come to accept a problem with this analysis; Tibetan farmers and nomads generally do not act like the most destitute of China.[2] With the exception of young women,[3] they are not very inclined to engage in low skilled, poorly paid employment, as would be expected of people compelled by poverty. Instead, many rural Tibetan households voluntarily abstain from these stigmatised forms of work by 'involuting'[4] into subsistence while targeting more coveted options through the selective education and migration of family members. Or, while they might be risk-averse with regard to their subsistence production, as conventionally assumed, they are not risk-averse with regard to other forms of labour. Involution seems to work against the logic of rural surplus labour, which implies that the marginal returns of such labour are negligible and thus lower than the next worst option of low-wage employment. If indeed these Tibetans are the poorest of China, how then is this paradox of labour market behaviour explained?

Part of the explanation seems to lie in another paradox; Tibetan rural households are officially the richest of rural China in terms of per capita productive fixed assets. This leads to a corollary problematic. When it is said that poverty is multidimensional, we tend to assume that most of the dimensions are positively correlated (i.e. poor in income, assets, health and so on) or mutually reinforcing. How then do we deal with a situation when the data portray two apparently opposing depictions of wealth? Far from exceptional to the Tibetan context, this question is fundamental to an understanding (or misunderstanding) of so-called 'peasant' societies in much of the mainstream development literature.

Various attempts have been made to explain these paradoxes observed among Tibetan nomads and farmers. While journalistic cultural romanticism can be dismissed, a stronger position is found in some of the Marxist-inspired Chinese scholarship, which tends to argue that Tibetan economic behaviour is irrational and counterproductive due to 'intrinsic backwardness' (Wang and Bai, 1986). Again, such formulations rely precisely on the premise that Tibetans will be better off through the commodification of their labour.

This paper questions both culturally-determinist and purely rationality-based explanations of rural labour transitions (or resistance thereof) by drawing from the ideas of Arthur Lewis and Karl Polanyi. Subsistence[5] is central to this analysis and is here broken down into concepts of absolute and relative 'subsistence capacity'. 'Absolute' refers to the ability of a household (or community) to provide itself with basic food needs. Relative subsistence capacity refers to this ability in comparison to other households or communities that have an impact on labour supply and wage rates within a regional economic system.

These concepts elaborate on the insights of Lewis on the determinants of factoral terms of trade in open economies with unlimited supplies of labour. Relative

[2] While I do not intend to homogenise Tibetans, the Chinese individual household responsibility system has resulted in a fairly homogeneous distribution of land assets and an absence of landlessness among Tibetans, which allows for a greater degree of generalisation than in most other developing countries.

[3] This gender dimension to the question deserves further exploration.

[4] I adopt the term 'involution' from conversations with Susan Costello in Golok, May 2004. She uses it to describe these labour processes within several nomadic areas of Qinghai, where she has conducted extensive field research. She adopts the term from Geertz (1963), which will be described later.

[5] In deference to Polly Hill (1986, pp. 16-21), I use the term 'subsistence' with caution, as will be discussed in the paper (see footnote 57). Nonetheless, subsistence modes describe well the rural economies of Tibet and are much more significant than in other parts of China.

subsistence capacity determines the relative wage expectations of households or groups in the non-subsistence economy (as per Lewis' analysis of labour productivity in subsistence agriculture). When the wages on offer do not conform to these expectations, due to the fact that they are set by conditions outside the local economy, absolute subsistence capacity determines the ability of household members to maintain autonomy from labour markets and thereby act strategically in the way that they integrate into market relations. Thus, when a minimum threshold of absolute subsistence capacity is achieved, a premium is added to the opportunity costs of labour embedded within subsistence production. When this minimum threshold is not achieved, there is a compulsion to seek wage employment regardless of wage expectations. The concept of subsistence capacity in this sense complements the analysis of Lewis by placing emphasis on the subjective valuation of subsistence by rural communities; subsistence is both crucial to rural perceptions of the potential wealth, security and dignity that can be derived from an asset base, and it is not necessarily contradictory with market integration.

Under this light, involution among Tibetan rural households can be understood through their relatively strong subsistence capacity in comparison to the main sources of non-Tibetan labour migration to Tibet. This results in a disjuncture between typical Tibetan wage expectations and the wage rates on offer in the Tibetan areas. The fact that Tibetan households are generally able to achieve a minimum threshold of absolute subsistence capacity allows them to resist wage demotion and be selective about their employment options. Both absolute and relative subsistence capacities thereby help to sustain culturally-embedded notions of labour hierarchy. Irrationality need not be implied, given that low wage labour commodification may in fact represent an illusory gain in wealth if it undermines the maintenance of a subsistence asset base or the benefits that are perceived to derive thereof, which are difficult if not impossible to quantify through standard wealth measures.

Nonetheless, these strategies are unsustainable in the long term. This study supports the proposition advanced by Karl Polanyi (1944) that the creation of commodified labour requires coercion, particularly where labour is rooted in significant asset wealth. In the Tibetan case, coercion ironically occurs through government policies of poverty alleviation and environmental protection, insofar as they increasingly emphasise resettlement into urban areas, thereby breaking the crucial subsistence link of rural household livelihood strategies. Within the context of a peripheral non-industrial economy, these policies risk a ghettoization of rural Tibetans in small towns.

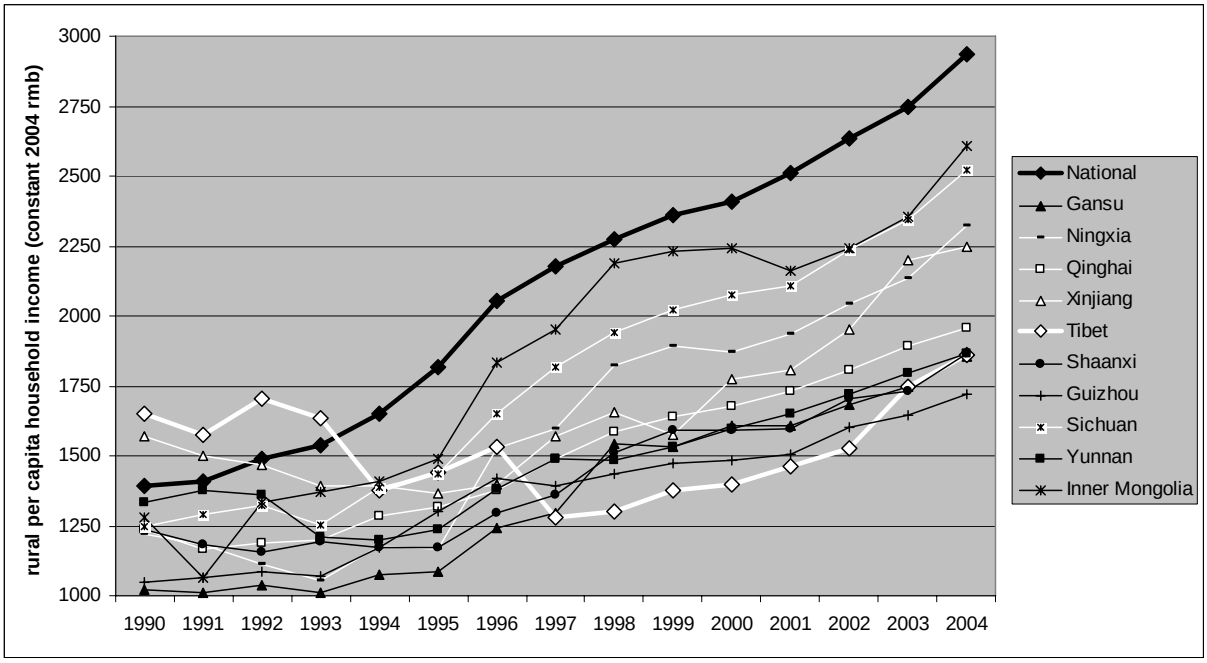
The paper is divided into four sections. The first introduces the paradox of income poverty and asset wealth. The second deals with the paradoxes observed in recent Tibetan labour market behaviour. The third assesses these trends in terms of rationality or culture-based interpretations of involution. The fourth proposes an alternative explanation based on the concept of subsistence capacity. The conclusion offers insights into the implications of labour commodification in peripheral regions.

I. INCOME POVERTY AND ASSET WEALTH: THE FIRST PARADOX

Two sets of data in the official Chinese statistical sources – per capita household income and per capita productive fixed assets – provide contradictory depictions of rural Tibetan wealth. The Tibet Autonomous Region (TAR) can be used to broadly represent all of the Tibetan rural areas in China given very close

similarities across a wide range of rural data.[6] Per capita rural household incomes in the TAR were effectively stagnant in real terms (i.e. indexed to provincial rural consumer price indices) from the late 1980s to the early 2000s. In relative terms, they fell to the lowest of all Chinese provinces from 1997 to 2002 and have since remained in the range of the poorest (see Figure 1 below). These patterns are further accentuated by the fact that cost of living in the TAR is considerably higher than in other western provinces.[7]

Figure 1: Per capita rural household incomes, constant 2004 rmb, 1990-2004



Source: Rural income data is from CSY (2005, Table 10-21) and equivalent tables in previous yearbooks (1993-2004). Rural CPI data is from CSY (2005, Table 9-5) and equivalent tables in previous yearbooks (1991-2004). The figure starts in 1990 because this is the first year of the TAR CPI.

In the early 1990s, real rural incomes in the TAR were apparently much higher than other western provinces and higher than the national average. This comparison is somewhat misrepresentative given that price inflation in the TAR was the highest in China during the 1990s.[8] In current prices, TAR rural incomes only exceeded the national average in 1992, although they were higher than most other western provinces besides Xinjiang throughout the 1980s and early 1990s.[9]

Inflation notwithstanding, these relatively high incomes up to the early 1990s, compared to other western provinces, reflect the fact that rural Tibetans benefited quite well from the first decade of the reform period. The introduction of individual patterns of land-use in the early 1980s combined with other pro-agrarian policies of the early reform period provided an immediate recovery and boost to rural Tibetan

[6] The rural areas of the TAR are almost entirely populated by Tibetans. Over half of the Tibetan areas in China are incorporated into Qinghai, Gansu, Sichuan and Yunnan Provinces, although they carry very little weight in their respective provincial rural surveys. See Fischer (2005a, xix-xxii).

[7] Provincial cost of living data is not publicly available in China. However, it is easy to ascertain from field work that price levels in the TAR are significantly higher than in the rest of Western China.

[8] The cumulative rural CPI from 1990 to 2004 (1990 = 100) was 203 for all China, 221 for Qinghai, 236 for Gansu, 224 for Sichuan, and 254 for the TAR.

[9] The reported surge in official TAR incomes in the early 1990s might reflect data manipulation, given the political sensitivity of the region following the uprisings in Lhasa in 1989.

wealth. In particular, the late introduction of communes in the early 1970s followed by failed attempts at large-scale crop diversification led to ecological disaster and widespread by the late 1970s (Dreyer, 2003, p.415). Goldstein et al (2003, p.764) found that 94 percent of the farming households in the TAR that they surveyed in the late 1990s felt their livelihood had improved since decollectivization. Figure 1 seems to indicate that the improvements mostly took place in the 1980s.

In contrast, rural stagnation in the TAR during the 1990s was exceptional among all the Chinese provinces and reflects that rural Tibet has been particularly vulnerable to structural economic transformations over this period. Stagnation may also be in part related to measurement issues, particularly given the changing methods of measuring subsistence.[10] I also suspect a degree of recent data manipulation in the sudden sharp income increases in 2003 and 2004, given several serious accounting inconsistencies.[11] If data manipulation did take place, it is possible that Tibetan per capita rural incomes have continued to remain the lowest in China.[12]

Beyond these averages, rural poverty rates in the TAR have also been among the highest in China, although comparison of provincial rural rates is problematic in China given the absence of province-specific rural poverty lines. Again, the higher cost of living in the TAR would accentuate these poverty rates relative to other western provinces. These rural poverty rates were falling in the late 1990s (no rural income distribution data has been made publicly available for the TAR since TSY 2000). These data have been analysed in detail in Fischer (2005a, pp. 96-110).[13]

Productivity

It is important to note that the stagnation of Tibetan rural incomes over the 1990s cannot be explained by differences in agricultural productivity with the rest of western China. In fact, as indicated in Table 1 below, productivity per hectare in the TAR in 2004 was among the highest in western China and higher than the national average. The only western provinces that were consistently more productive than the TAR were Xinjiang, known for its intensive agro industry, and Sichuan, known as the garden of China with three harvests a year in the Chengdu basin. Considering that the TAR yields are achieved within a short and harsh growing season (whether in terms of crops or grasslands), they represent impressive productivities.[14]

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[10] See Fischer (2005a, Chapters One and Four).

[11] For instance, per capita expenditure stagnated despite rising income, and income derived from household business activities (farm and off-farm) was stagnant while most of the income increase was registered in the category of labour remuneration in 'other units' (TSY, 2005, Tables 8-14 and 8-15). It is possible that the income increases were due to the recent boom in the caterpillar fungus trade, although if this were the case, they should have been reported as part of household business income. Data manipulation since 2003 might have been in response to a series of my own articles noting the very poor performance of rural incomes in the TAR up to 2002. See Fischer (2002) and TIN (2003a; 2003b; 2003c). I am aware from various sources that these articles were translated into Chinese and were known to officials dealing with the TAR in Beijing and Lhasa.

[12] For instance, the TAR ranked lower in the data on rural per capita household consumption expenditure in CSY (2005, Table 10-22) than in the income data (Table 10-21).

[13] Briefly, according to the national absolute poverty line calculated by the National Bureau of Statistics in the late 1990s, the rural poverty rate was 24.5 percent in the TAR in 1999, 19.4 percent in Qinghai, and 9.1 percent in China (Fischer, 2005a, pp. 96-110). In terms of per capita rural income and expenditure, the two poorest Chinese provinces in 2004 were Guizhou and Gansu, although income distribution data are not available in their respective provincial statistical yearbooks.

[14] Several agronomists working in the TAR that I interviewed during fieldwork in 2004 noted that farmland in the TAR is very productive if irrigated. Given that farmland tends to be concentrated in river valleys, this potential can be realized much more easily than in the semi-arid conditions of the loess plateau that covers large parts of northern China, where water is very scarce.

The data on output per capita or per agricultural worker show similar patterns. In the latter case, the TAR falls behind the national average, reflecting the fact that a greater proportion of the rural labour force works in agriculture than in China. This results in higher labour-intensity per cultivated hectare. The same principles apply with regard to animal husbandry except that the data are not as easily comparable given very different production systems.

Table 1: Agricultural Productivity in selected provinces and national average, 2004

	TAR	Xinjiang	Sichuan	Qinghai	Gansu	Yunnan	Guizhou	China
Per hectare yields, kg								
Cereals	5300	5863	5420	3559	3409	4133	4673	5187
Rapeseed	2217	1802	2026	1792	1602	1774	1533	1813
Per capita output, kg								
Grain	362	409	361	165	309	343	296	353
Oil seeds	20	23	26	54	19	8	21	24
Meat	77	55	60	45	27	59	35	45
Milk	75	68	6	42	10	6	1	17
Output per agricultural labourer, kg								
Grain	1132	2377	1316	664	1058	892	881	1518
Oil seeds	64	133	95	217	64	20	63	99
Meat	246	321	220	181	93	152	105	187
Milk	239	398	22	171	34	16	3	73

Sources: CSY (2005, Tables 13-18, 13-23 and 13-24). Meat includes pork, beef and mutton.

Furthermore, this performance of the TAR has been consistent since at least the 1990s, increasing in tandem with national agricultural productivity.[15] In other words, farmers and nomads in the TAR have been at least as successful as the predominantly Han Chinese provinces in bringing about increases in agricultural productivity, even if their activities have remained largely subsistence-based with minimal state assistance.[16] Therefore, the stagnation of agricultural incomes has not necessarily been related to deficiencies in productivity.

Rather, stagnation has been more likely related to the collapse in the prices of the main commodities produced by Tibetans (wool and grains) throughout the 1990s, alongside population pressure and a shortage of rural employment opportunities outside farming and herding.[17] In essence, collapsing prices have been compensated in most other regions of China by a rise in off-farm rural employment, which has been one of the strongest factors driving growth (and inequality) in rural incomes.[18] Relative to the rest of China, the fate of rural Tibetans has been disproportionately determined by the fate of farming and herding, leading to the logical policy conclusion that increased wage employment would be beneficial.

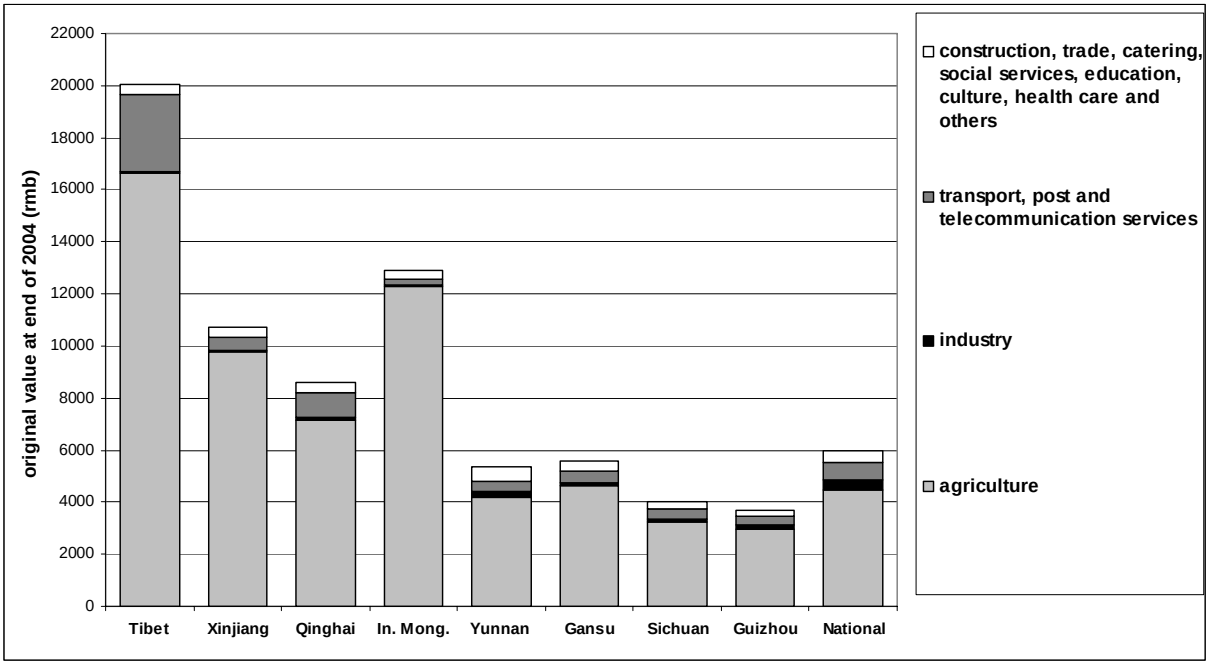
Productive fixed assets

The relative income poverty of Tibetans exists within a context of relative asset wealth. Rural households of the TAR are in fact the most asset intensive in China (see Figure 2 below). The next most asset intensive province is Ningxia (not

[15] For instance, compare to my earlier analysis of data from the 1990s in Fischer (2002, pp.20-23).
[16] Agricultural extension programmes have featured more prominently in recent years. Infrastructure improvements would have also supported the productivity increases in the late 1990s and early 2000s.
[17] Both factors are discussed in detail in Fischer (2004b; 2005a, Chapters Four and Five).
[18] Most income decomposition analyses in China point to this clearly. For instance, see Khan and Riskin (2001, p. 30). Goldstein et al (2003) find similar results in the TAR.

shown), followed closely by Xinjiang, Inner Mongolia and Qinghai, all of which have prevalent pastoralism.

Figure 2: Original value of Productive Fixed Assets per rural household, end of 2004



Source: CSY (2005, Table 13-12)

Most of these productive fixed assets are based in agriculture, as elsewhere in China. In the pastoral cases, this obviously includes a huge component of livestock, as evidenced by the first two columns of Table 2 below. Notably, most land-use in the Tibetan areas is either pastoral or mixed pastoral-farming, and livestock feature prominently even within pure farming areas.[19]

Table 2: Major productive fixed assets per hundred rural households, end of 2004 (unit)

	TAR	Xinj/g	Qing.	I.M.	Yunn.	Gansu	Sich/n	Guizh.	China
draught animals	269	97	94	81	65	79	31	76	35
commodity an.	503	424	119	263	49	67	46	27	52
motor vehicles	5.4	1.7	4.0	2.1	1.3	1.2	0.9	1.1	1.4
large and medium tractors	3.5	5.7	1.2	2.8	0.7	2.9	0.5	0.6	2.2
mini and walking tractors	37.9	25.0	55.0	45.4	7.2	28.9	1.0	0.7	18.8
motorised threshing mach.	4.8	2.1	3.4	4.8	5.3	1.6	14.4	5.0	10.1
carts with rubber tires	12.5	53.2	20.0	38.2	7.9	18.7	1.4	3.3	12.9
pumps	2.3	2.7	1.0	36.7	3.9	6.9	26.5	5.1	22.1

Source: CSY 2005: Table 13-13.

However, Tibetan households also have a much higher value of non-livestock productive fixed assets, as shown in the last six columns of Table 2. There were 3.8

[19] See Tashi et al (2002) on land use in the TAR.

times the number of motorized vehicles per 100 households in the TAR than on average in China in 2004, 1.6 times the number of large and medium tractors, and twice the number of mini or walking tractors. The per household number of carts with rubber tires was the same as the national average, while the number of motorized threshing machines and pumps was less, reflecting the fact that these items are more related to intensive farming. Conversely, the higher value and number of transport-related productive fixed assets is obviously related to the much greater distances that pastoralists and even farmers are required to travel in the Tibetan areas.

In older yearbooks, specific asset categories were also decomposed according to the original value data. While about half of the 1998 value per rural household in the TAR was in draught and commodity animals, the other half was in the form of non-livestock productive fixed assets such as industrial machinery or buildings for productive purposes (CSY 1999: Table 12-11). Furthermore, the ratios of the TAR values over other provinces or the national average have been more or less consistent between 1998 and 2004, with all provinces increasing in tandem. This seems to indicate that that rural Tibetan households have been accumulating productive capital at a similar rate as elsewhere in rural China.

It could be disputed that these measures do not accurately reflect comparative asset-intensity given that the most important asset for farming households is land, which is not included in these data. Therefore, the livestock and related asset intensity of Tibetan rural households could be off-set by the value of farmland elsewhere in China. However, this line of argument overlooks the fact that rangeland is also highly valued by pastoralists given the direct relationship between the quantity and quality of accessible rangelands and the potential size and quality of a herd. Indeed, access to rangelands has been a consistent source of conflict between pastoral Tibetan communities, particularly in the context of rapid population growth over the last 50 years and evident limits to the carrying capacity of Tibetan rangelands.[20] Pasture rental markets have also emerged in certain areas.[21] The fact that the per-unit value of rangeland might be lower than farmland, due to a lower per-unit intensity of use, is compensated by the fact that pastoral households have much more land than farming households, which will be discussed in the fourth section. Therefore, even if land were included in fixed assets, it is probable that the TAR would again be ahead of the national average, even within this category.

The asset data points to a fundamental problem in using the income data to describe rural Tibetan wealth, due to the fact that pastoral households manage their wealth through assets as well as circulating income, as noted in much of the literature on pastoralists.[22] For instance, an increase in yak herd size is recorded as an increase in productive fixed assets. As a result, pastoral savings (i.e. increasing herd size) effectively escape detection in the household income computations, whereas savings of grain output are calculated as part of farming household income.

Therefore, in absence of distributional data on assets (which are not available in any public source), we simply have no idea what poverty rates might be among Tibetans.[23] In certain cases, there may even be an inverse relationship between

[20] For instance, see Pirie (2005) or Yeh (2003).

[21] I observed pasture rentals in 2003 in Sogwo (Ch. Henan) County, Qinghai.

[22] With regard to Sahelian pastoralists, see the work of Swift (1977; 2000), or Niamir (1990). On Mongolian pastoralism, see Swift and Mearns (1993). On Tibet, see Costello (2003) for a rich analysis of the relationship between assets and consumption in nomadic Golok.

[23] See Goldstein et al (2003, p.769) for one attempt to deal with this. They estimated that 14 percent of households in their survey of 13 farming villages in the TAR during the late 1990s were poor on the

income and assets. A remote nomadic household might appear poor in terms of income (and in terms of education and health) yet have substantial livestock assets, enough to offer considerable subsistence consumption. In contrast, a nomadic household located closer to a populated area might have much more circulating income, due to their integration into the 'commodity economy', even while their asset base is depleted. Asset depletion might be due to shortage of quality pastures or stronger state enforcement of livestock limits. Furthermore, asset depletion might be reflected by income increases, such as when a herder is hard pressed for cash in one year and sells off a larger part of his or her herd than he or she normally would. In these cases, an increase in income wealth may in fact represent considerable subsistence impoverishment.

II. LABOUR MARKET BEHAVIOUR: THE SECOND PARADOX

Relative asset wealth sheds light on Tibetan attitudes towards off-farm employment. To make a generalisation, Tibetan farmers and nomads are not overly inclined to engage in long-term low-wage employment. Young women constitute a gendered exception to this pattern, given that they transgress the stigmatism directed towards low-wage employment much more readily than the general Tibetan population, particularly before they have married or started to have children.[24] Otherwise, when Tibetans do engage in wage employment, they tend to be selective about their employment options. These attitudes contrast with their apparent income poverty, their very low education levels (among the lowest in China), and the obvious need for low-skill off-farm employment in the Tibetan areas.

A similar disinclination is directed towards reliance on trade or commerce as primary sources of livelihood. For instance, while petty trading forays might be a popular pastime among many farmers and nomads, profitability is not necessarily of central concern in these ventures. Most of those who I interviewed expressed the prejudice that cheating and trickery were required for success in business, resulting in their stigmatism of business as a full time occupation and of Muslims (and Tibetans from other counties) engaged in business.

As a result, Han or Muslim Chinese migrants end up occupying much of the low-skilled off-farm employment that has been generated from recent economic growth.[25] Garbage collection offers an extreme example, given that this trade is almost exclusively plied by Han migrants, except in the Tibetan neighbourhoods of cities such as Lhasa where street cleaning constitutes relatively privileged public employment. Muslims tend to specialise in the intermediate positions of petty trade, commerce, and service occupations such as catering and butchery, which are also stigmatised and avoided by Tibetans.[26]

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basis of not having sufficient grain either from their own fields or from wages, and had to borrow or get welfare to meet their needs. This rate lies between the official income poverty rates for the TAR in 1999 measured by the official (9.1%) and absolute (24.5%) poverty lines (Fischer, 2005a, p.107). However, these surveys did not cover any pastoral areas. Melvyn Goldstein suggested on the basis of recent research that pastoral areas in the TAR have generally fared better than the farming areas over the 1990s (personal communication, November 2005).

[24] This gender dimension deserves further research. It no doubt stems from the expected social roles and status of girls and young women and facilitates their entry into a variety of (often interrelated) urban service roles, such as household nannies or sex work.

[25] See, for instance, the recent work on temporary migrants in Lhasa by Ma and Lhundup (2006).

[26] See Fischer (2005b).

While the dominance of non-Tibetan migrants in low-skilled employment and small business has given cause to accusations of population invasion and employment discrimination, to a certain degree Tibetans have been complicit in such stratification. This is most evident in the pure pastoral areas, which are perhaps the least developed regions of China in terms of education or infrastructure. Tibetan pastoralists hire Han labourers, when available, for even relatively simple manual tasks related directly to Tibetan activities of animal husbandry, such as the building of mud enclosure walls for corrals. Similarly, Tibetan pastoralists show little inclination to engage in activities related to the rudimentary processing of pastoral output, such as the stretching and tanning of yak and sheep hides, which they relegate to Han and Muslim migrants.

Clear stratification breaks down somewhat in the farming areas, where Tibetan farming families generally show more willingness to participate in low-wage employment. However, even in these cases certain types or conditions of wage employment are deemed more acceptable than others, such as outdoor communal construction work, involving large parts of the local community on a seasonal or limited-term basis. Tibetan workers also generally appear to have higher wage expectations than Han or Muslim Chinese migrants, as well as higher expectations of non-monetary conditions of employment, such as shorter working days, less intense work discipline, more frequent holidays, and tolerance of absenteeism.[27] For these reasons, Tibetan construction companies and their workers or artisans in places such as Lhasa are generally considered to be more expensive and to take longer to complete a job than Chinese companies and migrants, even though their work might be of higher quality.[28] A similar problematic also faces various Tibetan attempts to run factories, such as textile or carpet making factories, particularly in the face of increasing migrant competition in these activities.[29] Thus, the only trades that are still dominated by Tibetan workers tend to be those that are deemed the reserve of certain ethnic specialities, such as religious artwork or traditional style construction, although migrants have even been encroaching on these areas in recent years.

Most poignantly, these general observations hold even when employers are Tibetan. For instance, low-wage employment in Tibetan businesses is often filled by Han Chinese migrants. One confidant of a successful businessman in Ngawa County, Sichuan (a pastoral area) explained that there is a widespread perception among Tibetan employers that local Tibetan employees are not reliable, particularly that they are often related through kinship networks. In contrast, Chinese migrants are perceived as cheaper and more disciplined. Similarly, almost all of temple or monastery construction that I observed throughout the Tibetan areas of Qinghai and Sichuan was contracted by the monasteries out to Han construction companies and

[27] Among numerous interviews and observations in the Tibetan areas of the TAR, Qinghai, Gansu and Sichuan, these insights were confirmed by one senior Tibetan official from the Tibetan Academy of Agricultural and Animal Husbandry Sciences (TAAAS) in Lhasa in November 2004 who had experience in employment programmes among Tibetan farmers and pastoralists, and by Tashi Tsering (see Goldstein et al, 1997), an enigmatic Tibetan intellectual, entrepreneur and philanthropist in Lhasa, also interviewed in November 2004.

[28] Interview with a western INGO worker who had done some fieldwork among Chinese and Tibetan construction companies and workers in Lhasa, November 2004; I since confirmed these observations with a variety of Tibetan officials and scholars. See my anonymous article on this issue in TIN (2004). Obviously, these considerations do not excuse the blatant discrimination against Tibetan businesses in construction contracting and the lack of preferential treatment of Tibetan labour in Lhasa.

[29] These observations are based on market research that I conducted for one textile factory in the TAR in 2003 and interviews in 2004 and 2005 with several Tibetan carpet traders and several INGO workers who had been involved in attempts to set up carpet making ventures.

their workers. This was due to the fact that Tibetans consider it undignified to work for a monastery for a wage.[30] And while Tibetan businesspeople exiled in Kathmandu have established competitive and profitable carpet or textile factories, employment in these cases is mostly based on Nepali workers.[31]

These generalisations are meant to capture the gist of broad labour trends that I observed among Tibetans during fieldwork and consistently confirmed through interviews and communications with a wide variety of scholars (Western, Tibetan, Muslim and Chinese), INGO workers, government officials (Tibetan, Muslim and Chinese), businesspeople, farmers, pastoralists, and workers. There are obviously exceptions and standard deviations from the norm. However, data is not available to quantify these observations; wage data is generally not available in the Chinese statistics below the level of relatively privileged 'staff and workers' and there is little if any ethnic disaggregation of either wage or employment data.

Livelihood strategies and ethnic labour stratification

Despite the lack of data, these attitudes towards work appear to derive from typical allocations of labour within recent rural Tibetan household livelihood strategies. A stereotyped albeit common caricature illustrates this, based on field work in rural Tibet and among newly arriving Tibetan refugees in India and Nepal. If a household has four or five children, typically one child is kept on the homestead. This child, male or female, receives little if any education, marries a similar person in the community, and together they maintain the household and care for the elderly. One or two children pursue education, depending on the attitudes or wealth of the family, with the hope that they complete secondary school and obtain a respected job, such as working in the government or as a teacher. One child obtaining such work can effectively secure the future livelihood of the family. Another child might be sent to a monastery or nunnery, or else into exile with the hope of meeting the Dalai Lama, receiving an education in one of the 'Dalai Lama's schools', and, best of all, making it to the west through contact with westerners.

Beyond the political irony that households often end up with a monk, a public employee and a refugee in the same family, these typical household choices carry several other socio-economic implications. First, although each household might have one or two children pursuing post-primary secular education, this nonetheless only leads to a rate of about half the children receiving such schooling. In other words, this strategy is not contradictory with sustained high rates of illiteracy given that there is intra-household segmentation of educational attainments. Second, quick cash earning activities, such as caterpillar fungus digging or seasonal construction work, do not necessarily obstruct or undermine these strategies, so long as they do not constitute long-term employment or undermine the maintenance of the asset base. Finally, long-term low-wage employment is not on the list of options despite low levels of education, unlike poor rural Han or Muslim households, where children are typically expected to enter wage employment or commerce after a certain amount of education.[32] These strategies do target long-term wage employment, except at a higher level of the labour hierarchy or with higher wage and non-wage expectations

[30] Interview, monastery manager, Golok, May 2004. On the other hand, voluntary work is considered meritorious, along the same lines as other religious acts of offering.
[31] Interview with one such Tibetan industrialist in Kathmandu, June 2003; and discussions with Malika Shakya, a Nepali PhD candidate in DESTIN conducting research on textile industries in Kathmandu.
[32] See Lin (2005) for an analysis of these expectations among Muslims in Rebgong, Qinghai.

than would be expected of relatively income poor rural households with very low levels of education on average.

Conceptions of status and dignity play a critical role in these employment attitudes. These are in turn related to deeply-rooted cultural conceptions of hierarchy. I myself have come to conceive of Tibetan notions of hierarchy by borrowing from the Indian caste system, with special reference to the Kshatriya; Tibetans, particularly Tibetan nomads, essentially conceive of themselves as the farmer/nomad-warriors, guardians of the land, the primary source of wealth in all epochs of history besides the current one, and ready for mobilisation into warfare whenever need be. In the case of ongoing feuding in many pastoral areas, this rational still holds salience today.[33] Accordingly, trade and commerce are considered lower positions to farming and herding, and wage employment is downright degrading (unless it constitutes service for a powerful leader or status-bearing institution).[34]

These cultural conceptions of hierarchy help to explain the typical employment preferences and expectations of rural Tibetans. However, cultural values aside, the importance here is not in the cultural variations of attitudes towards work *per se*, but that Tibetans generally have the relative *freedom* to choose on the basis of cultural criteria, rather than being driven into alienating wage labour through impoverishment. This is in contrast to many areas of the world where groups might hold similar notions of labour hierarchy yet have been forced to demote by poverty. In other words, despite their recent trend of relative income poverty, Tibetan nomads and farmers manifest a capacity to choose according to their cultural preferences.

These issues touch on the tension between cultural and economistic explanations of 'peasant' behaviour in much of the development literature. For instance, many anthropologists contend that labour market behaviour need not correspond to underlying economic 'fundamentals'.[35] Dualist modernisation theorists of both conservative and Marxist strains similarly argue that peasant behaviour is rule-bounded by customs and institutions, which adapt poorly to modern market mechanisms due to an absence of rational or possessive individualistic norms. Conversely, purely neoclassical explanations suggest that peasants are rational and that outcomes in their economies are due purely to local economic conditions and endowments. The 'imperfect information paradigm' promulgated by Stiglitz (1986) slightly adapts this neoclassical position by contending that peasants are rational but that imperfect information explains much of their rural economic organisation and behaviour.[36] The following section explores these tensions in more depth.

III. INVOLUTION, RATIONALITY AND CULTURE

Resistance to low-wage labour corresponds to what Susan Costello has identified as a process of 'involution' in response to the increasingly marketized conditions of the Tibetan areas in the later reform period.[37] Involution refers to the absorption of labour into rural household production, thereby intensifying existing forms of production and land-use, and increasing per hectare productivity with negligible marginal returns to labour (and decreasing average labour productivity). In

[33] See Pirie (2005) and Yeh (2003).
[34] See Fischer (2005b) with reference to Tibetan-Muslim relations.
[35] In an earlier presentation of this paper at a conference in October 2005, I was criticised by one anthropologist along these lines.
[36] The three latter positions are explored by Stiglitz (1986), along with what he refers to as an explanation based on power and exploitation. He does not consider any anthropological contributions.
[37] See footnote 4.

the context of rural surplus labour, we can presume that the marginal returns of agricultural labour are close to zero and are much lower than the returns earned in low wage employment.[38] A move into low-wage employment would therefore constitute evolution, eventually leading to the commodification of labour and the rationalisation of household production. Conversely, involution suggests a neoclassical case of irrationality, given that it works against the assumption that labour will naturally move into work that has higher returns.

Alternatively, with reference to labour economics, involution suggests that the typical reservation wage of rural Tibetans considering wage employment is high enough relative to local wages on offer that many refrain from participating in the wage labour force. However, this does not explain why Tibetans typically have higher reservation wage rates than Han or Muslim migrants. Furthermore, it does not explain why marginal returns in self-employed household production, which is the alternative to wage employment, would not be factored into these reservation wage calculations (as would, for instance, unemployment insurance). Even if average labour productivity were the relevant concern, we saw previously in Table 1 that agricultural productivity is more or less the same in the TAR as in Sichuan, the main source of labour migration to the TAR, while in Figure 1 we saw that the average rural Sichuanese household is significantly wealthier in terms of income than the average Tibetan rural household. Are there other ways to explain the higher reservation wage other than culture, or tautological tricks such as utility or revealed preferences?

It could be argued that Tibetans continue to act out their inherited cultural preferences in the short term due to an overhanging effect of relative wealth from the recent past. As shown in Figure 1, the decline in per capita rural income in the TAR relative to other Chinese provinces has taken place very recently, from the early 1990s according to official data. The persistence of overhanging cultural preferences might be further supported by the short-term dividends provided by selling off assets or the booming trade in caterpillar fungus. Therefore, changes in cultural attitudes might lag behind the structural economic changes that have undermined the traditional sources of Tibetan wealth.

This explanation is partially convincing, although it assumes that Tibetans are not price-responsive. However, in my own experience, I have found rural Tibetans to be both very aware and very concerned about the collapsing terms of trade of their main commodities (barley and wool) over the 1990s and early 2000s, to the extent that some nomads reportedly no longer bother to sheer their sheep given that the wool is considered to have little or no value once labour and transportation costs are factored in. In this context, household production converts ever more poorly into monetary wealth and is increasingly restricted to its subsistence value, which has a limit (i.e. there is only so much barley you can eat or barley beer you can drink and there is not much you can do with wool if you are unwilling to process it). Thus, the absorption of household labour into such a setting would again seem to suggest that culturally-bounded labour behaviour is irrational from an economic point of view. Or, the force of this explanation resides solely on the recent and largely unrecorded boom in caterpillar fungus trade, which is a possibility worth considering.[39]

Assets obviously also play a role in wealth calculations. An easy answer to the involution question is that the reservation wage is set by asset wealth. For instance, because the relatively affluent rural asset base offers an alternative option that Tibetan

[38] Rural unemployment and underemployment are endemic problems in rural Tibet and China, supporting the zero (or near zero) marginal returns assumption made by Lewis (1954).
[39] See Winkler (2006) on the caterpillar fungus trade.

migrants can fall back on if they do not find wage employment that accords to their expectations, their reservation wage is also relatively high compared to conditions elsewhere in China. This argument is also partially plausible, although, like the previous explanation, such self-exclusion obviously implies foregoing an income stream, most of which will not necessarily be replaced through involution. Or, this argument assumes that rural household production activities are outside the realm of rational economic calculus, akin to a substitutive realm of leisure, which is obviously not the case.

In other words, if we assume that self-employed labour is motivated by its marginal return, the size of an asset base cannot explain the whole picture so long as there is surplus labour, which results in negligible marginal returns. To a certain degree the pastoral areas have weathered collapsing terms of trade better than the farming areas, given that recent price collapses for wool have been compensated by favourable meat and skin prices.[40] However, a shift towards production patterns that emphasise asset turn-over (i.e. meat and skin output) increases the intensity of land use, which places an ecological constraint on these channels of wealth creation. This is already apparent in many areas due to overgrazing on degraded pastures, which leads to smaller animal size, lower survival rates and limits to herd size. Therefore, these ecological constraints limit the ability of Tibetan households to increase herd (asset) size in order to match involuting labour, leading to a problem similar to surplus labour in farming households. The overhang of some asset wealth might explain how Tibetans can resist labour commodification, but without assuming irrational behaviour, it does not necessarily explain why they would want to resist transiting towards work with higher marginal returns regardless of asset wealth.

Furthermore, as discussed in section one, it is not clear how assets enter into subjective wealth calculations. In particular, assets play an important risk insurance role and thus cannot be treated in the same way as an income stream. It is true that Tibetan pastoralists can generate significant short-term bouts of wealth by selling off livestock for meat and skins, which leads many observers to the conclusion that they are not poor given obvious signs of conspicuous consumption or large expenditure outlays from the past. These are nonetheless achieved by depleting the stock of assets. Under ideal circumstances, stocks can be replenished, although depletion has several adverse consequences in the meantime. On one hand, it reduces the ability to meet subsistence or to provide similar bouts of wealth in the short term (i.e. cash income and expenditure based on assets is not smooth; it is very variable). More importantly, it increases vulnerability given that livestock assets are not exactly secure (fecundity is counterbalanced by mortality). Indeed, one of the reasons for maintaining large herds is to insure against environmental hazards such as harsh winters; a large herd increases the chances of surviving such hazards with a herd size that can still maintain subsistence. For all of these reasons, there is a tendency for pastoralists to be risk averse and thrifty with regard to asset management, just as poor farmers tend to be risk averse with regard to crop cultivation.

Certainly, relatively large herds are a sure sign of status and wealth within pastoral communities. However, the fact that pastoral households have more assets than farming households does not necessarily imply that they are less poor (although it may imply this). While the typical asset base of pastoral Tibetans provides a potential for bouts of considerable expenditure, this is not contradictory with poverty. As mentioned previously, asset accumulation is a form of pastoral savings. Therefore,

[40] Communications with Melvyn Goldstein, November 2005 and February 2006.

assuming that asset wealth precludes poverty falls foul of the commonly misinformed supposition that poor people do not save.[41]

For all of these reasons, the higher reservation wages of rural Tibetans, relative to migrants from elsewhere in China, cannot be explained through a simple reference to relative asset wealth, with the deduction that rural Tibetans have higher expectations because they are in fact not poor. Indeed, they will often identify themselves as poor on the basis of meagre (modern) education and a meagre ability to adopt modern urban patterns of consumerism. On the multidimensional poverty radar, they are poor and recognise themselves as poor along many different dimensions. Therefore, what else can explain the labour behaviour?

The trap of cultural determinism

The confusing evidence on Tibetan economic rationality tends to open the way for the bias that cultural norms are inhibiting developmental social change. This interpretation is common in the Marxist-inspired Chinese literature, a strong expression of which is found in the work of Wang and Bai (1986). In their groundbreaking book, *The Poverty of Plenty*, they implicitly recognise involution by referring to a 'two-way initiative' that started in the early reform period; one towards the 'commodity economy', i.e. increasing commodification of the economy and intensified capitalist modes of accumulation, and the other retreating back into the so-called 'natural economy'. The latter initiative, which they argue characterises most of the ethnic minorities in western China and especially Tibetans, is due to 'the intrinsic determinant of backwardness' or 'the poor quality of human resources' (ibid, p.23). 'This is the immature social system and its vicious circle of poverty' (ibid, p.65). The more a region is backward, the less likely catching up will be achieved through simply 'relaxing controls' (ibid, p.175), given that the resources needed for the development of a commodity economy will be diverted to the natural economy, thereby undermining wealth creation (ibid, p.32). They therefore advocate that the real challenge in China's backward regions constitutes 'reversing the attitude of the local inhabitants towards social wealth and changing their traditional ways of exploiting natural resources' constitutes (ibid, p.92).

They also explicitly address the paradox of income poverty and asset wealth, albeit in a derogatory tone. They note that impressive figures of wealth can be achieved in backward regions 'at the expense of ruining resources through traditional means of exploitation. From these indicators it is impossible to tell if the economy is being transformed from a natural economy, or what the social implications of individual prosperity in backward regions might be' (ibid, p.91). They substantiate this assertion with several anecdotal[42] cases from Qinghai. A Tibetan county that was apparently the richest in China in the early 1980s on the basis of per capita livestock holdings had a 'way of life and mode of production among the people [that] showed little change from the remote past' (ibid, p.91). A herder who was very wealthy by Chinese standards on the basis of his livestock, 'never traded his livestock and could not even afford a new pair of shoes, while all he lived on was gruel' (ibid).[43]

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[41] See Hill (1966) for a classic critique of this supposition. Also, see Fischer (1994).

[42] I use the word 'anecdotal' because their fieldwork in Tibet appears to have been very short (perhaps a month), with no indication of ethnographic methodology and typical prejudices taken at face value.

[43] Presumably, they are referring to *tsampa*, or roasted barley flour, which is the basic staple of Tibetans. The authors would consider it gruel because it is typically mixed with butter tea, often with dried cheese, hand-kneaded into a doughy-paste, and then eaten directly without cooking. The flour is also used to make a variety of other delicacies, such as a Tibetan version of sheep or goat live paté

This assessment of Tibetans remains common in China, as it is in the idealised caricatures of Tibetans as peaceful non-materialist ecologists in much of the western media. Wang and Bai related such Tibetan naiveté to the ongoing influence of 'such negative religious ideas as withdrawing from the world and fatalism' (ibid, p.34). They offer accounts of Tibetans rejecting modern agricultural techniques due to a variety of superstitious concerns, or else using their new wealth to build temples in competition with other newly rich (ibid, p.34). Many of these views were echoed in my fieldwork by a variety of Chinese scholars, officials or lay people, and some modernisation-advocating Tibetans, who decried that poor Tibetan rural communities consistently pour their wealth and savings into monasteries or religious monuments rather than productive investments, thereby perpetuating their cycle of poverty. Officially, the Chinese government also adopts this rhetoric by explaining that rural poverty in Tibet stems from a slow cycle of low output, low investment, low accumulation, leading again to low output.[44]

These perspectives generally mistake the symptoms of failed development for causes, given that the impact of occupation is utterly ignored. For instance, Wang and Bai's incomparably more rigorous analyses of the failure of aid and various economic projects in the TAR deals mostly with the state-run economy from the 1960s to the early 1980s. Notably, they ignore the impacts of rural collectivisation, which reaped havoc in the Tibetan rural areas by the late 1970s, as discussed previously.[45] In this context, it is difficult to argue that a hapless nomad interviewed in Qinghai in 1984, literally within a year of decollectivisation, had a way of life that 'showed little change from the remote past'. Indeed, the individual household responsibility system itself was a fundamentally new form of rangeland management, differing from both traditional and collective pastoral systems, in contrast to farming areas that generally had some experience with individualised land use prior to collectivisation. Moreover, most Tibetans were themselves completely divorced from any sense of agency within these processes of radical transformation, which would tend to reinforce a conservative response to change, in contrast to China where both revolution and reform were indigenously generated processes *par excellence*. In addition to these Tibet-specific considerations, Wang and Bai do not consider the effects of the price scissor model of urban-rural development, nor of the uneven character of regional development policy, even though these were subjects of heated politicised debates during 1980s.[46] Therefore, the inefficiencies of the highly state-centralised and militarised economy of the TAR in these years can hardly be attributed to the entrepreneurial disability of local Tibetans.

Perhaps the most significant refutation is the fact that rural Tibetans are thrifty and productive, and they are price-responsive with regard to both commodity prices and wages. In the first case, productivity on par with the national average and a relatively high level of investment in productive fixed assets, as discussed in the first section, dismisses the claim that there is the cycle of accumulation is slower in Tibet than in China. In the case of price-responsiveness, Melvyn Goldstein notes from recent fieldwork in a pastoral area of the TAR, where illiteracy remains very high,

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(which is cooked). The authors exhibit an irrational Han bias given that tsampa, made from a whole grain, is much more nutritious than white rice or processed wheat flour (used for noodles), both the standard staples in China. While the average Chinese person and most westerners look upon the hand-kneaded paste with much distaste, this is obviously not an issue for those raised on tsampa.

[44] See PRC (2001, Question 22).

[45] For instance, see Dreyer (2003, p.415).

[46] See Yang (1997) and Knight and Song (1999) for an extensive analysis of these policies.

that nomads have been using a recent subsidised loan programme to innovate seasonal ranching, purchasing young animals in the spring, fattening them in the summer and selling them for meat and skins in the fall. The reason that they shifted to this commoditised form of ranching was precisely because prices for meat and skins have been very favourable in recent years, whereas the prices for wool have been very poor. He also notes that local township officials have been actively involved in promoting and supporting the changes.[47] With regard to wages, I have personally found relatively that uneducated rural Tibetans can be very price-responsive with regard to international migration and potential salary levels in distant locations such as Shanghai, New York, Brussels or Taipei.

In other words, given the right incentives, there is no particular reason why Tibetans would not display a certain degree of market rationality, even under conditions where they continue to have 'poor quality of human resources'. Rather, the examples of commoditised ranching and migration reveal that Tibetans will be economically rational (in a neoclassical sense) when price signals are in harmony with their cultural norms. Thus, while Wang and Bai's theory of a 'two-way initiative' captures a sense of involution, it does not capture the meaning or the complexity, given that involution can co-exist or switch back and forth with economic behaviour that they would deem more rational, even within a single household. This seems to imply that involution involves an element of choice or conjecture, rather than simply constituting a deterministic outcome structured by physical, human or social capital.

IV. SUBSISTENCE CAPACITY: REVISTING LEWIS AND POLANYI

Involution is not exceptional to Tibetans; similar processes can be observed throughout the developing world and probably among many Han and Muslim farmers in China as well. However, as noted earlier, Tibetan farmers and pastoralists appear to have relatively more freedom to follow their chosen household livelihood strategies than their counterparts elsewhere in China. More importantly, when given the freedom, subsistence is not necessarily a last resort. Instead, it serves as a base from which to act strategically with respect to the allocation of household labour.[48] It thereby embodies an intrinsic value that is difficult to capture through static notions of monetary wealth. Drawing inspiration from Arthur Lewis, I suggest that at least part of this value derives from what we can call absolute and relative subsistence capacity.

Absolute subsistence capacity refers to the ability of a household to produce a surplus above the subsistence needs required to reproduce itself economically. This meaning is essentially synonymous with food security at a household or community level.[49] If and when this condition is met, household members have the individual or collective freedom to allocate their labour as they see fit, regardless of considerations of productivity or marginal returns. Conversely, incapacity to meet subsistence needs, even though household labour productivity might be considerable, compels farmers or pastoralists to accept wage labour. Relative subsistence capacity refers to this absolute

[47] Conversation with Melvyn Goldstein, November 2005, Berlin, and subsequent communications.

[48] This relates to a point made by Brenner (1977, p.37) with respect to the 'mode of peasant freeholder production' in his famous article on the origins of capitalist development; '…where the family plot forms the basis of individual peasant property, there is every incentive to direct production, and production for exchange, so that the multiplicity of labour processes and means of production which ensure the continued subsistence of the family plot can be carried out successfully.'

[49] A scattering of references to subsistence capacity can be found in the literature, particular in relation to ecology, although it is mostly used as a synonym for carrying capacity.

subsistence capacity in comparison to other households or communities that have an impact on labour supply and wage rates within a regional economic system.

As mentioned previously, Tibetan rural households typically have much more farmland or pasture than households in most regions of western or central China outside the Tibetan plateau, which is the source of most non-Tibetan migration to the Tibetan areas. A poignant example is offered by Xunhua County in Qinghai, a Salar Muslim county with a substantial Tibetan hinterland. Typical holdings of farmland in the Tibetan highlands of this county in 2004 were about two to three mu per person, whereas landholdings averaged about half a mu per person in the lowland Salar areas.[50] These average farmland holdings of Xunhua Tibetans are very representative of farming areas throughout Tibet; I found similar per person estimates of farmland holdings in other pure farming areas, such as those in Chentsa, Rebgong, Chabcha or Guinan in Qinghai, Kardze in Sichuan, or Lhasa, Lhoka and Shigatse in the TAR, in all cases typically ranging from two to four mu per person. Similarly, outside the Tibetan areas, landholdings in the Han or Muslim farming areas of western or central China tend to resemble those of the Salar in Xunhua.

The mixed farming-pastoral Tibetan zones also have an additional per household distribution of pastures, and per household rangeland holdings in pure pastoral areas can be considerable. In Sogwo County in Qinghai, a fairly densely populated pastoral area that I visited in 2003, typical rangeland holdings were around 500 to 1000 mu per household, or, depending on the size of the household, more than 100 mu per person.[51] Some of the pastoral areas that I visited in 2004 in Kardze Prefecture in Sichuan have denser populations, resulting in greater pressure on rangeland holdings and smaller herds. I was not able to visit any pastoral areas in the TAR given severe government restrictions on rural travel. Susan Costello reported to me that the landholdings of several typical nomadic households that she studied in Golok ranged from 1800 to 2400 mu.[52]

Broadly speaking, these variations represent differences in population density relative to land availability in the various topographic regions. These generalisations do not necessarily fall into the trap of homogenising the 'peasantry',[53] given that the household responsibility system in China, along with ongoing reallocations of land, has led to a uniformity of landholding size at county or township levels that is exceptional in the developing world.[54] Inequality in land assets in the Tibetan areas is thus largely driven by differences in land quality rather than size. However, even though exceptional, these characteristics of land tenure in China and Tibet facilitate the comparative study of labour processes across these regions. Similar processes also exist elsewhere in the developing world, wherever there is sufficient resource tenure for practicing some form of subsistence, yet they are rendered far more complex to decipher given large intra-community inequalities.

If we focus on the case of pure farming areas, the relative ability to subsist on household production becomes quite clear. For instance, abstracting from supplementary foods, it is generally considered that a person needs approximately 180

[50] Interview with officials from the Xunhua agricultural department, Xunhua County, June 2004. Note that 15 mu = 6 acres = 1 hectare.
[51] Interview with several county officials, Sogwo (Ch. Henan) County, July 2003.
[52] Personal communication, 3 February 2006. Golok and Yushu Prefectures in Qinghai have abundant land, albeit at higher altitudes and therefore slower growth of pastures.
[53] See this critique in Hill (1986, pp.18-20).
[54] For instance, see Khan and Riskin (2001) or Brandt et al (2002).

kg of staple grains to subsist per year.[55] Depending on the quality of farmland, Tibetan farmers typically produce anywhere from 100 to 300 kg of grain per mu per year (one crop, mostly barley).[56] With a typical range of two to four mu per person, yields would therefore range from 200 kg to 1200 kg per person. For the sake of simplicity, a yield of 150 kg per mu on three mu of average quality land per person yields 450 kg of barley per person per year. In other words, in this typical case, the household produces a surplus of about 270 kg of grain per person above the subsistence grain needs, which is then sold, bartered with pastoralists for meat and butter, offered to monasteries, stored, or used for making barley wine.[57]

In comparison, consider the typical Salar rural household in Xunhua. Average per mu yields are higher than in the Tibetan highlands due to proximity to the Yellow River, although they are limited by land degradation and urbanisation.[58] An estimate of 300 kg of grain per mu on half a mu per person yields only 150 kg per person per year, i.e. less than the subsistence requirement. In other words, in order to meet subsistence food needs, farming households in Xunhua have no choice but to seek work outside household agriculture. Similar to Tibetan households, there is often a specialisation of family labour. Some members (typically the women) maintaining the household production activities while the adult males go out in search of wage labour or opportunities in trade and commerce. Young women also engage in local factory work, alongside their work in household agriculture.

The difference between the typical Salar and the typical Tibetan household of Xunhua is that the former are compelled to seek off-farm work in order to survive at subsistence, whereas the latter are not. The typical Tibetan enters the search for work in part impelled due the need or desire for cash income, but they are not compelled to do so from the point of view of basic subsistence. From the point of view of subsistence, they are entering the labour market with a degree of freedom and security relative to the typical Salar (or Hui or Han) farming household. This degree of

[55] Interview, director of the local TAR office of the Swiss Red Cross, Shigatse, November 2004; he referred to this figure as the one that is generally used by international agencies involved in relief work and the one that they use for the TAR. A senior Tibetan official from the Tibetan Academy of Agriculture and Animal Husbandry Sciences (TAAAS), interviewed in Lhasa in November 2004, qualified that these grain needs depend on the household production and consumption of home-brewed beer, which requires barley. However, he conferred with a figure of 200 kg per year.

[56] Typically, most farmers that I interviewed in Qinghai or Sichuan estimated their yields at around 150 to 200 kg per mu. In one farming area of Qinghai where the soil quality was poor, yields were about 100 to 120 kg per mu. The Tibetan TAAAS official mentioned in the footnote above told me that farmland in the river valleys in Lhasa, Lhoka and Shigatse Prefectures in the TAR can yield around 250 kg per mu, and that TAAAS had been able to increase these yields up to 400 kg through the introduction of hybrid barley (although the uptake was not very successful because the hybrids were not very resistant to the environmental hazards typical to the region such as hail). Outside these river valleys, he said that yields are more in the range of 100 to 150 kg per mu.

[57] Despite the critique of the concept of subsistence by Hill (1986, pp. 18-20), I have generally found that rural Tibetans do operate within this subsistence-surplus mode. Goldstein et al (2003, p.767) estimated in their survey of 13 farming villages in the TAR that 77 percent of households produced enough grain for their consumption needs or a surplus. Similarly, in official statistics, only 57 percent of total per capita rural household expenditure was derived from cash in the TAR in 2004, versus 71 percent in Qinghai, 72 percent in Gansu, 68 percent in Sichuan and 80 percent in China overall. Most of the difference in the TAR was from food (calculated from CSY, 2005, Tables 10-26 and 10-27).

[58] Goodman notes that yields of up to 800 kg per mu have been achieved in Xunhua, although I suspect that this refers to specific demonstration plots rather than the average. The country officials that I interviewed did not report such high yields. Xunhua can be considered a special case given its location along the Yellow River, while most of the Han and Muslim areas in the Northwest are not nearly as well endowed in terms of water supply and land degradation remains a serious and escalating problem. On the other hand, farm yields in Sichuan are probably similar to those in Xunhua.

freedom, achieved by reaching a basic threshold of absolute subsistence, constitutes a subjective premium for the opportunity costs of labour rooted in such subsistence.

Relative subsistence capacity and Lewis on factoral terms of trade

Relative subsistence capacity in turn can be seen to set relative wage expectations. This brings us to Lewis' theory of factoral terms of trade, rooted in a classical labour approach to value and applied to a Ricardian-type comparative cost open economy model with two countries and three goods. In essence, he argued that the terms of trade between temperate and tropical country exports in the nineteenth century were set by differences in the productivity of staple food production for domestic consumption in the major sources of labour migration for each region, rather than by differences in the productivity of export commodity production per se. This was because 'for temperate commodities the market forces set prices that could attract European migrants, while for tropical commodities they set prices that would sustain indentured Indians' (Lewis, 1978, p.14). Britain was the biggest single source of European migration and yields of wheat were 1600 lbs. per acre, or more than twice those of the tropics by 1900. Yields per person were as much as six or seven times higher due to better equipment and more land per person. Per person yields were even higher in the United States because of greater mechanisation and scarcer labour.

Therefore, 'the new temperate settlements could attract and hold European immigrants, in competition with the United States, only by offering income levels higher than prevailed in Northwest Europe. Since Northwest Europe needed [their commodities], it had to pay for those commodities prices that would yield a higher-than-European standard of living' (ibid, p.15). 'In the tropical situation, on the other hand, any prices for tea or rubber or peanuts that would offer a standard of living in excess of the 700 lb. of grain per acre level were an improvement' (ibid). Because of the 'unlimited supply of Indians and Chinese willing to travel anywhere to work on plantations for a shilling a day', the stream of migrants from Asia thereby set the level of tropical wages, and thus tropical export prices (ibid). In his model, factoral terms of trade between two countries are thus set by differences in the productivity of staple food production, given that staple foods are produced by both countries. Lewis summarises that 'this analysis clearly turns on the long-run infinite elasticity of the supply of labor to any one activity at prices determined by farm productivity in Europe and Asia, respectively' (ibid, p.16).

Under this light, we can see how the reservation wage is set by labour productivity constrained by supply of land (i.e. subsistence capacity), rather than by marginal returns to labour. The concept of subsistence capacity complements Lewis' analysis by emphasising the intrinsic subjective valuation of subsistence by rural communities. In particular, the autonomy that is available when a basic threshold of absolute subsistence capacity is reached adds an opportunity cost to labour over and above productivity concerns, as discussed above.

However, there is a disjuncture between the opportunity costs of rural Tibetan labour and the off-farm wages on offer in the Tibetan areas. The former are determined locally on the basis of subsistence capacity and subjective valuations of subsistence. The latter are determined externally, on the basis of similar considerations elsewhere in western and central China where most of non-Tibetan labour emigration originates. The openness of the Tibetan economy and its tiny size with respect to the rest of China effectively results in its inability to set factoral terms of trade. As a result, wages are set lower than local wage expectations, without relation to typical subsistence capacities in the Tibetan areas.

This helps to explain the resistance of rural Tibetans to enter into low-wage labour, precisely because, among other factors, wages are set below a level that would be required to attract them out of subsistence production activities. Resistance is further supported by the fact that the average rural Tibetan is not compelled to work in order to meet basic absolute subsistence, and this relative freedom is additionally valued for the dignity that it confers. The disjuncture also helps to explain contemporary Tibetan resistance to migration given that migrants are the conduit for a downward pressure on local wages to Chinese levels. Indeed, this latter point was noted by Lewis in the case of working class resistance in Canada and the United States to Asian migration (ibid: 19-20).

Nonetheless, several distinctions must be made. In the classic international asymmetry studied by Lewis, higher labour productivity worked together with larger landholdings in overwhelming favour of the temperate regions. Productivity per hectare in the Tibetan areas is similar to the national average and to Sichuan, the main source of Han emigration to the Tibetan areas. Thus, the decisive factor determining the higher Tibetan wage expectations is the size of landholdings per person, or the relative ability to achieve subsistence capacity with similar levels of productivity.

Furthermore, the temperate regions with higher wage expectations in Lewis' analysis were industrialising, they were at the core of the international economy, and they had the power to restrict migration from tropical regions. Tibet holds an inverse position; it is on the periphery of Chinese industrial power, with a paucity of economic opportunities outside agriculture, and no ability to limit in-migration. Thus, there is a gaping asymmetry between higher wage expectations and the sheer scarcity of higher remunerated economic opportunities that would conform to these expectations. These types of asymmetries probably underlie many of the non-classical labour processes in the developing world, particularly under conditions of trade and other liberalisations that increasingly facilitate the transmission of global factors that determine wages exogenously from local conditions or expectations.

Within such asymmetries, involution becomes the next best option, relative to the low-wage options on offer in the local off-farm economy. Moreover, involution can be seen as a rational and deliberative response to collapsing agricultural commodity prices, which have the effect of raising the relative value of retaining produce for subsistence or barter rather than marketing it. This helps to explain why farming communities may show significant signs of subsistence affluence, such as increasing consumption of barley wine,[59] meat and dairy, despite their manifest income poverty. Rural Tibetan conceptions of labour hierarchy are thereby sustained despite their rapid marginalisation from the dominant sources of wealth and accumulation in the urban economy.

In this sense, there is some validity of the insight of Wang and Bai, that de-collectivisation produced a forward movement into commoditisation in the Han areas and a backward movement into the 'natural' economy in the Tibetan areas. The introduction of the individual household responsibility system in the early 1980s effectively created a 'peasantisation'[60] of Tibetans; for the first time land use was divided up into small, relatively equal individuated parcels, something that had never existed under either the collective economy or the 'old society'. This obviously happened all over China, except that elsewhere in China the individuated plots have

[59] Increasing production and consumption of barley beer or wine is typically taken as a sign of wealth, although it might also represent an alternative use of surplus grain if grain prices are very low.

[60] I use this term 'peasantisation' with reference to Washbrook (1988) on the peasantisation of the Indian economy under British colonial rule.

generally not been large enough to sustain subsistence needs, even if labour productivity has been generally higher on average. Plots in Tibet have generally been large enough to sustain subsistence, thereby providing the option for involution.

The mistake of Wang and Bai was to attribute these movements to 'intrinsic backwardness', or a deficient sense of productivity and accumulation due to poor quality of human resources. Along similar lines, an extension of the 'commodity' or cash economy is not necessarily antithetical to processes of involution. Tibetans are involved with the commodity cash economy, and thus they cannot base their livelihoods solely on subsistence household production (if ever they did). Today, this is partly because they purchase, consume or invest in modern goods, be they mobile phones, motorcycles or fertilisers, among many others. Perhaps more importantly, rapidly increasing fees for education and health care, particularly outside the TAR, also act as strong compelling forces for Tibetans to move into cash earning activities.[61] Scarcity of rural cash-earning opportunities in turn drives rural to urban migration. Indeed, rural Tibetans are well aware of the imperative for urbanisation and do not need government policy to incite them to take up this route.

However, the cash imperative somewhat misses the point, given that it can easily co-exist with subsistence-based livelihood strategies. In fact, the combination is ideal; if subsistence capacity is sufficient, it offers choice as to how and when to engage in cash-earning activities. It thereby offers autonomy from a dependence on regular low wage employment, or from forced selling of produce at inopportune moments, both of which can have impoverishing implications. In this sense, subsistence in itself is perceived and valued within rural communities as a symbol of wealth and quality of life, not merely in terms of providing a safety net, but also in terms of providing independence and serving as a position from which markets can be engaged advantageously.

Indeed, the standard academic association of subsistence with poverty may actually be the inverse to how subsistence is subjectively valued by rural communities. This was precisely the point of Hill (1986, p.18-20) in her attack on the conventional wisdom in much of development economics. She argued that it is usually only rich rural households that can hope for attaining a degree of self-sufficiency and it is precisely these households that also enjoy the most lucrative non-farming occupations.[62] This also relates to the insight of Hirschman (1970) that the counterpart of society's ability to achieve a surplus over subsistence is that society is not bound to a state of 'permanently taut economy', contrary to the implicit assumptions underlying neoclassical economic models of perfect competition. Rather, '[t]he wide latitude human societies have for deterioration is the inevitable counterpart of man's increasing productivity and control over his environment. Occasional decline as well as prolonged mediocrity - in relation to achievable performance levels - must be counted among the many penalties of progress.' (p.6) '… [T]he ability to produce a surplus above subsistence makes it possible and indeed likely that occasionally less than the maximum producible surplus will be produced…' (p.10). In other words, achieving a minimum threshold of subsistence capacity offers a freedom to act, whether for profit or for non-profitable social approbation, and this freedom is both instrumental for and symbolic of wealth.

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[61] See Fischer (2005a, p.48).

[62] On this basis, she critiques the common assumption that traditional agriculture is characterised by degrees of subsistence, which are inversely related to market integration, given that this assumption ignores the role of inequality within such agricultural systems.

Thus, ironically, the commodification of product markets can actually reinforce involution or resistance to labour commodification. For instance, the current boom in the caterpillar fungus trade in the Tibetan areas has definitely brought about a commodification of caterpillar fungus and significantly increased the cash income component of Tibetan rural incomes, particularly in remote pastoral areas that previously were the least integrated into the cash-based economy.[63] However, the commodification of caterpillar fungus has thereby buttressed the ability of these same households to maintain independence from wage employment precisely because it provides a lucrative source of cash income in a manner that avoids wage employment and that does not undermine their subsistence asset base. Thus, to the disappointment of market fetishists, neoliberal and Marxist alike, the extension of commodity markets will not necessarily lure people into the 'commodity economy'. Rather, as per the insight of Polanyi, the fundamental transformation underlying market society is not found in the existence of commodity markets, which have existed for millennia, but in the creation of labour markets, which requires labour commodification.

Revisiting Polanyi on the commodification of labour

These reflections on subsistence capacity bring to light one of the seminal insights of Polanyi; the creation of commodified labour requires coercion, particularly where labour is rooted in sufficient asset wealth to maintain subsistence, rather than occurring naturally through incremental and competitive substitutions of lower to higher valued forms of labour. Coercion in turn takes place either through indirect processes of immiserization or through direct dispossession of assets. The former is typically caused by structural or institutional changes in the economy that undermine rural assets and/or income streams, and thus the ability of rural households to achieve absolute subsistence, thereby compelling the search for wage labour.[64]

These structural and institutional processes in Tibet have been touched upon previously and are also discussed in more detail in Fischer (2004b; 2005a; and 2005b). While it is not clear to what extent Tibetans are poor, recent changes have definitely undermined the sustainability of current household livelihood strategies. In particular, participation in low-wage labour does little to overcome the growing gap between the means and ends of these strategies given the escalating costs associated with post-primary education and the trend towards increased competition and continued austerity in public employment.[65] The caterpillar fungus commodity boom has somewhat offset the impact of sharply declining terms of trade in traditional rural commodities, although, like all commodity booms, it may only be postponing adjustment to a later date. Overall, most of these means of earning cash do little to compensate the accelerated marginalisation of the majority of rural Tibetans from the dominant drivers of rapid economic growth in their regions.

Against this backdrop, government strategies of poverty alleviation and environmental protection have been increasingly promoting what is, in effect, direct dispossession, due to their combined emphasis on resettlement into urban areas. Traditional resettlement policies have been used successfully in some cases to deal with impoverished farming households or communities, and they have been well

[63] See Winkler (2006) on the caterpillar fungus trade. My communications with him on this also inspired this analysis.

[64] For instance, studies on famine, such as Swift (1977; 1989) and Rangasami (1985), point out that vulnerability to famine or severe poverty only emerge after substantial asset erosion. Also see Block and Somers (2003) for an interesting analysis of southern England in the early nineteenth century.

[65] See Fischer (2005b, pp.15-16).

received insofar as they have provided a continuity or even improvement of land-based assets.[66] However, given the targeted successes, the recent trend has been to generalise resettlement policies as an overall poverty alleviation strategy. Again, this trend has been much more advanced in the Tibetan areas outside the TAR.

The policy shift appears to have taken place in 1998 following the flooding of the Yangtse in that year. In particular, lowland flooding was blamed on land degradation in the highland headwaters, i.e. the pastoral regions of Yushu and Golok in Qinghai. As a result, the national government took radical palliative actions within the year, such as a moratorium on all forestry activities in the fragile ecosystem of the Tibetan plateau. Reforestation programmes were also implemented with vigour.[67] The government also started to devise plans to turn the watershed regions into protected areas, including the large-scale removal of pastoralists off the land in order to allow for the ecological regeneration of the grasslands. In some extreme cases, local governments have been planning the complete removal of all pastoralists off the land, to be resettled in newly built town accommodation.[68] Regardless of the questionable scientific rational underlying this strategy, it can be broadly seen as a reinvigoration of past policies aimed at settling pastoralists, although with the added dimension of moving them off the land altogether.[69]

The increased attention given to urbanisation as a centrepiece of poverty alleviation has conveniently converged with this environmental policy. The poverty dimension derives from the conventional wisdom in China that greater exposure to off-farm employment leads to a substantial improvement in rural incomes. Urbanisation, rapid urban growth and the relaxation of *hukou* have thus logically come to play a central role in poverty alleviation strategies in recent years. The shift of emphasis to town resettlement thereby serves as a poverty strategy at the same time as fitting into the concerns for environmental protection.

However, as elsewhere in China and the world, urbanisation only makes sense as a strategy of poverty alleviation insofar as urbanising migrants are successfully employed upon their relocation, and at a wage that compensates for their loss of subsistence. Yet this employment consideration appears to be singularly lacking in much of the towns across Tibet, particularly that most of the recent flurry of construction activity has been captured by Han construction companies and non-Tibetan migrants.[70] Rather, it appears that an almost perverse faith in 'the market' predominates in local government circles, as well as among Chinese officials and scholars; exposure to the town environment is presumed to encourage pastoralists to engage in trade and commerce, leading the lot of them to become petty entrepreneurs despite the almost complete absence of productive secondary activities in the towns

[66] I came across several cases of such relocated villages in Qinghai, and I also heard of similar cases of successful relocation in the TAR in my interviews with several INGO staff working in Lhasa.
[67] Reforestation projects are currently widespread throughout Tibetan rural areas. Farmers are typically forced to allocate part of their land for tree planting and receive several years of grain compensation.
[68] Based on a variety of interviews, the most extreme case that I heard of during fieldwork in 2004 was being planned in Machu County in Gansu. Similar plans were also being hatched for parts of Yushu and Golok Prefectures in Qinghai. For an exile view, see Choephel (2006).
[69] Regarding scientific rational, several studies on high altitude rangelands point to the fact that a medium intensity of rangeland use, as opposed to low or high intensity use, is best for both the density and diversity of plant species. See Ives and Messerli (1989), Williams (1997), Bauer (2003) and Ives (2004). For the mainstream Chinese view, see Mao et al (1997).
[70] For further discussion of these employment issues, see Fischer (2005a, Chapter Five).

themselves.[71] Increased Han or Muslim migration will further instigate the development of a 'commodity culture', echoing the opinions of Wang and Bai (1986).[72] Adjustment in the interim will be supported by the wealth generated from selling off herds, supplemented by basic welfare measures.

These views completely ignore issues of power, structural processes of exclusion in urban employment, and the marked underdevelopment of social service provisioning across the Tibetan areas.[73] Indeed, the same logic is arguably not applied by local authorities in the rest of China, where there has been a conscious awareness of the vital need for strong public protection of local labour in the context of rapid social and economic transitions. Rather, similar to the urbanisation of aboriginal communities in Canada and the US, current strategies are more likely moving headlong towards the creation of small town ghettoes, with improved access to modern secular education having little effect on the overall marginalisation of these communities. Ironically, where ghettoisation involves the wholesale sell-off of subsistence assets or marginal gains in wage employment and petty trade, it may actually show up as decreasing income poverty given the weakness of conventional income measures to capture such economic transitions.

CONCLUSION

The concept of subsistence capacity, as introduced in this paper, helps to break out of either culturally-deterministic or purely rationality-based explanations of labour transitions among rural communities that are at least partly based on subsistence production. The concept elaborates from the insights of Lewis on the role of productivity in subsistence agriculture in determining factoral terms of trade, but with the additional value-added that it focuses attention on the reasons why subsistence might be particularly valued by rural communities, thereby representing a premium in the opportunity costs of labour in the event that absolute subsistence capacity is achieved. This in turn helps to explain how culturally-embedded notions of labour hierarchy are sustained and why this is deemed desirable by rural communities.

Relative subsistence capacity in turn sheds light on the disjuncture between the reservation wage of a typical rural Tibetan, which is determined locally on the basis of local subsistence capacity, and the wages on offer, which are determined externally in other regions of western and central China. In these other regions, typical subsistence capacities are not only lower than in the Tibetan areas, but they are also possibly below an absolute threshold, leading to both lower wage expectations and a stronger compulsion to work among non-Tibetan migrants. The fact that many of these non-Tibetan migrants originate from urban or semi-urban conditions accords with this Lewisian analysis of factoral terms of trade, given that productivity in subsistence agriculture determines wage rates within the 'modern' sector of an economy with 'unlimited supplies of labour'. The disjuncture helps to explain the resistance of Tibetans to enter into low-wage labour, precisely because wages are set below the level that would be required to attract rural Tibetans out of subsistence production activities. In the context of a peripheral non-industrial economy with no ability to control migration, involution becomes the next best option, thereby sustaining rural

[71] See Fischer (2005a, Chapter Three) and Fischer (2005b, pp. 12-16) on the deindustrialisation of Tibetan towns in the TAR, Qinghai, and Gansu.
[72] These views were constantly repeatedly to me in interviews with a variety of Han (and some Tibetan) scholars and officials in Beijing, Lhasa, Xining and Chengdu.
[73] See Fischer (2005a, pp. 65-69 and Conclusion).

Tibetan conceptions of labour hierarchy despite their rapid marginalisation from the dominant sources of wealth and accumulation in the urban economy.

In this sense, 'commodity' and 'subsistence' modes of production or exchange are not necessarily antithetical and can co-exist within overall rural household livelihood strategies. In particular, if subsistence is sufficient, it offers choice as to how and when to engage with the market or employment. It thereby offers autonomy from a dependence on regular low wage employment, or from forced selling of produce at inopportune moments, both of which can have impoverishing implications. In this sense, subsistence in itself is perceived and valued within a rural community as a symbol of wealth and quality of life, not merely in terms of providing a safety net, but also in terms of providing independence and serving as a basis from which to engage with markets from an advantageous position. Thus, the standard academic association of subsistence with poverty may actually be the inverse to how subsistence is actually subjectively valued by rural communities.

Furthermore, commodification of product markets can actually reinforce involution or resistance to labour commodification. For instance, the recently booming trade in caterpillar fungus has buttressed the ability of households to maintain independence from wage employment precisely because it provides a lucrative source of cash income in a manner that avoids wage employment and that does not undermine their subsistence asset base. Thus, the extension of commodity markets will not necessarily lure people into the 'commodity economy'.

Rather, as per the insight of Polanyi, the fundamental transformation underlying market society is not found in the existence of commodity markets, which have existed for millennia, but in the creation of labour markets, which requires labour commodification. As further corroboration with Polanyi in the Tibetan case, labour commodification can be seen to require coercion. On one hand, despite the capacity of asset wealth to sustain subsistence in the short to medium term, involution into subsistence production is ultimately unsustainable in the long run given the brisk structural transformations that have accompanied rapid growth. Many households typically respond to both of these challenges through the selective education of one or more children, targeted at types of work that conform to their indigenous notions of hierarchy and status. However, these strategies are ironically undermined by government poverty alleviation strategies that increasingly emphasis wholesale resettlement into urban areas, and thus, by implication, direct dispossession of land-based assets. Obviously, Tibetans themselves are increasingly urbanising from their own side. They do not need government policy to encourage them to see the necessity of this course of action. However, the distinction lies in the degree to which indigenous strategies are short-circuited by state paternalism.

On this note, there is a distinct bias in development literature and policy towards the view that labour commodification is a force for the good. However, this particular interpretation may simply reflect a particular historical conjecture; the first cases of labour commodification that have fixated scholars for the last two centuries occurred within the core regions of capitalism and industrialisation. This does not mean that labour commodification will in all cases lead to the same results. When it occurs on the peripheries, it might simply exacerbate exclusion and marginalisation.

Rural Tibetan household livelihood strategies can thus be understood as both rational and irrational. They are rational in the sense that involution and resistance to low-wage employment, long deemed irrational, can be seen as second best responses to a variety of economic disjunctures and asymmetries in their local economies, the first best being the higher-value and status-bearing options such as public

employment. This meaning of rationality is slightly different from Stiglitz (1986), who deems that outcomes in rural economic organisation are rational on the basis of imperfect and costly information. Rather, Tibetans may indeed possess the relevant information but are powerless to affect the forces of exclusion.

Nonetheless, these strategies can equally be understood as irrational, in an economic sense, in that certain Tibetans (although not all) might simply decide to self-exclude themselves on the basis of status or dignity considerations. They have the freedom to choose this option because a threshold of absolute subsistence capacity is met, even if they may be poor in most other respects. While involution may not be sustainable in the medium to long term, this act of defiance is considered by some to be worth the ride. For it is in the archaeology of industrial society that we find the fossils of those who chose not adapt to the demands of market society and who have since been long forgotten. Or, we forget that the poor have dignity and value the ability to act in a dignified manner, defined in their own terms, and we only remember a caricature of those who succumbed to compulsion.

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