Chinese Tibet:

*Tibet Autonomous Regions’s path to welfare colonialism*

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Chinese Tibet

西藏自治區

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Abstract

With my master’s thesis I wanted to shed light on some of the many contradictions in TAR. I want to look at the status of Tibet Autonomous Region (TAR) in China today and see how some of these contradictions are created. Lhasa bears the traits of a colony city. This poses two questions: Firstly, can TAR be seen as an internal colony of China? And secondly, does doing so help to at least partially explain Tibetans’ frustrations? In order to answer these questions, I use two theoretical frameworks well suited to look specifically at aspects of dependency: internal colonialism and welfare colonialism.

With the theories of internal colonialism and welfare colonialism, I will show how Tibetans have no control over the policies that affect their lives, and with a limited influence on their own lives they are to a large extent excluded from taking part in developing their own region. On the basis of this, I will look at the current system of social security in TAR and compare it to Guangdong province to see how such a system is organized differently in TAR compared to other regions of China and look at whether it is possible to see how those differences affect people.

Tibetans receive social security benefits through the same programs as in the rest of China, but the economic structure of the program is different from mainland China. The health care insurance system is subsidized directly from the central government, whereas in a province like Guangdong, the system is funded mainly on provincial and local level. The TAR government would not be able to initiate social security schemes in TAR if it was not subsidised by the central government. While the social security schemes will benefit the Tibetans, they are also politically created, dictated from the “patron” to the “client” in a clientilistic relationship. With no real political or economic control over their own budgets, Tibetans in TAR have little power to decide how they implement social security.

The central governments policies in TAR are paternalistic, based on the assumption that it knows better that the Tibetans what is best for them. If Tibetans had the possibility to a greater extent take part of the economic development of their region, they would perhaps not feel such a need to oppose their Chinese leaders. The challenge for the Chinese authorities lies in the need to implement important structural change to enable Tibetans to take responsibility for development efforts in their own region, empowering Tibetan workers.
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1 Introduction

1.1 Theme

Tibet is today a place full of contrasts. The contradictions are many. In the spring 2008 there were protests all over Tibet. Videos on YouTube show Tibetan farmers in Gansu province tearing down the Chinese flag and raising the Tibetan.\(^1\) In contrasts to this scene, three years later, on 19 July 2011, the 60\(^{th}\) anniversary of the “liberation” of Tibet was celebrated in Lhasa. In the big square in front of the Potala Palace, the former residence of the Dalai Lama, Tibetans were lined up to listen to Xi Jinping, who is expected to become China’s next president in 2012. Twenty-thousand Tibetans were arranged in straight lines, and applauded on cue. In the back, some people held posters saying, “We thank the Chinese people”, and “Tibet’s future will be better”.\(^2\) In my thesis, I want to look at the status of Tibet Autonomous Region (TAR) in China today and see how some of these contradictions are created.

It should be noted that when I use the term “Tibet”, which in English is an ambiguous designation, I refer to the area of TAR as designated and demarcated by the Chinese government plus the other ethnic Tibetan areas of Kham and Amdo, which currently are part of the provinces of Sichuan, Yunnan, Gansu and Qinghai. Melvin Goldstein, a social anthropologist specializing in Tibetan society, history and contemporary politics, calls TAR “political Tibet” while he refers to the entire territory inhabited by ethnic Tibetans as “ethnographic Tibet”.\(^3\) Political Tibet is the part of Tibet formerly under direct control by the Tibetan government in Lhasa. However, Chinese media often use “Tibet” when referring only to the areas included in TAR. In citing media and research using the term “Tibet” to refer to TAR, I will not change their terminology as it will be clear from the context which “Tibet” is being referred to.

In March 2008 peaceful protests started by Tibetan monks in Lhasa escalated into violent protests and spread to most of the Tibetan areas in China. Ever since the protests were curbed by the Chinese government there has been continuing sporadic protests. In 2011, the first ten months have seen nine incidents of monks and nuns setting themselves on fire in protest

\(^1\) YouTube. “Tibetan freedom riders of Amdo Tibet”, http://www.youtube.com/watch?v=qxm2obArsBs(viewed 18.11.2011)


\(^3\) Melvyn C. Goldstein and Matthew Kapstein. Buddhism in contemporary Tibet: religious revival and cultural identity,(California:University of California Press,1998), p.4
against Chinese rule. The protests and the self-immolations indicate that Tibetans, even with the largest per capita subsidies from the central government of any region of China, are experiencing frustrations that make them willing to protest even though they risk years in prison.

Lhasa, the administrative capital of TAR, bears resemblance to a colonial city. From 2007 to 2009 I lived in Lhasa – a city full of contrasts that are often difficult to understand. The majority of the population in Lhasa does not consist of ethnic Tibetans, and the city is filled with Chinese soldiers and army camps. All around the city there are “hair salons”, a cover for brothels. Unemployed Tibetan men sit in tea houses drinking tea and beer. At the same time, the streets are filled with Tibetan nomads on pilgrimage, monks and lay people in prayer with rosaries spinning in their hands. Lhasa bears the traits of a colony city. This poses two questions: Firstly, can TAR be seen as an internal colony of China? And secondly, does doing so help to at least partially explain Tibetans’ frustrations? In order to answer these questions, I use two theoretical frameworks well suited to look specifically at aspects of dependency: internal colonialism and welfare colonialism.

The term “welfare colonialism” describes a situation where because of political, cultural and economic factors, welfare is handed from the government in power to a poor region in the periphery – intentionally to benefit it. The periphery is usually politically, culturally and economically under control of the government in power. However, intentionally or unintentionally, welfare subsidies or development aid given to the periphery add to people’s inability to develop themselves, thus creating a situation of dependency. Even a well-intentioned system can become part of a system of welfare colonialism which creates dependency and a passive and unemployed population.

“Internal colonialism” is based on a “domination and exploitation” relationship in the same way as the traditional colonial relationships and presupposes an ethnic divide of the colonized and the colonizer and a political and economic domination of an oppressed part by a ruling elite.

Scholars and Tibetan exiled politicians such as Lobsang Sangye, the present leader of the Tibetan Government in Exile and Senior Fellow at the East Asian Legal Studies Program at Harvard Law School, have suggested that TAR, rather than being an autonomous region in

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China, should be viewed as an internal colony of China. “Internal colony” implies that TAR is in a relationship of “domination and exploitation” with the Chinese central government. On the other hand, Barry Sautman, Associate Professor of Social Science at Hong Kong University of Science and Technology, has argued that TAR cannot be considered an internal colony of China. In his article, “Colonialism, Genocide, and Tibet” Sautman writes, “The common understanding of colonialism is that it is a system that does not provide native peoples with political responsibility, legal equality or development. If a people are equal in law and political responsibility to the state’s majority ethnicity, they cannot be said to endure colonial-style special oppression; still less are they colonial subjects if they are not super-exploited but benefit from subsidized development and affirmative action, features unheard of in most colonies.” Sautman concludes that a critique of China’s policies and practices in Tibet would best be served by focusing on actual problems experienced by Tibetans.

I will argue that it is the system itself, as viewed within the frameworks of welfare colonialism and internal colonialism, that creates some of the frustrations and “actual problems” that Tibetans are experiencing. On the basis of these two theories, I will show how Tibetans have no control over the policies that affect their lives, and with a limited influence on their own lives they are to a large extent excluded from taking part in developing their own region. On the basis of this, I will look at the current system of social security in TAR and compare it to Guangdong province to see how such a system is organized differently in TAR compared to other regions of China and look at whether it is possible to see how those differences affect the people.

China has in recent decades experienced tremendous economic growth. The economic development has created a big gap between rich and poor and has already been a source of social unrest in the Chinese population. In June 2011, it was reported on demonstrations in the city of Zengcheng in Guangdong province where thousands of poor migrant workers from Sichuan were angered by the manhandling of a young woman from their province. The violent protests ended up targeting the rich local residents in the city. In recent years the Chinese authorities have paid more attention to socio-economic development such as social security. With a growing gap between rich and poor, an aging population, and a need to increase domestic spending in order to become less dependent on the international market,

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social security is perceived by the central government as a necessary tool to legitimize their rule and keep the Chinese population content.

In China, ‘social security’ (社会保障) covers all types of social arrangements for social care and support. The government divides social security into three sub groups: social insurance, social welfare and social assistance. Social insurance includes pension, health care, maternity, work related injuries and unemployment. Social welfare is the taking care of old aged people, disabled and orphans. Social welfare in a Chinese definition is only a sub-group of social security.

Social security schemes were first piloted in the richer areas of China, however, central authorities set the goal of having the whole population covered by health care insurance schemes by 2020. The health care insurance was to be financed jointly by the person and governments on different levels. In TAR there is now, as in the rest of China, a growing emphasis on social security. The Chinese government controlled newspaper, China Daily, reports: “Fast social and economic growth in Tibet Autonomous Region has boosted its fledgling labor and social security system, putting it on a sound footing, according to a senior official in the region.”

Tibet Autonomous Region (TAR) is lowest on the United Nations Human Development Index (HDI), a measurement of wellbeing, among all the regions in China and therefore can be seen as the poorest part of China. Since TAR is poor, the local governments will not have the economy to bear the costs of implementation of social security in their budgets. How does a modern institution such as social security fit into a region still poor and struggling to develop? In my thesis I want to look at TAR’s relationship to the central government to examine how the relationship affects the Tibetans in TAR and use the implementation of social security as example.

Barry Sautman argued that TAR can not be an internal colony of China because the region receives welfare benefits. He argues that such benefits indicate that the Tibetans are far from, as he puts it, “super-exploited”. I am unsure about Sautman’s definition of “super-exploited”. If he by “super-exploited” means marginalized, I will argue that even though the central government is not extracting resources from TAR, they are insisting on keeping the Tibetans as part of China, and in order to keep control over the people and the land –as well as looking fairly good for both and internal and external audience – there are systems in place that

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marginalize Tibetans and make them “super-exploited”. In my thesis I will look at whether it is possible to argue that the social security system in TAR - which is, according to the Chinese government, given with the government’s intentions to aid Tibetans and to help develop the region economically - because of a system of welfare colonialism which has already developed in the region due to large economic subsidies, in fact ends up becoming part of a system which does not benefit the Tibetans, but rather makes the central government’s control over the Tibetans tighter. If this is the case, the fact that TAR receives welfare benefits is, contrary to Sautman’s opinion, not an argument for TAR not being an internal colony of China.

The relationship between TAR and the Chinese government is complicated and has through history seen various shapes and forms. Soon after the Chinese Communist government came to power in 1949 it proclaimed that Tibet’s liberation was one of the main goals of the People’s Liberation Army (PLA). The Communist government wanted China to be a multiethnic state, politically centralized, with autonomous nationality regions, and Tibet was considered one of these nationality regions. In October 1950, PLA troops crossed the Yangtze River and attacked the Tibetan troops defending the border. In 1951 Tibetan officials were pressured into signing the Seventeen-Point Agreement for the Peaceful Liberation of Tibet which stated, “The Tibet people shall return to the big family of the Motherland – the People’s Republic of China.” Following the signing of the agreement, a Tibetan government lead by the Dalai Lama continued to administer the part of Tibet which traditionally had been under its control. The Tibetans were humiliated at the loss of their independence and Chinese policies for land reform to end “feudalism” made them fear for their future, and in 1959 riots broke out in Lhasa. The Dalai Lama was forced to flee to exile in India where he renounced the Seventeen-Point Agreement. The Chinese central government also renounced the Agreement, disbanded the traditional government, and instead created a new Communist governmental structure, which meant Tibet's special status as a theocratic political entity within the Chinese Communist state ended. In 1965, the area that had been under the control of the Dalai Lama’s government from 1951 to 1959 was renamed the Tibet Autonomous Region (TAR). (Many Tibetans would argue that that area is much larger than the TAR, and that part of it was parcelled out to Sichuan, Qinghai and Gansu.) In the following years the

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9 Goldstein, The snow lion and the Dragon, p. 45
10 Goldstein, The snow lion and the Dragon, p. 55
Chinese Communist Party (CCP) restructured Tibet’s farming and nomadic pastoral areas into communes and attacked Tibetan traditional culture and religion as “feudal”. In 1978, Deng Xiaoping became the new leader in China, and Chinese politics became more liberalized. In the 1980s, Party Secretary Hu Yaobang visited Tibet and was “dismayed” by what he saw. Tibetans was poor, economic development minimal and the cultural destruction grave. The central government decided to improve the economic conditions in Tibet and make more space for the Tibetan culture and religion.

In 1987 and 1989, riots erupted in Lhasa and the central government imposed martial law. The riots had expressed anger against Chinese rule which “shocked” the central government.11 After the riots in 1989, it was decided in a Politburo meeting, that there again had to be changes in TAR policy.12 The new policies included more security measures and drastic changes in order to create economic growth and modernization, including large subsidies from the central government for economic development projects.

In 1984, after Hu Yaobang had visited Tibet, it was decided at the Second Tibet Work Conference in Beijing that increased funds should be allocated to TAR. Forty-two construction projects were approved in order to extend China's "open door" policy to Tibet. This lead to a large influx of Chinese Han and Hui migrants to TAR.13 There are no official numbers on how many migrant workers there are in TAR today. However, when I lived in Lhasa from 2005 to 2007, Chinese migrants clearly outnumbered the Tibetans. Local merchants such as shopkeepers and taxi drivers are mostly Han Chinese, while the Tibetan middle class work in administration, and the less educated Tibetans are rickshaw drivers, ad hoc construction workers, or teachers. During the 2008 protests in Tibet, the shops owned by Han Chinese were attacked and burned. This led foreign scholars such as Robbie Barnett to the same conclusion as Chinese scholars in the Open Constitution Initiative (OCI or Gongmeng in Chinese), an organization consisting of lawyers and academics in China that advocates the rule of law and greater constitutional protection: that one of the factors leading to the protests in 2008 was frustration among Tibetans with the economic situation of Han and Hui migrant workers receiving the best job opportunities in the region.14

11 Goldstein, The snow lion and the dragon, p.80
12 Goldstein, The snow lion and the dragon, p.98
13 Goldstein, The snow lion and the dragon, p.73
It seems that China’s primary objective in relation to Tibet ever since 1951 has been to maintain firm control. The central government has been intent on imposing its “solutions” to Tibet’s problems through the lens of the prevailing ideology in Beijing. First it was the eradication of “feudalism”, which was part of the reason for the uprising in 1959. In recent decade, the central government has emphasized the need for economic development according to a pre-determined model. The actions of the central government have been paternalistic, based on the assumption that it knows better than Tibetans what is best for them and so it has never included Tibetans in arriving at policy decisions regarding TAR.

My thesis will start with looking at how China within a system of corporatism is administered by the Chinese Communist Party (CCP). Then I move to look at how TAR is politically and economically treated differently from other areas of China, and compare TAR with Guangdong province. In the end I look at various parts of the social security system and examine the differences in implementing such a system in TAR and Guangdong. The thesis is organized into chapters with the introduction as my first chapter where I present my hypothesis and the methodology used to answer my hypothesis. Chapter Two sheds light on theories of internal colonialism and welfare colonialism which might explain the impact of Beijing’s current policies on Tibetans in TAR. Chapter Three explains how the CCP through a system of corporatism is controlling and administering the Chinese state and how social security thus is administered. Chapter Four looks at how the social security schemes in TAR and Guangdong might be affected by these existing structures of corporatism. Chapter Five presents research on health care insurance in the two regions of TAR and Guangdong, and looks at the difference in the implementation of a particular social security insurance scheme in both regions as well as its results. The last chapter concludes that the system of social security in TAR is funded and implemented differently from that in Guangdong. In TAR, the social security schemes become part of an internal colonial system based on a relationship of “domination and exploitation”. In Guangdong, on the other hand, it is part of a dual relationship between the central government and the Guangdong provincial government. In the conclusion TAR’s experience is contextualized and compared with Xinjiang’s current status in China and poor countries’ experiencing of aid dependency. In this way I will demonstrate TAR’s position today in a context both within China, but also in an international setting.
1.2 Methodology

My thesis is a social policy paper and aims at elucidating the nature of the political relationship between the center and an ethnic periphery of China. I will use the concept of welfare colonialism to show how subventions from the central government in Beijing can be part of explaining TAR as an internal colony of China. I will use social security, recently implemented on a bigger scale in TAR, to show how such a modern system is affected when implemented in an internal colony where welfare colonialism has developed.

When I first started working on my thesis I wanted to look at how Tibetans in TAR are treated differently from Han Chinese in other regions of China with regard to social security. But contrary to my hypothesis that Tibetans in TAR received less welfare benefits compared to other regions in China, I found that they are, according to figures from the Chinese government, receiving benefits along the same line as China in general. My first assumption that Tibetans receive less welfare, and thus are marginalized, was too simple and not true. However the social security system in TAR is different from most of China.

My Master’s thesis is a 30 credit assignment and is therefore limited in scope. I was not able to do fieldwork in China due to the timeframe of only one semester. I have based my thesis primarily on internet researched information, including reports from the World Bank, United Nations Development Programme (UNDP) and the Gongmeng as well as newspaper articles and relevant books and articles. However, I have previously lived in both Lhasa and Guangdong and experienced the dynamics of the two regions. The fact that I lived for two years in Lhasa, and also for nearly three years in various cities in mainland China, Guangzhou included, has been important, as I have set fourth to explain the contradiction between what you read and what you see. The discrepancy between the two images of, on the one hand, protesting Tibetans carrying the Tibetan flag during the protests in 2008 and, on the other hand, Tibetans celebrating the 60th anniversary of the “liberation” of Tibet in summer 2011 and holding banners saying, “We thank the Chinese people”, is what I am trying to capture in this paper.

I decided to write about social security because there has been more focus on this topic in China recently, and I was curious to find out whether or not TAR is included in central government socio-economic development plans. Admittedly, I was surprised to find that the same schemes are being implemented in TAR and Guangdong. I invested a lot of time in researching theory in order to understand why a region like TAR, which receives so much
economic development assistance, is still comparatively poor. I first researched frameworks which could best explain TAR’s relationship to the central government since the official term “autonomous region” does not clearly define TAR’s position in China today. Defining TAR as an internal colony then made it possible to apply the theory of welfare colonialism. The theory of welfare colonialism helped explain how economic subsidies dispersed, do not necessarily improve Tibetans lives.

My main source of information comes from Chinese-government controlled media such as Xinhua and China Daily. This is not optimal since these sources lack objectivity. However, I have found that the UNDP and the World Bank often use the same figures as reported in these media outlets. These organizations get their figures from the central government, as little independent research is allowed to be carried out in TAR. Since my thesis does not rely on accurate figures, but rather set out to analyze trends, I base my thesis on those figures. Recognized scholars such as Gregory Chow, Professor of Political Economy at the Princeton University and the author of several books on China’s economy argue that Chinese statistics are mostly reliable and useful for drawing conclusions about the Chinese economy, but that one should be careful as some data might not be completely in accordance with the actual situation. For instance, some counties and provinces in China inflate their GDP numbers in order to report higher growth rates to the central authorities. The local government can report the number of shops as an indicator of economic growth. I remember while living in Guangdong, driving around in some of the cities in the Pearl River Delta seeing lots of empty shop windows and factories along the roadside. Also in Lhasa, there are wide roads and intersections in areas with hardly any cars, empty hospitals, and empty office buildings.

This thesis attempts to show how Barry Sautman’s arguments that Tibet is not an internal colony of China are too simple and do not adequately take into account a complex political and economic situation. To show this, I have referred to the work of various scholars including, Melvin Goldstein, who has been able to do in-depth studies in TAR, Robert Barnett and Solomon Karmel two of the most wildly acknowledged expert on contemporary Tibet, and the economists Andrew Fischer and Ben Hillman. In addition, I have used reports from

15 Gregory Chow. ”Are the Chinese Official Statistics Reliable?” November 2, 2005:
http://docs.google.com/viewer?a=v&q=cache:piOFVTZoILgJ:www.princeton.edu/~gchow/Are%2520Chinese%2520Official.doc+China+Gdp+manipulation&hl=no&gl=no&pid=bl&srcid=ADGEEShEMl3yg57EFHZjmPSkxJ14ul6uf3c6r32haAsvIqagbSXAX6jzpMLJwZ3pPNjvB8FYeU6cJyqnaeUZUuNNgPmd_iKXX8zlLczXnPkJxJepMpLJ5UV3Xmy239WDXnKHidQ&sig=AHIEtbTpoRVorQtOw8Pkc_YiB9j9VdgkxQ (viewed 19.11.2011)
international organizations such as the UNDP and the World Bank in the cases when they have the most available and relevant data, though they have little information about TAR.

It is very difficult to find good information on health care in China and even more so in TAR. The Chinese government says health care is free in Tibet. Many people find this hard to believe. Another source of information on health care is the Tibet Justice Center whose reports might not be considered objective, but its information about health care in TAR confirms what I have myself noted while living there. However, I have decided against including its data in this thesis.

Finally I might remark that there is less detailed information available on health care and social security in TAR compared to other provinces in mainland China. Furthermore, today it is nearly impossible for foreign scholars to do field work inside TAR. Considering the limited scope of this essay, information from scholars and the Chinese government provided information has been sufficient.
2 Welfare colonialism and Internal colonialism

In my thesis I use the theories of welfare colonialism and internal colonialism to explain how a system of well intentioned aid or welfare can result in creating critical dependency and further strengthen domination in an internal colony.

2.1 Welfare colonialism

The term “welfare colonialism” was developed by Robert Paine in his book “The White Arctic” about aboriginal Inuit in northern Canada and the difficulties of economically developing and integrating this group. According to Paine is difficult to demonstrate the existence of welfare colonialism because of the context in which welfare colonialism is likely to take place. In his book, Paine describes the situation of white behavior towards the Inuit in Canada. The Canadian government portrayed solicitous and liberal polices towards the Inuit but the policies might rather be exploitative and repressive. This is because the terms were dictated from the central Canadian government and not made to fit the Inuit very distinct way of life. Paine calls it “non-demonstrative colonialism”. In Canada in 1972 the Inuit were recipients of expensive education and health programs. Paine argued that those programs portrayed and indicated that the central government administration apparently wished to increase Inuit control of their own affairs, but nevertheless they were still colonial because they were not made to fit the Inuit distinct lifestyle and culture.16 Paine’s essay concludes, “All the evidence, then, appears to support the conclusion that the government –whether willfully or unwittingly –has “shut out” the local community and the native people from the processes directed towards their own modernity.”17

It is my hypothesis that the situation in TAR is quite similar. Tibetans are provided education and health programs. On the surface, this appears to be a very solicitous policy, but in fact it is repressive because Tibetans are not included in the process of making the programs. Tibetan’s are “shut out” of shaping their own modernity.

The term “welfare colonialism” describes a situation in which because of political, cultural and economic factors, welfare is distributed from the government in power to a poor region in the periphery, ostensibly for its benefit. The periphery is usually politically, culturally and economically under the control of the government in power. However, these welfare subsidies

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17 Paine, The White Arctic, p.22
or development aid dispersed to the periphery have the effect of making the colonized population less able to autonomously develop itself thus creating a situation of dependency. An even well intentioned system can become part of a system of welfare colonialism leading to greater economic and cultural passivity and unemployment.

Nicolas Peterson has adopted the term to explain problems in economic development amongst the Aboriginal population of Australia. Peterson suggests that the central meaning expressed of the theory of welfare colonialism is that the granting of social rights of citizenship to indigenous people can unintentionally be more harmful than beneficial because of the social, political, economic and cultural dependencies created.  

The concept of welfare colonialism juxtaposes the two concepts of welfare and colonialism. The first, “welfare”, suggests inclusion of the citizen in society. “Social welfare” is defined as “anything a government chooses to do, or not to do, that affects the quality of life of its people. Broadly conceived, social welfare policy includes nearly everything government does— from taxation, national defense, and energy conservation, to health care, housing, and public assistance. [...] actions of government that have an “impact on the welfare of citizens by providing them with services or income.” Social welfare is a tool for taking care of - and for including citizens in society. The second part of the term, “colonialism”, indicates the exclusion of a group of citizens from society.

Jeremy Beckett uses welfare colonialism when he explains problems of economically integrating the Aboriginals in Australia. He describes welfare colonialism as “part of the political practice of the liberal democratic nation state which is aimed at maintaining a measure of social harmony and equity internally, and an image of moral rectitude in the world at large.” The Tibetans are not indigenous in the sense that Aborigines, Native Americans or Inuit are since they have been incorporated only recently to China and, but the relationship between Tibetans in TAR conforms to the center-periphery relation in the concept of welfare colonialism.

The term has also been criticized for its limitations in explaining political processes. Peterson and Sanders in their book “Citizenship and Indigenous Australians”, writes, “Welfare colonialism does not provide an adequate analysis of why the state should want to create or perpetuate welfare dependency, nor does it account for active indigenous participation in creating or perpetuation that welfare dependency.” In a politically sensitive situation it might on the other hand be quite useful that welfare colonialism does not provide an analysis of whether the authorities are intentionally creating such welfare dependency or have good intentions become entangled in a destructive system of their own making.

The designation “welfare colonialism” has also been used to describe how rich countries giving aid to poor countries creating dependency and disincentives to work in poor nations, leaving them unable to develop themselves. The international recognized economist, Erik S. Reinert, in his book “How rich countries got rich..., and why poor countries stay poor”, explains, “regardless of possible noble intentions that may have created the initial move to aid the poor, welfare colonialism will develop into a system where the rich countries will always be able to cut of aid, food and livelihood sources from the poor countries if they disapprove of their national policies. As long as “development aid” remains palliative, rather than truly developmental, seemingly generous and well –intentioned development aid will inevitably become extremely powerful mechanisms by which rich countries end up controlling poor countries.”

Reinert mentions three essential features of welfare colonialism:

1. A reversal of the colonial drain of the old days, with the net flow of funds to the colony, rather than to the mother country;
2. Integration of native population in ways that radically undermine their previous livelihoods; and
3. The native population is put on what are essentially unemployment benefits.

These three conditions, I would argue, are all present in TAR today. The Chinese central government is pouring money for development to TAR and dictate how Tibetans live their lives. The unemployment rate among Tibetans is very high. The actions of the central

government are paternalistic, based on the assumption that it knows better than Tibetans what is best for them.

2.2 Internal colonialism

Michel Hechter’s book “Internal colonialism: The Celtic Fringe in British National Development” inspired scholars to apply the concept to several regions and peoples. Hechter explains the term traditionally had been used to explain places that are “economically disadvantaged and culturally distinctive from the core regions of the host state.” There is no single definition of internal colonialism. The term is employed in different ways, to stricter and looser degrees. The theory has been criticized for being too general and too widely applicable and obviously has more explanatory value if the criteria are stricter. The Tibetan exiled government and journalists have often described contemporary Tibet as an internal colony of China. Harvard scholar Lobsang Sangay, who in 2011 became the new Prime Minister of the exiled Tibetan government, has argued, “…the Chinese army’s entrance into Tibet in 1950 amounted to an invasion and colonization of a sovereign people because Tibet has never been part of China.” On the other hand scholars such as Barry Sautman, are opposed to the use of such terminology in the case of TAR.

In the same way as the former external colonial relationships, internal colonialism defined by a relationship of “domination and exploitation”. In 1972, Dale Johnson described internal colonialism’s political, social and economic form:

“Economically, internal colonies can be conceptualized as those populations who produce primary commodities for markets in metropolitan centers, who constitute a source of cheap labor for enterprises controlled from the metropolitan centre, and/or who constitute a market for the products and services of the centers. The colonized are


\[\text{24} \quad \text{David S.Walls, “Internal Colony or internal periphery? A critique of current models and an alternative formulation”, Sonoma State University, 2008.}\]

\[\text{25} \quad \text{Gabriel Lafitte on Tibet online an international Tibet support group community, “Timing the Olympic Dragon”, \url{http://www.tibet.org/Articles/timing-the-olympic-dragon.html} (viewed 19.11.2011)}\]


\[\text{27} \quad \text{Barry Sautman, “Colonialism, genocide and Tibet”, Asian Ethnicity, Volume 7, Number 3, October 2006}\]

\[\text{28} \quad \text{Dena Sloan Kessler at University of Virginia homepage, “Tibet will remain World’s largest Colony unless China takes action, panelists say”, \url{http://www.law.virginia.edu/html/news/2007_fall/tibet.htm} (viewed 19.11.2011)}\]
excluded from participation or suffer discriminatory participation in the political, cultural, and other institutions of the dominant society. An internal colony constitutes a society within a society based upon racial, linguistic, and/or marked cultural differences as well as differences of social class, It is subjected to political and administrative control by the dominant classes and institutions of the metropolis. Defined in this way, internal colonies can exist on a geographical basis or on a racial or cultural basis in ethnically or culturally dual or plural societies.”

I would argue that in an internal colony which is handed large economic subsidies, welfare colonialism will develop because, as explained in Dale Johnson’s definition, the colonized are excluded from participation in politics, culture, and other institutions. This exclusion makes it very difficult for the colonized to empower themselves. However, welfare colonialism can also be an indication of the presence of internal colonialism. Social security is a manifestation of welfare colonialism in TAR. In situations in which internal colonialism is found, the chances of subsidies and preferences of different kinds that are issued from the center constituting welfare colonialism are much greater. Therefore the fact of social security, rather than being an indication that TAR is not an internal colony of China is an indication that it is.

Rudolfo Pino Robles, in his article “Colonialism: When will it end?” sidelines the content of the two terms “welfare colonialism” and “internal colonialism” and argue the two concepts are much the same. In his view both concepts show the structure of oppression in the relationship between non-Indigenous and Indigenous peoples in contemporary societal structures. He contend that for the Indigenous people of the so-called Third World the contemporary structures become “internal colonialism”, while for Indigenous nations in the developed countries it is called “welfare colonialism”. Though I agree there are many similarities in the two concepts, I see them as distinctively different. As I understand the two concepts, internal colonialism describe a paternalistic center of power which intentionally is controlling a periphery. The periphery is a society within a society and is excluded from participation in policy decisions regarding itself. Welfare colonialism, on the other hand, help explain how large amounts of economic subsidies to a fragile people fail to create any economic development. Welfare colonialism develops when development aid or welfare is

not carefully delivered according to the local culture. The money fails to be a tool that empower the local people and make them able to create their own economic development.

Finally I should note that I do to some extent agree with Uradyn E. Bulage who argued that it might be quite a “moot point” to fit a definition of internal colony onto a region in China since the country is bizarrely complicated.\textsuperscript{31} However, I would argue that to call TAR an internal colony, instead of an autonomous region, gives us a better starting point when trying to conceptualize the problems which are present in TAR today.

\textsuperscript{31} Bulag, "From inequality to difference", p.556
3 Politics and Administration of Social Security in China

In order to understand the impacts of social security and question whether it might impact differently in different parts of the country, we need to understand the framework from which social security has evolved in China today. The fact that social security in China and TAR is closely connected to politics has become very clear during the last months of 2011. The central government has made plans to give Tibetan monks welfare benefits to improve stability following the series of incidents in which monks and nuns have set fire to themselves.32 In China the level of social security does not only correlate with economic development. Ideology and politics are also important factors in the introduction of social security, particularly when it comes to the introduction of social security to a political sensitive region like TAR.

3.1 Social security models

There are several theories on the evolution of social security, mostly seen in connection to industrial or economic development. In a diverse country like China it is difficult to point at the exact reasons which have led to the development and introduction of social security. There are big differences in the stages of economic development in the various regions and provinces of China. Since different regions also have different political settings it is hard to point to one theory on the evolution of social security and apply it to the whole of China. Several theories might be relevant.

The Marxist explanation of the evolution of social security emphasises the role of class conflict in fostering the development of social policy. The Marxist model suggests that social policy can be a tool for the dominant class to control lower classes in order to protect their own interests. Seen in this way, welfare policy becomes a repressive instrument which is given in order to avoid popular revolt.33 When discussing TAR and the recent implementation of social insurance schemes, this theory is interesting to keep in mind since the implementation of social security in TAR has been one of the measures introduced by the Chinese authorities after the March 2008 riots in TAR.

Dr. Linda Wong, leader of Chinese studies at the City University in Hong Kong, has written several books on various aspects of social welfare in China. She argues that China’s way of welfare cannot be classified within a western framework. “Political control remains, as it has always been, highly centralized and under party direction. The Chinese state has never had the resources needed to develop an institutional system of statutory social service. The Chinese approach to social welfare has always been pluralist rather than unitary in character.” At the same time she suggests that Esping-Andersen’s model of a welfare state, the three welfare states, is the most useful when discussing social security in China since he looks beyond the traditional welfare-theories of simple class mobilization, and includes the key role of political class coalition and historical forces which then is able to take into account the many aspects of Chinese development. Differences in politics and historical connections for the different regions within China might therefore leave room for the possibilities that social security in different parts of the country is administered in different ways and have different impact.

3.2 China—a Leninist state

There is a common understanding that China is modelled similarly to a Leninist party state. In order to understand what part social security plays in such a state and how it is administered, it might be helpful to look at how conservative corporative states tend to operate and be administered. In China the top administration is the Chinese Communist Party (CCP) Dr. Norman Stockman in his book “Understanding Chinese society”, explained that for a Leninist party state the control of the economy is what makes the party stay in power. The top administration of the country must secure obedience. This is done through discipline, monitoring and rewarding the people who actually implement state policy in government organisations and institutions. The party also needs to have absolute control over the economic resources to keep the subordinates dependent on the state and the party.

3.3 Corporatism and China

When China moved to a market oriented economy, the CCP had to relax its direct control over society. It needed mechanisms to maintain its control, and created associations that could serve as corporatist intermediaries and agents. People’s lives were no longer

35 Wong, Marginalization and social welfare in China, p.14
directly controlled by the state in the way they had been in the urban-danwei and rural-collective system. The Chinese Communist Party is organised in a tight, top-down hierarchy, with Party control and influence on all layers of society. A model of corporatism is often applied to China to explain how this top-down hierarchy actually manages to control all the various levels of society. Anita Chan argues that corporatism holds strong explanatory value for some of the more important trends in China. The usefulness of applying corporatism as model for the administration of countries has earlier been put to question; however, corporatism is accepted as having good explanatory value for party state China.

According to the Merriam-Webster dictionary, corporatism is defined as “the organization of a society into industrial and professional corporations serving as organs of political representation and exercising control over persons and activities within their jurisdiction.”

There are several variations of corporatism. Countries significantly different to China, such as the Scandinavian democracies, can also be defined as corporatist. The Chinese party state is organised along the lines of “state corporatism”. In State corporatism the government has absolute power. The whole society, including labour, military and business, is united within a hierarchical body, all instructed by the government. The state uses officially recognized organizations as a tool for restricting public participation in the political process, limiting the power of civil society. In such a system the concept of harmony is often imposed from above and can be seen as a goal-oriented harmony to serve a national mission.

In 2006, China’s Communist Party formally endorsed a political doctrine laid out by President Hu Jintao that calls for the creation of a “harmonious society” by 2020. There has been an emphasis on social security in creating this harmonious society.

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40 Chan, “China, Corporatism, and the East Asian Model”
42 Chan, “China, Corporatism, and the East Asian Model”, p.32
Within a framework of corporatism, local government administrations often serve as agents for the central state. In China today there is a “dual control” between the central government and the provincial governments. Sometimes they are rivals for control of economic resources and tax revenues.\(^{45}\) In the Chinese social security system the outsourcing to agents and associations are part of making the Chinese bureaucracy very complex. There are plenty of actors - private and government - trying to implement the plans of the CCP. Through the framework of corporatism we can maybe understand the process of decision making – agency and implementation of the social security system. It is through agents that social security is run, but it is through the Party that the directions are given.

3.4 Politics in Guangdong

The provincial government in Guangdong has a relationship of dual control with the central government in Beijing. The top leaders of the provincial government in Guangdong have close ties to the government in Beijing. The Guangdong party secretary Wang Yang also holds a seat in the country’s top ruling council, the Politburo of the Communist Party of China. He has earlier worked directly under Hu Jin-tao in the Chinese Communist Youth League (CCYL). Guangdong’s Governor Huang Huahua and Deputy Party Secretary Liu Yupu have also worked directly under Hu Jin-tao in CCYL.\(^{46}\) Since Wang Yang became the Guangdong party secretary in 2007 he is known as an advocate for reform and change and quite radical in his political aspirations. At a provincial People’s Congress meeting in Guangdong, Wang Yang criticized his colleagues for their “narrow concentration on economic matters without a broader perspective to the importance of social, political, cultural, and environmental developments in the province.”\(^{47}\) Some of Wang Yang’s boldest political statements have been moderated and changed after reactions from Beijing.

There has in recent years been several protests taking place in Guangdong. The protests in Guangdong are directed mostly to factory owners and local level administration. In 2011 there have been protests demanding compensation for land seizures,\(^{48}\) migrant workers who protest

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\(^{45}\) Chan, "China, Corporatism, and the East Asian Model", p.47


\(^{47}\) Li, “Hu’s Southern Expedition”, p.10

against local authorities and residents, protests related to corruption and land-right abuses.\footnote{Spero News. "China: Guangdong: thousands of migrants protest against local authorities and residents", \url{http://www.speroforum.com/site/article.asp?id=55423&t=China%3A++Guangdong%3A+thousands+of+migrants+protest+against+local+authorities+and+residents} (viewed 20.11.2011)} If Wang Yang manages to handle these protests and impress the central authorities he could become a member of the Communist Party's Politburo Standing Committee during a leadership transition in 2012.\footnote{Brian Spegele for the Wall Street Journal. "Riots erupt over land in China", \url{http://online.wsj.com/article/SB10001424053111903791504576588032341253282.html} (viewed 20.11.2011)}

### 3.5 Autonomous Regions in China

TAR is one of five autonomous regions in China. Autonomous regions are first level administrative subdivisions, similar to Chinese provinces. The autonomous regions in China have a higher population of a particular ethnic group with their own local government and theoretically more legislative rights. There has since the beginning of PRC rule been preferential policy programs for minorities based on similar programs in the former Soviet Union.\footnote{Barry Sautman. "Affirmative Action, Ethnic Minorities and China’s Universities", Working papers in the Social Sciences, No.13 (1997), p.1} These preferential policy programs were applied to minority areas and minorities individuals.\footnote{Sautman, "Affirmative Action, Ethnic Minorities and China’s Universities", p. 2} According to Uradyn E. Bulage, one of the leading scholars on Inner Mongolia, Chinese authorities adopted a new way of managing its multinational empire after the fall of the Soviet Union. Bulage, in his article “The Dialectics of Colonization and Ethnic Building”, wrote that the leaders wanted to “depoliticize the cultures of the ethnic minorities to appropriate them as part of “Chinese” culture.”\footnote{Bulag, "From inequality to difference", p.113} With this shift in minority policy the government wanted to reduce the ethnic consciousness and have them identify with citizens of the Chinese state. The minorities were to be assimilated into the Chinese nation and together with Han define themselves racially as opposing so-called imperialists.\footnote{Bulag, "From inequality to difference", p.114} Whereas the Zhuang minorities in Guangxi, and the Hui in Ningxia, have not politically opposed the Chinese government, there have recently been political protests with Mongolians in Inner Mongolia, Uyigurs in Xinjiang and Tibetans in TAR against Chinese government policy.\footnote{Jonathan Watts in The Guardian. “Inner Mongolia protests prompt crackdown” \url{http://www.guardian.co.uk/world/2011/may/30/mongolia-protests-communist-party-crackdown} (viewed 20.11.2011)}

\footnote{Malcon Moore in The Telegraph, "Xinjiang protests: Han Chinese demand better security after syringe attacks in Urumqi”, \url{http://www.telegraph.co.uk/news/worldnews/asia/china/6131874/Xinjiang-protests-Han-Chinese-demand-better-security-after-syringe-attacks-in-Urumqi.html} (viewed 20.11.2011)}
suggest that the affirmative action policy seem not to have led to assimilation of the minorities in these autonomous regions. They do not feel like citizens of the Chinese state, the way the central government in Beijing wished for.

3.6 Politics in TAR

In August 2011, Chen Quanguo was appointed new Communist Party secretary in Tibet Autonomous Region. Chen’s predecessor, Zhang Qingli, had a military background whereas the new leader is an economist by education. In his acceptance speech he focused on the development of the economy in TAR. The TAR government is led by Chairman Padma Choeling. In practise however the chairman is subordinate to the Party secretary, Mr. Chen. The Chairman has almost always been an ethnic Tibetan, while the party secretary has been a non-Tibetan. When Padma Choeling assumed office in January 2010, Robert Barnett, professor at the University of Colombia, commented to the news agency Reuters that the appointment of a former military officer as the leader of Tibet, when the Party secretary also had a military background, suggested that China saw Tibet as a problem of military control.

The TAR government is situated in Lhasa and have both Chinese and Tibetan cadres. China scholar Solomon Karmel, in 1995 looked at the positioning of Tibetan cadres in the TAR government. In his article, ”Ethnic Tension and the Struggle for Order” he found that in powerful departments there were a large percentage of Han Chinese cadres whereas in less powerful departments there were more Tibetans. The highest-level positions in the Communist party such as the propaganda department, the military, the armed police and the public security forces were always Han Chinese. With regard to the TAR budget, Karmel found that economically the central government planning had a greater influence on TAR than regional plans and budgets. In regard to policy making, the making of local laws passed in the TAR government mostly repeated national laws. Karmel noted that “Local laws can modify national laws but cannot override the authority of national law, which emanates from

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58 Reuters. “China chooses former soldier as new Tibetan governor”,
http://www.alertnet.org/thenews/newsdesk/TOE60E03U.htm (retrieved)
60 Karmel,“Ethnic Tension and the struggle for Order”, p.496
More recently, Robbie Barnett made a study on the ideological space in which Tibetan cadres can maneuver and operate in the TAR government. He found that the constant suspicion toward the Tibetan cadres and their limited social space made for a “deep cleavage along ethnic lines within the leadership in Tibet.” The Chinese central authorities have control on all administrative levels in TAR. Tibetan cadres must have the right ideology in order to be appointed. While I lived in Lhasa I learnt that also government employees, such teachers and administration offices, are not allowed to go to religious sites in particular sensitive periods. Students at Tibet University are also restricted and at times not allowed to go to religious sites.

Barry Sautman is one of the few scholars who seem positive to the political policies in TAR. In his article, “Colonialism, Genocide, and Tibet” he gives examples of preferential policies for Tibetans in family planning, education, hiring of cadres and economic policies. In the end he notes that: “Half the TAR party committee and prefecture party secretaries are Tibetan. On an everyday basis, Tibetans probably play a larger role in running Tibet than does the TAR’s Han party secretary, who devotes much of his time to liaising with Beijing. Tibetans are 0.5 per cent of the PRC population, but six of the CCP Central Committee’s 357 members.”

Sautman’s numbers are true, however if what Karmel and Barnett has found to be true in regard to the placing of Tibetan cadres, the limited space they operate and the ideology they have to follow, the numbers of cadres say very little about how much power Tibetans have to decide in political matters.

Melvin Goldstein has tried to explain the reasoning behind the central governments dealing with the TAR government after the protests in 1989. He argued that after 1989 Tibetans lost the space in which they earlier had been treated with an “ethnic sensibility approach”. After the protests Chinese authorities wanted to modernize TAR into looking like the rest of China. In Goldstein’s book “The snow lion and the dragon” Sautman writes, “...the “ethnic sensibility” approach has been displaced by a less conciliatory policy in which modernizing Tibet and creating a new breed of “modern” Tibetan takes precedence. Measures that make

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63 Sautman, “Colonialism, genocide and Tibet”, p. 256
Tibet more distinct and separate from the rest of China, therefore, are now rejected (or obstructed) as antithetical to China’s national interest.”

The protests in 2008 which spread to several Tibetan areas indicate that this was not a policy that has worked. Chinese leaders blamed the protests on the “Dalai Clique” who, according to Chinese officials, had sent agents to Tibet and told the Tibetans to start protesting. A report written and researched by Chinese scholars and lawyers, the Gongmeng report, suggested that there might be an influence from abroad, but that such a large social contradiction also must have internal causes. I would argue the limited space Tibetans in TAR have to decide on policies and create their own development more likely is one of the reasons for the protests.

After the protests in 2008 the leaders of the Central government met to discuss and resolve the problems in TAR and other Tibetan areas. The 5th working conference on Tibet was held in Beijing from the 18th to 20th January 2010. The conference was attended by the leading politicians in China such as President Hu Jintao and Prime Minister Wen Jiabao. After the conference, President Hu said that Tibet now wants to achieve fast-paced development and lasting stability.

3.7 The shape of social security in China

TAR and Guangdong are politically and economically very different administered regions and this shape the way social security is implemented. However, both regions are directed from the central authorities in Beijing as to the basics of the systems. A conservative corporatist state will according to Esping-Andersen’s theory shape its social security into a social insurance model as a tool to prevent class politics from emerging and in order to tie people’s loyalties to the central state authority.

In China today the social security system is very complex. The benefit a person receives depends on which province, county and city they are in and from, their work, and their status. Dr. Linda Wong argued that China in her vastness and complexity does not follow any particular pattern of evolution. In her book, “Marginalization and social welfare” she argues, “the conception of the Chinese “welfare model” or “system” suggest a conceptual uniformity

64 Goldstein, The Snow lion and the dragon, p.98
which has little empirical meaning. In real life, China has many systems and structures of welfare built on different allocative principles and status hierarchies.\(^6\) The Chinese social security system is described as “One country, multiple systems”.\(^6\) The central government dictates the laws, policies and resolutions, but the implementation is mostly left to local governments. Until October 2010 there was no adapted overall social security law. Nevertheless there are plenty of policies, plans and resolutions made about social security. Whether or not these are implemented depends much on the economy of the local governments. In 2004 a white paper called “China’s social security and its policy” was released by the State Council. In 2006 the Sixth Plenary Session of the 16\(^{th}\) Central Committee of the Communist Party of China made a resolution emphasising the role of social security in China’s development process. The resolution was seen by some experts as a symbol that China had entered a new reform period where the role of social policy is greater.\(^70\) The plans and resolutions give guidelines to what can and should be implemented of social security, but far from actual implementation.

28th October 2010 the Standing Committee of China’s National People’s Congress (NPC) passed the People’s Republic of China Law on Social Insurance.\(^71\) This law is the first comprehensive law on China’s social security system ever adapted by the NPC and was effective from 1\(^{st}\) of July 2011. The law regulates basic endowments insurance (a mandatory pension system), basic medical care insurance, worker’s compensation, unemployment insurance, and maternity insurance. The efficiency of the law has been debated and it has been questioned whether the law will be enforced or not.\(^72\) According to the Law, “the state establishes and improves” the “new rural social pension insurance system” and the “new rural cooperative medical care system” to cover rural residents. There is a separate “urban resident basic medical insurance” covering urban residents who are not covered by the basic medical care insurance. Public servants and others who receive benefits matching those of public

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\(^70\) Chi Fulin. Starting point:Thirty years of Reform in China,(Beijing: Foreign Language Press, 2008), p.1


servants are covered by a separate retirement’s system, which is regulated separately by the State Council.73

The World Bank report, “Public Finance in China: reform and growth for a harmonious society” from 2008 on public finance in China, concluded that China has the sufficient economic resources to afford a “harmonious society” if resources are distributed more equally through a good social security system.74 The report concludes that the unequal distribution of resources hinders the Chinese state’s goal of a “harmonious society”. In a conservative corporatist state economic growth is the main tool for the leaders to legitimize their rule, but as China develops the Chinese authorities also needs other tools to legitimize their rule. Social security is a way to make sure the differences between rich and poor does not grow too big and is a tool for securing the support from the Chinese population as well as the support from the Tibetan population.

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4 The Path to Welfare Colonialism

In this chapter I will look at the economic background for implementing social security in TAR and Guangdong, and show how welfare colonialism has developed in TAR. I will compare TAR’s economic situation briefly with that in Guangdong.

4.1 Welfare colonialism in TAR

TAR is the second largest administrative division by area in China, but is sparsely populated because of the harsh climate. In 2007 the registered population was 2.84 million, 92 per cent of the population was Tibetan, and 82 per cent lived in rural areas. These figures refer only to the registered population, while the large number of temporary workers, mostly Han and Hui Chinese, are not registered. In Lhasa, I can estimate from personal observation that the percentage of Han-Chinese is much larger. According to numbers from UNDP in 2006, TAR’s Human Development Index, a United Nations measure of well-being in a country, was 0.621. That was the lowest HDI of all the provinces in China. The HDI is calculated from measuring life expectancy, adult literacy, and income. In comparison, Guangdong’s HDI was 0.828, number six on the list of all the Chinese provinces. On average, China had a HDI of 0.781. Compared to China, Norway, the country with the highest HDI of all the countries in the world, in 2007 had a HDI of 0.971 and in 2011 it was 0.943. In 2010, China’s HDI was 0.718 which was number 89 out of 169 countries. In 2011, China was number 101 on the list of countries and the HDI was 0.687.

The average life expectancy in China is 72.5 years. In TAR the life expectancy is 64.37 years and in Guangdong province 73.27 years. Tibetans have the lowest life expectancy in China. Nationally, the adult literacy ratio is 90.69 per cent. In TAR the adult literacy ratio 54.35 per

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cent and in Guangdong it is 94.89 per cent.\textsuperscript{80} Tibet has the lowest adult literacy in China. At the same time the Chinese government report that the illiteracy rate in Tibet has declined dramatically and is now at only 2.4 per cent while it was 98 per cent 50 years ago.\textsuperscript{81} The GDP in TAR is higher than the other figures used to calculate the HDI due to a huge transfer of money-subsidies from the central government into TAR. The national per capita GDP was set at 7660 in 2006, in Guangdong the GDP was 13491.11 and in TAR 4967.28. Anhui, Guizhou, Gansu and Yunnan had a lower GDP than TAR. (Parts of Gansu and Yunnan have a considerable Tibetan population.)

The Chinese government in 2010 reported that “Tibet’s anti-poverty and development work has achieved obvious effects. In the past nine years, the poverty-stricken population of Tibet has decreased by 1.25million.”\textsuperscript{82} There have been improvements in people’s standard of living in TAR in recent years, but the region is still, as seen from the HDI figures provided by UNDP, the poorest in China. Tibetans are still highly under qualified compared to the rest of China, which can be seen from the low adult literacy rate. The market which is created by development projects and economic subsidies from the central government in TAR is instead benefitting Han and Hui migrant workers. The low life expectancy and adult literacy ratio in combination with a high GDP indicate that welfare colonialism is indeed the case in TAR. The huge transfer of money from the central government to the TAR region has the effect of welfare colonialism.

In 2009, the Chinese government controlled newspaper, Xinhua, in an article reported that Hao Shiyuan, the director of Tibet Historical and Culture Research Centre of the Chinese Academy of Social Sciences (CASS), explained that 93 percent of the TAR government’s budget comes from the central government in Beijing and other sister provinces or autonomous regions.\textsuperscript{83}

4.2 \textit{The development of welfare colonialism in TAR}

The great economic success story of the past 30 years in China has not been for everyone. The southern provinces have developed tremendously, while the western areas have seen less development. This situation made the Chinese government initiate a catch up program for the

\textsuperscript{80} China Human Development report 2007/2008, p.140
\textsuperscript{81} Xinhua.”Factbox: Key figures and facts about Tibet’s development” http://news.xinhuanet.com/english/2010-03/08/content_13120534.htm (viewed 21.11.2011)
\textsuperscript{83} China.org.cn. “Scholars rebuffs Western criticism over China’s Tibet policy” http://www.china.org.cn/china/tibet_democratic_reform/content_17500706.htm (viewed 21.11.2011)
western areas of the country called the “Develop the West” campaign.\textsuperscript{84} In TAR, most of the development projects were directed to infrastructure, such as highways, buildings, and the new railway to Lhasa. As I will discuss later, this development failed to integrate the Tibetans who were not able to compete with a better skilled Chinese immigrant workforce. However, the campaign did also bring some changes. Melvin Goldstein in his essay “Going for income in Village Tibet” writes that the Chinese government “implemented projects to bolster the quality of life of rural Tibetans, such as improving the road system, rebuilding rural townships (xiang) and schools, expanding electrification in villages, and improving the health care system through a new program of health insurance.”\textsuperscript{85} Goldstein points to important development in the countryside in TAR where electricity, schools and social policy have been improved. While being the province with the lowest HDI in China, TAR has the highest per capita direct subsidy from the central government in Beijing. Figures from Chinese media show that since 2001 the central government has invested 310 billion Yuan in TAR.\textsuperscript{86} Investment from the Central government to TAR was 21 billion Yuan in 2009, up 31.3 per cent from the same period in 2008.\textsuperscript{87} According to the Chinese government, Tibetan rural residents in TAR are on average subsidised 1400 Yuan from central government per capita a year. The per capita net income of farmers and herders in Tibet was 3589 Yuan in 2009, up more than 13 per cent year on year.\textsuperscript{88} Chinese media report that the average annual growth of Tibet's GDP was 12.3 per cent from 2002 to 2009.\textsuperscript{89} Hence, figures from the central government suggest a tremendous economic growth in TAR while the numbers from UNDP show that TAR is quite poor compared to the rest of China.

Andrew Fischer, in his book “State growth and social exclusion in Tibet”, suggests that it is because of the politically sensitive status as “Tibet” that TAR is more heavily subsidized than other regions in China.\textsuperscript{90} Fischer argues that the large subsidies from the central government


\textsuperscript{85} Goldstein, “Going for income” in Village Tibet”, p.515


\textsuperscript{87} Xinhua. “Tibet reports 12 percent increase in GDP in 2009”. \textit{http://news.xinhuanet.com/english/2010-01/12/content_12794932.htm} (viewed 21.11.2011)

\textsuperscript{88} Xinhua. “Factbox: Key figures and facts about Tibet’s development” \textit{http://news.xinhuanet.com/english/2010-03/08/content_13120534.htm} (viewed 21.11.2011)

\textsuperscript{89} Xinhua. “Factbox: Key figures and facts about Tibet’s development” \textit{http://news.xinhuanet.com/english/2010-03/08/content_13120534.htm} (viewed 21.11.2011)

\textsuperscript{90} Andrew Martin Fischer. State growth and social exclusion in Tibet: challenges of recent economic growth. (Denmark: NIAS Press, 2005), p.xxi
might be a curse rather than a blessing since it does not allow for “local integration and indigenous development.” According to Fischer there is a socio-economic marginalisation of Tibetans in their own region which leaves them outside the rapid state led growth. It is the “non-elite Tibetan”, which are left out of the Beijing produced growth.

“Growth in the urban sector has been fuelled by a preponderant degree of externally subsidised spending and investment that is concentrated in administrative expansion or large-scale construction projects rather than locally integrated productive activities. This in turn concentrates growth within areas of high skill and high wage labour. Within this labour market, the emerging “Tibetan middle class” is nested in an administrative niche, while skilled Han personnel tend to dominate the management of the large economic projects and are usually transferred to the region on a short term basis. Furthermore, because growth in the TAR is largely based on administrative expansion, its ability to absorb labour is limited, depending on continuing if not increasing levels of subsidisation, which further exacerbates the economic dependence and dualism. Consequently, non-elite Tibetans in the TAR face increasingly higher hurdles to access and participate in the growing modern economy, which is essentially urban. In other words, there is an undercurrent of exclusion within the growth itself.”

There are several reasons why these “non-elite Tibetan” are socially excluded. Hui and Han Chinese immigrate in large numbers and take most of the available jobs. Ben Hillman, in his article “Rethinking China’s Tibet policy”, argues that this is not because of any systematic discrimination, but because the Han and Hui are better skilled than the Tibetans. According to Hillman Chinese migrant workers have wider networks, more capital and better information. Since the labour market is based on market principles the best skilled get the jobs and most Tibetans don’t meet employers’ needs.

The local language and lack of good education are therefore two of Tibetans largest problems. There is a high illiteracy rate in TAR. While I was living in Lhasa I got to know a family from Pembo, a village close to Lhasa. The family has six kids. Today, in 2011, the oldest boy in the family is around 30, he was at young age sent to India and have been living there ever since.

91 Fischer, State growth and social exclusion in Tibet, p.169
92 Fischer, State growth and social exclusion in Tibet, p.xv
93 Fischer, State growth and social exclusion in Tibet, p.xx
The next three siblings are between 20 and 30 years and all illiterate. The two youngest are 14 and 17 years old and are now attending school. The two youngest are, with money from Norway, sent to study in Lhasa because the education in Pempo is so bad that they will not be able to get any good jobs in Lhasa later. Their Chinese was not good before they moved to Lhasa and started to study. On visiting them in Pempo they seemed to be a standard-type of family. They exemplify the low level of education outside the cities in TAR, and also demonstrate how many Tibetans in rural areas do not speak Chinese well - even less are they able to read and write mandarin.

4.3 Improving economic policies

There are positive effects as a result of the development initiatives in TAR. Goldstein in the article “Beijing’s “people first” development initiative for the Tibet Autonomous Region’s rural sector” argues that the rural Tibetans are not passive and marginalized, but rather have seen rapid changes and increasing integration into the economic marketplace. These changes have, according to Goldstein, come about after the 11th Five year Plan (2006-2010) where guidelines were made for the “People-First approach” plan which emphasises soft development. Soft development is important to the Chinese government to get Tibetan’s loyalty. According to Goldstein there is now a substantial part of the rural population in TAR who go to work on larger development projects outside their village and become part of the economic development in TAR.95

As for future plans and goals set for the TAR region, the 5th Working Conference on Tibet was organised in Beijing in January 2010. The conference came one and a half years after the 2008 unrest in TAR. The First Tibetan Working Conference was organised in 1980 after the central authorities realised that their policies and actions in TAR from 1959 to 1980 had been unsuccessful and that the region was still very poor.96 On the First Working Conference, the central government made a new strategy and decided to resolve the problems in Tibet by improving economic conditions in a manner that met the ethnic sensibilities of Tibetans.97 Following the first Working Conference, there have been Working Conferences on Tibet organised in 1984, 1994, 2001 and 2010. All the conferences have concluded with an aim of economic development and social stability, the Fifth Working Conference concluded with the

95 Melvin C. Goldstein, Geoff Childs and Puchung Wandui, “Beijing’s “people first” development initiative for the Tibet Autonomous Region’s rural sector – A case study from the Shigatse area”, The China journal, No.63, (January 2010),p.73
96 Goldstein, The snow Lion and the dragon, p.63
97 Goldstein, The snow Lion and the dragon, p.63
same goals. The national press agency, Xinhua, reported after the conference that plans had been made to “achieve leapfrog development and lasting stability in TAR in a bid to ensure China’s development as a whole.” Also, more effort should be made in order to “improve living standards of the people in Tibet, as well as ethnic unity and stability.”98 Among other developmental strategies, guidelines were made on improving social security in TAR.99 The guidelines emphasise that “Tibet’s capacity to provide public service and infrastructure must also be comparable to the nation’s average by 2020, through more government investment and better management.” In a statement, President Hu Jintao, who was present at the conference, emphasised the socio-economic development of TAR. The president asserted, “Greater emphasis must be put on the improvement of social-economic development, Tibet’s capacity for self development, and environmental protection.”100

Unfortunately, the conference does not seem to have come up with any significant changes in the central government’s approach to the challenges in the TAR economy and the exclusion of Tibetans within it. The guidelines made at the Conference are all very general. Nothing is left out, but then nothing is really said, either.

The central government gives significant economic subsidies to the TAR region. The current political, economic and social setting of TAR make these subsidies lead to welfare colonialism in the region. The central government reported that their economic subsidies of TAR in fact imply that Tibetan rural residents on average are subsidised with 1400 Yuan per capita a year. Such calculations hold little truth because the subsidies fail to diminish the degree of social and cultural exclusion of poor, non-Chinese speaking Tibetans, especially rural folks. There needs to be structural changes in how these economic subsidies are invested in TAR in order for the money to benefit and actually empower the Tibetans instead of excluding them.

98 Xinhua.“China to achieve leapfrog development lasting stability in Tibet.”
99 Xinhua.“China to achieve fast-paced development, lasting stability in Tibet”
100 Xinhua.“China to achieve fast-paced development, lasting stability in Tibet”
5 Implementation of Health Care Insurance in TAR

Recent years have seen a rapid increase in the number of Tibetans covered by some kind of social security program. According to Goldstein, social security was introduced as part of an added emphasis on soft development in order to win Tibetans’ loyalty. In more developed regions in China the introduction of social security also has other reasons. In a region like Guangdong a good social security system is important in order to support increased domestic spending. During the financial crises in 2008 and beginning of 2009 the country’s foreign export was much affected and Chinese authorities decided there should be a shift to produce more goods for a domestic market.\(^{101}\) In order spend more money, people would need to feel secure and a good social security system was necessary. China has a very high saving rate with an average personal saving rate of around 25 per cent and national saving rate of 47 per cent of GDP.\(^{102}\)

In recent years China's leaders have become concerned about problems tied to the country's economic growth. There is a growing gap between rich and poor which can threaten the country's stability.\(^{103}\) As a response to these problems the Chinese government has since 2006 advocated the creation of socio-economic vision, a “harmonious society”. This vision emphasizes the development and implementation of social security adjusted to the market economy and the socialist political structure.\(^{104}\) However there are many problems and challenges when implementing such a system in a diverse country where the economic differences are growing. Professor at the University of Hong Kong, Joe C.B. Leung, sums up some of the biggest challenges China is facing:

“Social welfare reform is more guided by pragmatic concerns than by a clear visionary direction and a comprehensive developmental blueprint. Reforms are incremental and piecemeal, rather than employing a “shock therapy” approach based on introducing

\(^{101}\) Xinhua."China Focus: China looks into regional economic integration for new growth point”

\(^{102}\) Federal Reserve Bank of St. Louise. “International economic trends”


radical changes. Assuming the role of macro-control at the top, the central government delineates broad guiding principles for reforms. These reforms are indicative rather than mandatory and universal. At the local level, governments are encouraged to experiment with different solutions and models according to local circumstances and financial capacity. Meanwhile, policy adjustments are made based on learning from research studies and advice from international organisations and consultants. After a number of years of continuous experimentation and evaluation, the government, often through legislation is attempting to unify diversified practices by promoting one of the more successful models. The strength of this approach is that it can minimise resistance and facilitate readjustment through feedback from programme implementation. The shortcomings are that regional disparities in social welfare development are substantial. Given the decentralised and segmented social welfare system, access and entitlement to social services and social security benefits is primarily differentiated among occupational groups, economic sectors and geographical regions. In effect, an underclass of the “new poor” made up of the unemployed, rural migrants and the sick and disabled has emerged in the cities.”

Social security is seen as essential by the Chinese authorities in the continuing economic development of the country. However, in a country which is as diverse as China, the government faces large economic and administrative challenges in the process of creating and implementing the system.

5.1 **Introducing social security to TAR**

A new social insurance system was established in TAR in 2007. It covered basic pension insurance, basic medical insurance, and unemployment insurance for workers in cities and towns. In August 2009 the TAR government instituted a regulatory system for the social insurance fund, and according to the Chinese government, redoubled its efforts to improve the social security system. Figures from China Tibet Online show that in the first half of 2009 there were 704,900 people who had joined social security programs in TAR; 86,000 had joined the basic old-age pension insurance system; 217,000 had joined the basic medical insurance systems for urban workers and staff members; 130,500 people were covered by the insurance systems for urban workers and staff members; 130,500 people were covered by the

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105 Leung, “The emergence of social assistance in China, p.196
basic medical insurance for urban residents; 59 700 were covered by unemployment insurance, and 125 700 were covered by maternity insurance. Various schemes are currently being piloted and there is still no coherent system for the whole of TAR. For people working in the formal sector in Lhasa, a certain percentage of their salary is deducted every month and contributes into health insurance, unemployment insurance and housing savings. I was told from a Tibetan employed as a teacher in Lhasa that in the event of going to the hospital, up to 80 per cent of the payment will be reimbursed depending on the treatment you receive. From the monthly salary 0.02 per cent of total is paid into health insurance, 0.004 per cent is paid into unemployment insurance, and 0.04 per cent is paid into the housing savings. The percentage deducted from the salary is very low compared to average national level in China. Currently, Chinese citizens (depending on which province they live in) pay at least 11 per cent of their monthly income to social security - 8 percent to pensions, 2 percent for medical and 1 percent for unemployment.

5.2 Health care in China

Chinese people’s biggest worry, according to surveys, is their health care expenses. A family’s economic situation is often more dependent on the family’s health than the changes in their income. The family of a Tibetan friend who was a student at Tibet University in 2007 got into financial problems when his father broke his leg and was sent to hospital. His father lived in Nacho, but because the hospitals were not good enough there, he was sent to Lhasa. The family in the end had to borrow money from an uncle to pay the medical bill. The 2008 UNDP report, “Reforming China’s rural health system” concluded that the unequal distribution of health care to the people in the countryside and city was China’s biggest health care problem. Whereas people in the countryside are expected to be largely self-sufficient, people in urban areas are protected with funding from government budgets on many levels. The economic reforms initiated in 1978 by Deng Xiaoping changed the whole structure of the Chinese society. According to the World Bank, since the beginning of the reform period, 640

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109 Correspondence with government employed in Lhasa 6th October 2010
110 Correspondence with government employed in Lhasa 6th October 2010
112 Mette Halskov Hansen and Stig Thøgersen, Kina – individ og samfunn,(Oslo:Universitetsforlaget, 2008), p.166
million people have been lifted out of poverty which has positively influenced health care. From 2000, the central government placed new emphasis on the formulation of reforms and policies with regard to socio-economic problems such as health care. While continuing rapid economic growth still was the most important goal, plans and resolutions were made to reform social security with an emphasis on the health sector, and a series of health reforms were initiated in 2003. When the Chinese policy makers formulated China’s 11th five year plan for the period 2006-2011, socio-economic problems and more extensive reforms in health care were included in the national development strategy plan.

5.3 Health care insurance

Professor Joe C.B. Leung in his essay, “The emergence of social assistance in China”, wrote that in 2007 the urban population covered in medical insurance schemes was 59 per cent. Figures from the countryside were mostly not available, but medical insurance seemed to be non-existing in most areas. When I was researching social security in the Guangdong province in 2009, scholars I talked to estimated that a complete medical insurance system would take a long time to complete because of the large disparities between rural and urban China. However, the same year the central government decided that great efforts should be put into improving the health care system for the whole of China. Since then, the government has spent 173 billion Yuan on the health care sector. In March 2011, the central government reported that the medical insurance schemes are covering 1.27 billion people out of a population of 1.34 billion.

Yanzhong Huang, a senior fellow for global health at the Council on Foreign Relations, in a discussion in New York Times pointed to the main implication of these numbers: “The seemingly universal health coverage in China actually disguises the still extremely low level of benefit that most people receive. Out-of-pocket payment for health services remains higher than 50 per cent in most regions of the

115 World Bank Report. “Reforming China’s Rural Health System”,p.4
116 World Bank Report. “Reforming China’s Rural Health System”,p.4
117 Leung, “The emergence of social assistance in China”,p.5
118 Meeting with China Development institute in Shenzhen
The tremendous increase in health care coverage reported by the Chinese government includes large groups of people who are covered but who can’t afford to pay their part of the insurance. The figures from the central government therefore include people who actually will not benefit from being covered.

There are two main programs for health care insurance in China. In urban areas the Basic Medical Insurance Schemes for Urban Workers (BMIUW) cover the employed population. The BMIUW has two components: Social pooling which is mostly used for inpatient expenses and therefore can be quite costly and individual accounts are mainly used for outpatient expenses where the costs are not that high. It is financed by contributions from both the employer and employee. A report from OECD, “Improving China’s health care system” shows that the average payment to the BMIUW is 8 per cent of payroll and 2 per cent of the individual wage.

For people in rural areas there is a very different scheme, the New Rural Cooperative Medical System (NRCMS). It is a voluntary program, and in order to be covered people need to enrol. It is funded by enrollee contributions and by subsidies from central and local governments. The participants generally contribute a certain amount (around 10 Yuan), and the rest is subsidised by the central and local governments. The biggest problem with the NRCMS is that the reimbursement is very low, only around 30 per cent, so it becomes difficult for rural people to obtain medical care. Studies show that in rural areas only 3 per cent to 4 per cent of the population actually use the NRCMS when their out-of-pocket expenses average 78 per cent. These problems are due to a lack of funding which is supposed to be provided from the county government. The central government financed only 5.6 per cent of total health spending in 2007. Poor provinces and counties will therefore only be able to offer the local population a low level of care.

123 World Bank Report. “Reforming China’s Rural Health System”, p.34
124 OECD report.”Improving China’s Health care System”, p.34
126 OECD report.”Improving China’s Health care System”, p.18
127 OECD report.”Improving China’s Health care System”, p.20
5.4 **Health care insurance in TAR**

The UNDP report, “Access for all” reported that TAR’s basic medical insurance for urban residents in 2005 had 40.6 per cent coverage. Nationally the coverage was 60.6 per cent, in Xinjiang it was a 67.5 per cent coverage, Guangdong had a 66 per cent coverage, and in Guizhou 49.9 per cent coverage. TAR had the lowest coverage nationally. Now that Chinese authorities have adapted a policy to make the whole population covered by health care insurance by 2020, Tibetans in TAR should also be included. In the same way as in the rest of China, there are different medical insurance systems for rural and urban TAR. The government web page (www.npc.gov.cn) says that in Tibet there is a preferential medical policy being carried out. According to the web page medical treatment is free in farming and pastoral areas, and is financed jointly by personal medical insurance and the state in cities and towns. Many people find this hard to believe. In an article from China Daily it is reported that the central government has spent more than 1.8 billion Yuan in the past 30 years on developing health care in Tibet.129

On the 1st October 2007, TAR implemented the health care insurance system for urban residents with 173 000 people being incorporated. Chinese media reported that “difficult groups” such as the people receiving minimum living standard security, seriously handicapped and childless elderly people are completely subsidized by the government. Students only pay 30 Yuan each year, half the stipulated premiums, with the other half subsidized by the government.130 According to Melvin Goldstein, a health insurance system was started in rural TAR in 2004. To take part in the insurance, a person had to pay 10 Yuan every year. The government would subsidize those 10 Yuan with 100 Yuan. In the Shigatse area, close to Lhasa, he found that most of the villagers were covered by the health insurance. According to Goldstein there was in Besang village 100 per cent coverage, in Norgyong village 97.5 per cent coverage and in Sogang village 87.2 per cent coverage.131

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131 Goldstein, “Beijing’s “people first” development initiative for the Tibet Autonomous Region’s rural sector”.p.68
In 2009 the New Rural Cooperative Medical Scheme (NRCMS) was first piloted in 7 rural villages in TAR. The NRCMS was initiated in China in 2003 and has been described by researchers as a significant improvement in China’s rural health sector. In 2010, Chinese media reported that the scheme is being tried out more widely. The local newspaper Tibet Daily published articles on a weekly basis through 2009 and 2010 on pilot programs and implementation of the new medical schemes in both urban and rural TAR. Apparently, the central government raised the medical subsidy for rural Tibetans from 100 Yuan in 2007 to 140 Yuan per person in 2008. The China Tibet information centre reported that in 2010 the TAR government again increased the annual free medical subsidy for farmers to 180 Yuan per person.

The TAR government budget is financed 93 per cent from the Central government and other provinces. Based on these numbers Barry Sautman estimates that when TAR was going to finance its social insurance program, China’s central government contributes 90 per cent of the TAR budget and provinces and municipalities contribute perhaps an additional 5 per cent. Sautman suggests that in practice the TAR government does not contribute to meeting the costs of social insurance, except perhaps in a formal accounting sense.

5.5 Health care insurance in Guangdong province

Guangdong is a rich province and has a sound financial basis that makes it possible to create a good social security system for both rural and urban areas. Most of Guangdong’s GDP is produced in the southern cities, in the Pearl River Delta. However, there is not any coherent social security system at the provincial level in Guangdong. As in TAR and the rest of China, there is a big gap between what schemes are present in the rural and urban areas. Each city’s

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133 Tibet Daily (Tibetan language newspaper) 14.07.2010
136 Personal correspondence with Barry Sautman and on: China.org.cn. “Scholars rebuffs Western criticism over China’s Tibet policy” [http://www.china.org.cn/china/tibet_democratic_reform/content_17500706.htm](http://www.china.org.cn/china/tibet_democratic_reform/content_17500706.htm)
137 Meeting with Professor King-Lun Ngok at the Sun Yat Sen University in Guangzhou autumn 2009.
schemes are also very different.\(^{139}\) The central authorities have often used Guangdong as a region to pilot various social security schemes and the region therefore has one of the furthest developed social security system in the country. One of the special plans made for Guangdong is the “Plan for the Reform and Development of the Pearl River Delta 2008-2020” (PRD Plan). The plan emphasises the development of social security in the Pearl River Delta. The content of the plan is similar to the 2004 White paper on social security, which was made to include the country as a whole. The PRD plan focuses upon the geographical advantages of the region and the economic successes the region already has made in economic development. The goal of the implementation of the plan is to be able to implement it nationally later.\(^{140}\) In 2005 Guangdong was one of the regions in China which piloted the New Rural Cooperative Medical Scheme (NRCMS) which then was established in approximately 120 counties, with the largest coverage of people in any province.\(^{141}\)

In Guangdong it is the provincial government and the county government that finance the health care insurance. The Guangdong government subsidises 10 RMB to developed regions and 25 RMB to underdeveloped regions for treatment at community health centres and hospitals.\(^{142}\) The health care insurance is very much dependent on the financial capacity of the local government. If the local government does not contribute much to the co-payment of the insurance, then the individuals need to pay more. In less developed regions the amount of money that farmers have to pay into the insurance system is such a huge financial burden that they choose not to join the program. This makes for a low participation rate, especially in the countryside.\(^{143}\)

Research shows that in Guangdong there are big differences in the health care implementation in developed and less developed regions. The cities in the Pearl River Delta are rich and have the best economic capacity and hence the largest capacity. Other cities in eastern and western parts of the province have less financial capacity and therefore less participation. In remote areas there is lack of health establishments which can offer qualified health care and people travel far to get to hospital.\(^{144}\) China Daily reported that in 2007, out of Guangdong’s

\(^{139}\) Meeting with the China Development Institute in Shenzhen. August 2009
\(^{141}\) Pan, “Evaluation of the new rural cooperative medical system in China”
\(^{142}\) Pan, “Evaluation of the new rural cooperative medical system in China” p.5
\(^{143}\) Meeting with Prof. Zheng Zhizheng, Guangdong Academy of Social Science.
\(^{144}\) Meeting with Professor Zheng Zhizheng, Guangdong Academy of Social Science.
population of 93 million, 50 million participated in the NCMRS, 25 million participated in the urban basic medical insurance and 17 million did not participate in any health insurance program. China Financial Daily reported that in 2009 a new three year investment program allocated 42 billion RMB in an investment program for medical reform in Guangdong. The goal is to establish comprehensive coverage of urban and rural areas of a basic medical health system by 2020, which is the Central governments national goal.

5.6 Social security and welfare colonialism in TAR

The economic reforms that lifted a large proportion of the Chinese population out of poverty did not to such a degree influence the western parts of China. This can be seen in the health care system where TAR’s health care is less developed than the health care in a rich province such as Guangdong. Figures from the UNDP show that 40.6 per cent of TAR’s urban population in 2005 had a health care insurance whereas 66 per cent of the urban population was covered in Guangdong. However, recent national emphasis on social security includes TAR. The basic health care insurance schemes, NRCMS and BMIUW, were first piloted in more economically developed provinces such as Guangdong but have recently also been piloted in various areas in TAR.

Within the same country, there are different reasons for introducing social security. As I discussed earlier in this chapter, the introduction of social security to TAR comes as a response to social instability in the region, whereas the introduction of social security in Guangdong was a response to the financial crises which affected the Chinese export. Chinese authorities decided there should be a shift to produce more goods for a domestic market. In Guangdong the social security plans and schemes are created in various ways. There are plans issued from the central government, but it is the provincial government, county government and other local governments who administer and implement the plans. These local governments all receive advice from local Think Tanks and Universities such as the Guangdong Academy of social science in Guangzhou, and the China Development Institute in Shenzhen. In TAR there are few, if any, Think Tanks or institutions which play a role in the

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145 China Daily. “Guangdong to implement universal medicare”

146 China Financial Daily. “3-year investment program of 42 billion Guangdong medical reform backed”

147 Xinhua.”China Focus: China looks into regional economic integration for new growth point”
shaping the social security system in the region. A teacher at the Tibet University told me that one professor gave some advice to the local government on economic matters, but not specifically on social security. The health care insurance schemes in TAR are handed from the central government and implemented in accordance with their criteria.

The largest difference between TAR and Guangdong is the way the health care insurance is funded. In Guangdong the provincial government and the county government co-fund the insurance. In TAR the money comes mainly from the central government. In a system where the TAR government budget is already funded mainly by subsidies from the central government the implementation of social security can also only be funded from the central government. To subsidize a health care insurance system for the whole of the country in this manner would be impossible, but with only 2.4 million Tibetans in TAR, it becomes possible. The differences in social security in TAR and Guangdong show that social security does not create welfare colonialism, but the way it is introduced in TAR adds to a situation of welfare colonialism. The Tibetans are merely the receivers of a system which makes them even more dependent on central authorities. Guangdong enjoys quite a lot of freedom in developing systems that work for their particular situation, while the population in TAR is just handed the system. In this way the health care insurance becomes a tool for the Chinese authorities to get Tibetans’ loyalty. In the process it also becomes a tool for further control, since the Tibetans are made more dependent on Beijing.
6 Conclusion

With my master’s thesis I want to shed light on some of the many contradictions in TAR. Since 2008 there has been a new wave of Tibetan protest all around Tibetan areas of China. The protesters risk years in prison. In contradiction to these expressions of dissatisfaction with China’s polices in Tibet, was the celebration of the “liberation” of Tibet on June 19th 2011 in front of the Potala Palace in Lhasa. Though the twenty thousand Tibetans lined up in straight rows looked, as Robert Barnett described it, rather like a staged mass celebration in Pyongyang in North Korea. The image of Tibetan’s standard of living is also conflicting. Figures from the central government emphasis significant rise in the GDP, but still TAR is the poorest part of China. These contradicting images and figures can to some extent be due to propaganda. You need to know what you are looking at to really understand what you are seeing in Lhasa. In order to understand what we are looking at we need to know more than just the “image” we are seeing.

The first “image” which might be misleading in TAR is the name, “Tibet Autonomous Region”. In my thesis I have argued that TAR can be regarded as an internal colony of China. Tibetans in TAR suffer from discriminatory participation in the political, cultural and other institutions of the dominant society. TAR conforms to the description of internal colonialism: a society within a society, based upon racial, linguistically and marked cultural differences, and is subjected to political and administrative control by the dominant classes and institutions of the metropolis. Conceptualizing TAR as an internal colony of China makes it easier to understand that the Tibetans are not satisfied with the terms of their current “autonomy”.

With the interpretation that TAR is an internal colony it becomes possible to describe some of the other contradicting “images”, for example the significant amounts of economic subsidies from the central government, and then the recent implementation of social security schemes. In my thesis I look at the organisation of social security in TAR and Guangdong. I have found that the central government in Beijing and the Guangdong government work along the lines of a “dual relationship”, while the TAR government does not experience a “dual relationship” with the central government. In the development of the social security system in China the central government decides on laws and creates general plans and guidelines for the whole country. In Guangdong, the local provincial government, in accordance with the central
government’s guidelines, tailors social security schemes to their region. Local governments, think tanks, and universities contribute to establish a well suited social security system to the province. The local TAR government, in comparison, possesses little self-determination in power-related issues and the central government planning has greater influence on TAR than regional plans and budgets.

Contrary to Barry Sautman’s argument that TAR can not be seen as an internal colony of China because it receives welfare benefits, I argue that social security can be present in an internal colony. Tibetans receive social security benefits through the same programs as the rest of China, but the economic structure of the program is different from mainland China. The health care insurance system is subsidized directly from the central government, whereas in a province like Guangdong the system is funded mainly on provincial and local level. The TAR government would not be able to initiate social security schemes in TAR if it was not subsidised by the central government. While the social security schemes will benefit the Tibetans, they are also politically motivated, dictated from the “patron” to the “client” in a clientilistic relationship. With no real political or economic control over their own budgets, Tibetans in TAR have little power to decide how they implement social security. The implementation of social security, I would argue, adds to the economic subsidies from the central government which is already creating a situation of welfare colonialism in TAR.

The differences in social security in TAR and Guangdong show that social security as such does not create welfare colonialism, but the way it is introduced in TAR adds to a situation of welfare colonialism. The Tibetans are merely the receivers of a system. In a system where the TAR government budget is already funded mainly by subsidies from the central government, the implementation of social security also relies on the funding from the central government. This makes TAR more dependent on subsidies from central government and becomes part of an already existing situation of welfare colonialism. Tibetans are far from taking part in making their own economic development. Since the TAR government and local institutions take little part in developing the social security system, the system stands in danger of not being adapted to the unique Tibetan way of life. TAR has unique geography and culture. For example, there are enormous distances in TAR—it can take days on horse or motorbike for a nomad or a farmer to get to the nearest city. Such a situation can make a health care insurance irrelevant for a Tibetan nomad.
Robert Paine, who first introduced the term welfare colonialism, describes problems with making the Inuit part of an economic development in Canada. He explained that welfare colonialism developed because the terms of the Inuit economic development was dictated from the central Canadian government, and not adjusted to the Inuit way of life. I would argue that this is also currently the case for Tibetans in TAR. The terms of the economic development, such as the implementation of social security systems, is dictated from the central authorities in Beijing, and is not made to fit a distinct Tibetan way of life. In his book, Paine suggests that not taking into consideration a minority’s distinct way of life could make solicitous and liberal polices become exploitative and repressive. The hypothesis of my thesis was that Tibetans are handed education and health programs which portray, for the outside world, a solicitous policy towards the Tibetans, but which is repressive because the Tibetans take no part in deciding the terms of these programs or the terms of their economic development. The central government has emphasized the need for economic development in TAR according to a pre-determined model which is based on the assumption that it knows better than Tibetans what is best for them and has never included Tibetans in arriving at policy decisions.

There are several reasons for introducing social security to TAR. First, the “image” which is portrayed when introducing social security to TAR, as well as the whole country, looks good for the people observing the country - both inside and outside China. Secondly, social security can be an effective tool for stabilizing an unstable region. Social security is found in the interaction between economics and politics. The amount of social welfare you receive might be the result of your, or the provincial government’s ability to negotiate. TAR’s sensitive position as Tibet has made it very difficult for officials in local governments to negotiate the Tibetans’ needs with central authorities. Tibetans’ only means of negotiating is for people to protest and strike. In a system based on corporatism the masses of people must negotiate, not through democratic elections and referendum, but through demonstrations. The controlling power needs to listen to these expressed opinions and will have to act and give something in return to keep the population satisfied. That is necessary in order to actually control the masses. By means of social security the central authorities can ensure that TAR does not develop in a completely destructive way, or that the gap between TAR and other provinces becomes too big. In this way social security becomes a “legitimizing tool”. After the protests in TAR and other Tibetan areas in 2008, the central government has responded with an increased focus on social security. The 5th Working Conference, organised in Beijing in
January 2010, concluded with the aim to improve the livelihood of the Tibetan people. It was decided that more of the government budget should be spent on public services such as social security. In 2011, after several monks and nuns protested against Chinese rule with setting themselves on fire, the Chinese government response was to give Tibetan monks welfare benefits. It is possible to argue that the protests in 2008 did trigger more social security benefits to Tibetans. Social security can then be seen as a “legitimizing tool” in an unstable region. For the Tibetans this might not be enough. This “tool” does not take away any of the central authorities’ control in TAR, neither politically nor economically – the situation that Tibetan demonstrators wanted to change. I therefore question whether the social security and other soft development projects will result in Tibetans’ loyalty.

I should note that I am not arguing that all the economic development investments in TAR have negative effect. Melvin Goldstein has in his research shown how some Tibetans in the countryside have been able to go for income as migrant workers on large development projects. The enormous amounts of money that the Chinese central government spends on TAR can help the region develop in a positive way if they are used in ways that actually empower the Tibetan workers.

TAR’s position as an internal colony in China is not unique within the country. Xinjiang and Inner Mongolia have also been described as internal colonies of China. Xinjiang has in recent years, similar to TAR, experienced political protests and problems related to ethnic tension. Historically, Chinese control in Xinjiang was sporadic. During the Republican period (1911-1949) when TAR was de facto independent, Xinjiang was also only nominally controlled by the Chinese central government, who had only a limited control in the region. However, there were more Chinese Han in Xinjiang than in Tibet. Mao Zedong, before sending troops to Tibet, is quoted as having said: “In Xinjiang in the old society there were 200 000-300 000 Chinese, but in Tibet there was not even a single Chinese.” Nevertheless, in the same way as TAR, Xinjiang Uyghur Autonomous Region (XUAR) was established as an Autonomous region in 1965. In the same way as TAR, XUAR receives a lot of economic subsidies from the central government. David Bachman, Professor at the University of Washington, writes in

150 Goldstein, The Snow Lion and the Dragon, p.43
an essay on the current economic development in Xinjiang that: “The central and regional governments appear to be pursuing a classic policy of economic imperialism or internal colonialism in the XUAR. The region is deeply dependent on the center for capital. This capital is used primarily to invest in the excavation of exploitation of raw materials”.

Professor Bachman maintains that the economic opportunities in XUAR seem overwhelmingly to benefit Han Chinese. The problems of how the capital is invested in Xinjiang therefore seem to have many similarities to the problems Tibetans in TAR are experiencing. Along the same lines as Barry Sautman opposes TAR being an internal colony of China, he also opposes the description of XUAR as an internal colony. According to Bachman, Sautman argues that it is the intention of the colonizers to exploit the colonized which decides whether they are a colony or not. This is similar to Sautman’s argumentation as to why TAR is not an internal colony. Sautman argued that TAR can not be an internal colony because the region receives economic subsidies and welfare benefits from the central government. When he argues that XUAR can not be understood as an internal colony, he also uses the fact that XUAR is given a lot of economic subsidies from the central authorities as an argument. In Sautman’s article “Is Xinjiang an internal colony?” he shows that the central government has provided a huge budget subvention for Xinjiang in order to balance their budget. 57 percent of the budget consist of subsidies from the central government.151

In the same way as I have argued that economic subsidies is not an valid argument for TAR being an internal colony, economic subsidies is not an argument for XUAR being an internal colony of China. Bachman also concludes that XUAR today is an internal colony of China. Bachman argues: “It is the Han presence alone that keeps Xinjiang, Tibet and other regions in the PRC, and PRC leaders have persuaded policies designed to tie border and minority regions to the Chinese heartland. It does appear however, that the central government has gone out of its way to support minority areas in Xinjiang and both deliberately and unconsciously its policies have reinforced a pattern of dominance by which the Han disproportionally benefit. To my mind, such pattern of rule is characteristic of imperialism and internal colonialism.”152

Many of the economic patterns present in TAR are also present in Xinjiang. If Bachman is right, these policies are designed strategically to tie the border and minority regions to the Chinese heartland.


The economist Erik Reinert describes how welfare colonialism creates aid dependency. Reinert argues that it is welfare colonialism which causes some poor countries to become “aid dependent”. Such a country can be identified by a large population of unemployed who are not able to join an economy which is subsidized from outside. There are many similarities between aid dependent countries and TAR. There are in both cases significant amounts of economic aid flowing into the regions, the integration of the native population is radically undermining their previous livelihoods, and, the native populations have a significant number of unemployed.

High levels of aid for long periods of time can be anti-developmental, hindering rather than helping countries reduce poverty. In some African countries aid money is the largest part of the country’s budget. A report from Real Aid, “RealAid3 – Ending Aid dependency” describes how strong growth and greater autonomy makes poor countries less aid reliant. In the same way as aid dependent countries, TAR needs greater real political autonomy, including power to decide on their own government budget spending, if they are going to get out of a situation of economic dependency and welfare colonialism. The Real Aid report also argues that aid spent well can itself contribute to reduced aid dependence, particularly when it supports efforts to mobilize domestic resources. Following the argument that the economic difficulties in TAR are caused to some degree by welfare colonialism, it becomes apparent that there is a need for the Chinese central authorities to change their economic and political dominance in TAR and give the Tibetans more real autonomy and space to develop their region according to their own culture and abilities.

The subsidies from the Chinese central government to TAR are enormous. TAR has the highest per capita direct subsidy in China, with 90 percent of the TAR budget funded from the central government. If we compare this to the most aid dependent countries in the world, TAR would be number three on Action Aid’s list for 2009, closely following Sierra Leone which has 92 percent of their budget funded from foreign aid, and ahead of Liberia with 88 percent of their budget funded by foreign aid.

The central government’s policies in TAR are paternalistic, based on the assumption that it knows better that the Tibetans what is best for them. If Tibetans to a greater extent had the


155 Action Aid. “Read Aid: Ending Aid dependency”, p.20
possibility to take part in the economic development of their region they would perhaps not feel such a need to oppose their Chinese leaders. The challenge for the Chinese authorities lies in the need to implement important structural changes to enable Tibetans to take responsibility for development efforts in their own region.
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