

Norhla: Restoring the glory of khullu wool for social development and environmental protection in the High Tibetan Plateau

Norhla : la laine de yak (khullu) comme vecteur de développement social et de protection environnementale sur le haut plateau du Tibet

Norlha, o cómo recuperar la gloria de la lana de Kullu para fomentar el desarrollo social y la protección medioambiental del altiplano tibetano

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Norlha: Restoring the glory of khullu wool for social development and environmental protection in the High Tibetan Plateau

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Abstract. For centuries, the local communities of yaks' transhumant cattle farmers of the Tibetan High plateau have lived on their yak breeding activity, providing them with all they need: milk, a source of butter and cheese, and hair, which they weave into the heavy black tents that characterize the nomadic population. In the last decade, however, changes occurred that have destabilized this activity. The changes are three-fold: (1) increasing economic difficulty to live from this activity¹, and its two corollaries: (2) rural desertification² and (3) increasing herds' sizes, threatening the environment³. Norlha, meaning "wealth of the Gods", proposes an alternative to remedy these problems. By improving the value added cattle that farmers derive from the yaks, Norlha's social business model suggests that selling extremely high range products to luxury houses can be a way out of poverty and rural desertification for these communities.

Keywords. Sustainable development, environment, cultural protection, nomadic populations.

1 Principle of the initiative

The Tibetan High Plateau is known for being the Third Pole of the world⁴. It rises up to 4,500 meters and represents 2.5 million square kilometers of South East Asia. This region is arid or semiarid, with long arctic winters and warm summers. Today, the Tibetan High Plateau is facing environmental, social, and economic challenges⁵. To understand these issues, we need to describe the situation and main characteristics of this region.

¹ Melvyn, Goldstein, Cynthia, "Nomads of the Western Tibet, the survival of a way of life" 1990.

² Yang, "Degradation and protection of grassland on the Qinghai-Tibet plateau, Institute of Mountain Disasters and Environment", Chinese Academy of Science, 1992.

³ Wu Ning, "Developments in Tibetan pastoral society in the last four decades and their impact on pastoral mobility in north-western Sichuan, China", 1999.

⁴ John Isom, «Les pasteurs nomades du Tibet: tradition, transformation et perspective», 2010.

⁵ Wu Ning, 1999.

1.1 An agro-pastoral region

Grasslands cover more than two thirds of the Plateau⁶. This ecosystem enabled the development of a pastoral way of life when yak and sheep were domesticated. It is difficult to date the beginning of pastoralism on the Tibetan High Plateau; however, most of historical documents suppose that it has existed for over 4,000 years and maybe 8,000 years⁷. The persistence in time of the pastoral way of life shows the positive relationship between the Tibetan High Plateau ecosystem and its inhabitants. Today, the Tibetan High Plateau generates the agro-pastoral activities of 5 million nomad pastoralists and 10 million inhabitants⁸ through sheep and the famous Tibetan yaks (Figure 1). Yaks have a very high value in the nomad culture; they provide milk, leather, fuel, and wool. The wool is made from a soft brown fiber that the nomads call *Khu*. This precious material constitutes a dense layer situated under the rough black hair of the yaks.

⁶ Xuefeng Cui, "Recent land cover changes on the Tibetan Plateau: a review", 2008.

⁷ John Isom, 2010.

⁸ John Isom, 2010.



Figure 1. Yaks in the high Tibetan Plateau.



Figure 2. Location of Zorgey Ritoma.

1.2 An endangered ecosystem

During the second part of the 20th century, the number of yaks and sheep of the Tibetan High Plateau increased dramatically⁹. The aim of this increase was to create intensive yak and sheep livestock farming. However, yaks and sheep were too numerous for too long, and overgrazing has led to a desertification phenomenon. As the United Nations defines it¹⁰, desertification is the irreversible decline or destruction of the biological potential of lands and of their ability to feed their population. Desertification includes an increase of toxic plants and a decrease of biodiversity. Furthermore, in the case concerning the Tibetan High Plateau, desertification deteriorates the quality of water and increases the risk of flooding.

To preserve the Tibetan land that had not been touched by desertification, it became necessary to find the equilibrium that pastoralist nomads had before the 1950s. The only solution was to decrease the number of yaks and sheep.

1.3 High poverty

Today, pastoralist nomads are the poorest population of China. It is getting harder every day to live from yak and sheep farming. This poverty has led to a rural exodus which became a major problem for this region. In addition to the economic impoverishment, a cultural impoverishment was occurring. Indeed, traditional knowledge concerning the exploitation of yak wool had almost disappeared.

Those environment social and economic stakes were the starting point of the project, Norlha.

2 Project

2.1 Beginning and leaders of the project

The history of Norlha started in 2005 when Jean Marc Guesné encountered Jean-Pierre Martial. Jean-Pierre Martial, an ex-manager in France who discovered Buddhism in Asia and decided to settle there, had a previous successful experience in the creation of a sustainable business. In 1999, Jean-Pierre Martial had created “Artisans d’Angkor”, a Cambodian company of arts and crafts devoted to the revival and preservation of Cambodian traditional know-how. “Artisans d’Angkor” worked closely with craftsmen to create, produce and market a collection of authentic, upscale products. Today, Artisans d’Angkor employs over 1,000 people.

In 2005, Jean-Pierre Martial and Jean Marc Guesné decided to associate with K.Y. to develop Norlha. They brought their business knowledge into the enterprise, whereas K.Y. brought her creative skills. K.Y. is an anthropologist, a specialist of Tibetan culture and Asian textile, who lived 25 years in India.

K.Y. was the first to be convinced that yak wool from the Tibetan High Plateau had a huge commercial potential. She knew that spinning and weaving yak wool has had a great presence in Tibetan culture until the industrialization era in China. She easily convinced Jean-Pierre Martial and Jean Marc Guesné of the desirability to re-develop the yak wool value chain in China, for social, economic and environmental reasons. Thus, the project was launched.

In 2005, Jean Marc Guesné took the lead of the yet to be created Norlha project. At the beginning of 2005, the team went to China and discovered the Tibetan High Plateau. They discovered the local communities of transhumant yak farmers. They immediately understood that there was a value added drain on the milk, meat and wool activities. The farmers were only suppliers of raw material, they did not seek for added-value and all the products derived from the yaks, in particular from their wool, were of low quality. As a consequence, the already enormous herds kept increasing to enable farmers to live on their activity. The yak value chain was not optimized and the French team perceived a huge development potential. After their first visit to these communities, the team clearly identified four main objectives that the project should meet in order to address the Tibetan community socio-economic needs:

⁹ John Isom, 2010.

¹⁰ «Convention des Nations Unies sur la lutte contre la désertification», Article 1, Nation Unies, 1994.



Figure 3. Khu collection.

- Create well paid employment in the community
- Provide solutions to rural exodus due to the very archaic way of life led by transhumant cattle farmers
- Improve the techniques of cattle management and increase the valorization of raw materials
- Provide solutions to the rapidly increasing environmental issues related to the increasing size of cattle herds, such as desertification and pollution of rivers.

With these objectives, it was clear to Jean Marc Guesné that an integrated solution had to be provided. He identified wool as being the product with the highest potential. Besides, the meat production was not an option given the Buddhist cultural values. The Norlha project was born. The aim of Norlha was to reorganize the sourcing and to produce high value added products directly inside the village. The team wanted to achieve this by reviving the lost traditional skills of hand spinning and weaving. They believed that this would be a direct response to the current issue of rural depopulation and poverty. The long term objective was to touch the whole Tibetan nomad community which owned over 13 million yaks. This ambitious target needed to be consolidated through the development of a “pilot project” or model that could be replicated after having reached financial sustainability.

2.2 Study location

After consultation with Chinese authorities and specialists, Jean Pierre Martial, K.Y and Jean Marc Guesné decided to start the project in the Province of Gansu. Operating in the autonomous part of Tibet appeared complicated and politically touchy. Gansu is a well integrated province in China, economically and physically speaking. In 2006, a pilot project was launched in the village of Zorgey Ritoma (Figure 2). Zorgey Ritoma is a small village in the Amdo nomad country (Gannan Tibetan Autonomous Prefecture, Gansu, China),

situated at an altitude of 3,200 m. The 1,500 inhabitants spread out over a wide area of pasture, the grazing area for 10,000 yaks and 25,000 sheep¹¹.

2.3 Implementation of project activities

One key dimension to the development of the project was territorial integration, economically, socially and politically speaking:

- Jean Marc Guesné decided that Norlha would be part of a company rather than an NGO. This choice clarified their position within the Tibetan community: there was no political dimension to the project. In 2007, the ISD Partners Company was created. It is a Chinese foreign owned company registered in Lanzhou.
- In a second stage, the local association ZAAMA was created in Zorgey Ritoma, in order to involve the Ritoma nomads in the projects by representing their interests. This association also enabled Norlha to receive initial financial support from foreign foundations and donors.
- With regards to the political dimension, the Chinese government helped Norlha by building a new road to the village.

The first step in the implementation of the project was to train the employees in their traditional know-how. In contrast with the industrial process, the traditional Tibetan processing of yak wool produces textile of an incomparable quality and softness. The first phase of the process consists in collecting the *khu* in the late spring (Figure 3). Unlike goats with cashmere, yaks cannot be combed and the *khu* is collected by hand. Nomads tie the animals’ legs and lay them on their side, plucking off the loose *khu*. The *khu* is then sorted according to quality and color (see exhibit 3). Grey and beige *khullu* is the most prized, because of its rarity (15% of the collected *khu*) and superior quality. The next activities consist in the spinning, preparation, weaving, washing and finishing. The final product can be a fabric or an accessory such as scarf or a shawl. A spinner can spin by hand 2 kg of wool per month.

Norlha implemented a one-year-training session with a team of five key people from the village. They were first trained in Cambodia by the Artisans d’Angkor in the weaving of silk and wool, the dyeing of these materials and, most importantly, quality management. Following this first training period, the trainees spent another three months in Nepal to master the weaving of cashmere and wool. As they went back to Zorgey Ritoma in April 2007, the trainees had perfect knowledge of the techniques and were in turn ready to train their peers. Sixty future employees, inhabitants of the village, were trained for six months. In parallel, Norlha had started building a workshop (Figure 4). In November 2007, the employees were trained, the workshop was built, and the *khullu* was collected. Everything was in order, and NORLHA began the production of fine accessories and fabrics.

¹¹ <http://www.norlha.fr/Nos-ateliers>



Figure 4. Norlha's workshop.

Contrary to all expectations, the workshop managed to propose a first collection of a very high quality weavings as early as December 2007. In less than a year, the employees of the workshop have been able to integrate the requirements of a true luxury product. This incredible achievement of the formerly cattle farmer artisans may be due to their confidence in the Norlha project as they saw it coming to reality. The fact that they were key stakeholders through the local association Zaama may also have played a decisive role.

2.4 Market and distribution strategy

Norlha textiles are positioned on the luxury market with a B to B business model. The quality of their textile, the rarity of their material, the work of the artisans and the great story of Norlha makes their market position coherent, answering a growing demand for noble natural materials and timeless designs. Customers targeted by Norlha are:

- Luxury major brands (art de vivre, women and men accessories)
- Luxury designer brands (collections for women and men)
- Custom made tailors (fabrics and accessories)
- High end shops
- Luxury representative company
- Luxury architects and interior decorators

Luxury brands are geographically very concentrated: out of 270 world luxury brands, 130 are French and they represent more than 1/3 of the global sector turnover; 42 are Italian with 1/5 of the global sector turnover; and 29 are American with 14% of the global sector turnover (Kearney, 2005). Norlha's distribution strategy is to:

- Develop distribution in the French market through luxury brands and high end shops.
- Develop the brand image in the luxury French Market.

- Once the French market is launched, develop distribution in Europe (Italy, England, etc), USA, and Asia (China, Japan).
- Develop through agent networks for the launching (2009-2011). Once we reached US\$ 1 million (after 2011), develop an international distribution company with financial and distribution partners in order to intensify the development through luxury brands and to develop our own Norlha brand in China, US, and Europe.

Norlha's customers are:

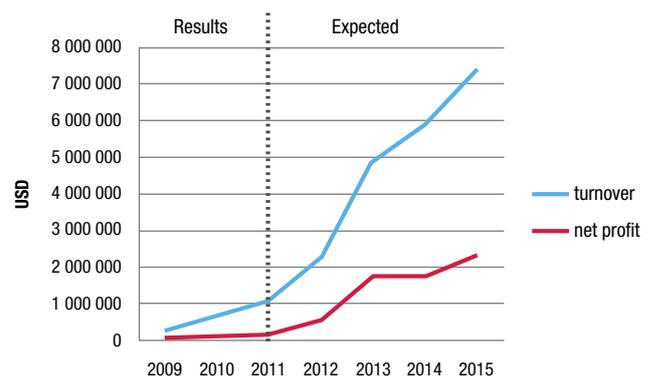
- Arnys: www.arnys.fr
- Charles Heidsieck: www.charlesheidsieck.com – Christmas box at the Champs Elysée Drugstore Publicis
- Sonia Rykiel: www.soniarykiel.com
- Torcello: www.torcello.fr
- Yves Saint Laurent: www.ysl.fr
- Antik Batik: www.antikbatik.fr
- Others: Christophe Lemaire (Paris), Victoire (Paris), Merci (Paris), Aman hotel (Beijing), Shanghai Trio (Shanghai), Sur Evolution (New York)

3 Results

The results of the project have to be described through three dimensions: the market performance, the environmental results, and the economic and social results.

3.1 Market performance

The following graph describes the market performance (in US\$) of Norlha's business model:

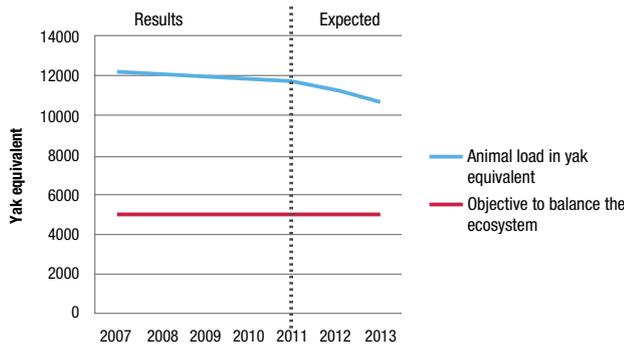


Source: Norlha Business Plan, February 2010.

The first results of Norlha's activities are encouraging: turnover is growing and net profit is positive. According to the forecast performance, this positive trend should increase.

3.2 Environmental results

To see if the impact of Norlha is positive or negative on the overgrazing situation, we need to observe the tendency in the number of yaks and sheep in the village of Zorgey Ritoma. It is possible to consolidate these two variables into one variable: yak equivalents. In terms of environmental impact on the grazing land, one yak is equivalent to four sheep. According to environmental studies commissioned by Norlha, the ecosystem of Zorgey Ritoma should reach environmental equilibrium with 5,000 yak equivalents. Here are the results:

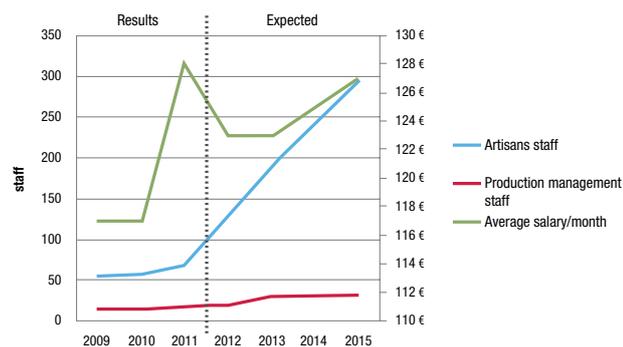


Source: Norlha Business Plan, February 2010.

According to this graph, the size of the herd is decreasing but is still far from reaching the 5,000 yak equivalent objective. To accelerate the yak equivalent decrease, Norlha will introduce in 2012 a mutual contract for herd size reduction.

3.3 Economic and social performance

The aim of Norlha was to create sustainable employment in order to increase the standard of living of the communities of Zorgey Ritoma. Here are the results in staff and monthly salary (in euros):



Source: Norlha Business Plan, February 2010.

According to this graph, the number of jobs provided by Norlha is increasing, with a salary much greater than the average in this region (50€ per month).

4 Discussion

4.1 Reasons of success

Some aspects of Norlha can be identified as critical for the success encountered:

- **The experience of the Artisans d'Angkor:** The fact that Jean-Pierre Martial had a previous experience in Asia helped the team to integrate the importance of territorial integration in such as region.
- **The association ZAAMA:** Thanks to this association, Norlha was fully accepted by the community, which felt socially involved in this project. The choice of ISD Partners to support the creation of ZAAMA was also crucial in the relationship with the regional government, which led to a strong partnership for replication.
- **The Business to Business distribution:** This business model enabled Norlha to increase their quality in order to respond to the haute couture expectations. It also spared Norlha from high marketing and distribution expenses.

4.2 Mistakes

The main mistake was to spread out into the development of two other projects (yak wool thermal insulation project and yak milk dairy project) which Norlha, with a limited budget, could not afford. It led to strategic choices and budget allocations that, had they been fully invested in Norlha, would have accelerated its development in terms of production management, quality control, and capacity building.

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