

<https://www.internationalviewpoint.org/spip.php?article432>



China

# Intensified contradictions and people's resistance

- IV Online magazine - 2002 - IV341 - June 2002 -

Publication date: Saturday 15 June 2002

---

Copyright © International Viewpoint - online socialist magazine - All rights reserved

---

**Premier Zhu Rongji's Government Work Report, delivered to the People's Congress this year revealed acute problems in the Chinese society and economy. Although economic growth was reported to be over 7.3% for 2001 (and such a figure is disputed by many as exaggerated), the central government's expenditure increased by 10.1%, the financial deficit reached a new high of RMB 309.8 billion yuan, state bond was 256 billion yuan, and the state defense budget increased by 17.6%. Criticisms were made by delegates and specialists that a huge deficit as stimulant to the economy will bring serious problems in the future. [1]**

[<https://www.internationalviewpoint.org/IMG/jpg/26china1.jpg>]

After a positive note on the economy, Zhu Rongji reluctantly admitted that 'there exist some problems in the economy and social life that urgently require resolution. They are mainly: peasants' income growth was slow; in some areas where grain was the main crop and in areas suffering from serious natural calamities, peasant income had reduced; in some places there was serious delay in wage payment; there were difficulties for some factory production and workers' livelihood; there was more pressure of unemployment; economic structural problems were still unresolved; ecological problems were still quite marked; regional protectionism flourished despite prohibitions; market economic order was wanting rectification; in some sectors or departments, formalism and bureaucratism were serious, extravagance was acute, and some corrupt phenomena were rather marked; in some units, unlawful appropriation of funds and non-abiding of laws were quite general; serious accidents were frequent, and in some places law and order was not good.'

While Zhu tried to tune down the severity of the problems by qualifying them as happening only in 'some' areas, there were amendments by the Congress delegates, such as deleting the word 'some' from 'some corrupt phenomena were rather marked', to highlight the severity of the problems. As confirmed by XiaoYang who made the Legal Report, in 2001, a total of 20,120 persons were convicted of corruption or bribery, an increase of 44.35% over the previous year.

On the question of the impact of China's accession to the World Trade Organization (WTO), Zhu Rongji's reply to an American journalist at a press conference was: 'the soya beans imported to China from the USA is already equivalent to China's total output - 15 million tons. When we wanted to adopt a policy that many countries in the world are implementing, which is to control GM agricultural products, your leaders from the USA came to talk to us about soya beans and said this would affect the USA's export of 1 billion US dollars, you must be more prudent. But you announce you will impose an added 8-30%tariff on China's exported steel products, which will make it impossible for China to export 350 million US dollars' worth of steel to USA.' [2]

Li Changping, a former township party secretary, wrote about the burden on peasants through listing the expenditures of townships and how peasants are expropriated to bear the burden. He estimated that the total amount of annual expenditure for townships were: 80 billion yuan of interest for a debt of 600 billion yuan, 80 billion yuan on salary for teachers, 50 billion yuan on books and facilities, 200 billion yuan on salary for a total of 39 million cadres at the county, township and village levels, 300 billion yuan on expenditure of various departments and bureaus at county, township and village levels. This in all was already 710 billion yuan. Li estimated that peasants had to bear 70-80% of the expenditures below the county levels, which would be about 400 billion yuan, whereas Zhu Rongji's estimate was a mere 50 billion yuan. [3]

Du Zaixin, the party secretary of Jianli County, Hubei Province, under which was Li Changping's township, said that of the 540 million yuan of debt of townships and villages of that county, the majority was peasants' debt. For example, in Dumu Township, 300 peasant families each had a debt between 12,000 and 15,000 yuan.

## Intensified contradictions and people's resistance

---

The government has not proposed any effective means for tackling these problems. Lu Ming, former Deputy Minister of the Ministry of Agriculture, said at the Political Consultative Committee meeting that the state's input into development of agricultural technology and science was very low; it was 6 billion yuan in 1999, a mere 0.4% of the total agricultural output value. [4]

[<https://www.internationalviewpoint.org/IMG/jpg/26china2.jpg>]

Urban employment has been an acute problem in the last few years, and with China's accession to the WTO, Chinese industries will be facing more serious competition. The official figure of registered unemployment in China was 3.6%, as was reported to the People's Congress by Zeng Peiyan. This means unemployment is at 12 million, including 5 million workers from state-owned factories that have 'temporarily stepped down from their position' and 6.8 million of registered unemployed. In addition, there are 40 million labourers (from the rural redundant labour force of 150 million peasants) that move to the cities to look for jobs. Wen Hui Bao quoted from specialists that the estimated unemployment rate is well above 10%. [5] Some other scholars in China (such as Hu Angang) estimate that the actual unemployment rate is around 20%.

In Liaoning Province in the northeast, once a heavy industrial region, large numbers of factories have gone bankrupt. Half of the labour force has gone into unemployment. Official figures last year said that half a million people 'stepped down' from their position or had retired or left their job, which amounted to 10% in the whole country. For workers who have 'stepped down' from their position, which means they still have links with the factories, they are supposed to receive a stipend of one to several hundred yuan a month. [6] However, delay in payment is prevalent.

According to a report in the Beijing Evening News, statistics from factories where there are trade unions yield the following figure: in 2000, delayed payment or non-payment of salaries throughout the country amounted to 36.69 billion yuan. In the last two years, labour dispute court cases in Beijing have drastically increased. There were 7,480 in 2000, an increase of 42.9% from the previous year. In January to September 2001, the increase was 60% compared to the same period in 2000. [7] Xiao Yang said that the figure for closed labour dispute cases for 2001 in the whole country was 100,440, an increase of 33% over the previous year.

Reports on worker protests are numerous. The following are reports of worker actions in March 2002 alone. In Daqing, 70,000 workers from an original workforce of 290,000 workers have 'stepped down'; starting from March 11, 50,000 stepped-down workers started a demonstration demanding medical and retirement benefits, and the protest had lasted three weeks. In Liaoning City, from March 11, workers began besieging the government house and sometimes over 30,000 workers from 20 state-owned factories joined the protest. In Heilongjiang Province, stepped-down miners from Fushun City took to the street in mid March, and among their demands were not only payment of salaries, resumption of the right to work, but also accusations of bureaucrats' corruption, cheap sale of public property, and embezzlement of funds. Around March 11, several thousand tractor workers in Urumqi in Xinjiang Province also took to the street and protested against sale of state property and land.

In such massive waves of worker actions and protests, a new sign is the formation of workers' organizations. According to field reports by reporters of Hong Kong's Ming Pao, independent workers' organizations are in formation. Daqing workers formed the 'Ad Hoc Trade Union Committee of Transferred Staff of Daqing Oil Management Bureau', and elected worker representatives. In Liaoyang, an ad hoc organization of 'All Bankrupt and Unemployed Workers of Liaoning Steelworks' was formed, and Yao Fuxin and other worker representatives were elected to negotiate with the government. In the name of their organization, the workers issued open letters, and representatives elected from different factories fostered links. They demanded that the People's Congress endorse the clause on the 'organizing of independent trade unions' under the International Covenant of Human Rights, so that workers have the right to form independent trade unions and have collective bargaining power. They also demanded punishment of corrupt officials. The government responded by making arrests of worker leaders in some places and pacifying workers in others. They were particularly vigilant against cross-provincial or cross-sectoral worker linkages. [8]

## Intensified contradictions and people's resistance

---

The current problems reflect the turmoil and unrest in Chinese society after two decades of China's reform policy of opening up to capitalism. They are intensified by China's accession to the WTO. The rise of worker struggles is a collective response to the deterioration of quality of life and acceleration of social injustice.

*This article is taken from October Review, Vol 29, Issue 1, March 2002.*

---

[1] Sing Tao Daily, 5 March 2002.

[2] Wen Hui Bao, 16 March 2002.

[3] Sing Tao Daily, 11 March 2002.

[4] Wen Hui Bao, 8 March 2002.

[5] Wen Hui Bao, 5 March 2002.

[6] Ming Pao, 27 March 2002.

[7] Wen Hui Bao, 17 January 2001.

[8] Ming Pao, 28 March 2002.