

Rural discontent repressed in China

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The recent police crackdown on the Falun Gong sect has underscored the extreme nervousness of the Chinese bureaucracy confronted with deepening economic and social problems to any form of protest or opposition—even those that do not directly challenge its rule. In both urban and rural areas, there has been a significant rise in protests and strikes over the last year, which have increasingly been met with heavy-handed police action.

Chinese police are continuing to pursue the leaders of a large peasant protest held on January 8 in the Daolin township of Hunan province. Two men, Yang Yaojin and Hu Zhiping, were seized in dawn raids on June 11 and have been charged with “assaulting the government” and “holding illegal rallies”. It is likely they will receive lengthy prison sentences. A third peasant organiser, Cui Luokun, is still in hiding.

Up to 10,000 peasants took part in the protest at the Daolin government buildings, condemning taxation levels and accusing local officials of corruption. Hundreds of police were called in and attacked the protesters with tear gas and batons. At least one peasant was killed in the ensuing clashes and the leaders forced to flee into surrounding villages and hills.

Some 50,000 people live within the jurisdiction of the Daolin township administrative district, scattered in small farming villages. The average income in 1998 was only 1,400 yuan, (\$US170), far below the national average rural income of 2,160 yuan.

Taxation legislation limits local government taxes to 5 percent of income, which in Daolin is an average of 66 yuan or \$8 per person per year. Peasants, however, claimed that corrupt fees and levies meant they were paying \$15 a person, or nearly double the legal limit, and formed a local association to organise protests against the authorities.

Among the fees causing grievances was a 12.4 yuan or \$1.50 fee for pig slaughtering that all households

were charged once per year even if they did not have an animal butchered. Peasants also accused officials of levying fees for the production of “special products” like nuts that were not grown.

A total of 15 separate fees were being levied by the township government, including charges for animal inoculations, for schools, for marriage licenses and to have a child. On top of this were special levies for long term projects such as power plants.

Chinese officials have justified the extra taxation by asserting that the 5 percent limit on rural taxes is too low to enable local governments to finance their administration and carry out essential development projects. Peasants who took part in the Daolin demonstration rejected the claims that the extra taxes were applied to overcome budgetary shortfalls.

In a *New York Times* report on February 1, a peasant from the area is quoted as saying: “Special fund raising should be used for special projects, but the money has been wasted by the wining and dining of township officials. They raised the money for this, for that, but they didn't start any projects.”

The agitation over taxation levels is part of the wider resentment felt by the peasantry at declining living standards, perceived official corruption and the widening gap between rich and poor across rural China.

The breakup of the collective farms in the early 1980s, and the restoration of market relations and de-facto private ownership of land in the rural areas, has seen an enormous growth in social inequality. A thin social layer, generally connected with the government and ruling party bureaucracy, has been able to enrich itself by gaining control of large amounts of land or the contracts to operate businesses.

At the same time, tens of millions struggle to survive on plots of land barely able to sustain a family. Large numbers of peasants have been reduced to waged agricultural labourers working for the new land-owning

class, or have been forced to take up employment in rapidly expanding rural firms. Millions embarked on a mass internal migration from the countryside to the large industrial cities.

Now, with investment, exports and consumption falling as a result of the Asian economic crisis, China is experiencing severe deflationary conditions. The prices paid for agricultural commodities fell 12.1 percent in 1998, cutting further into the incomes of China's 900 million rural population, 60 percent of whom still remain dependent on farming for their livelihood.

The ability of peasant families to supplement farm income has been undermined by a sharp decline in new investment into rural enterprises, layoffs and the shutdown by existing firms. Chinese statistics show that in 1997 the number of registered enterprises in rural areas dropped by two million and the number of employees dropped by 4.58 million.

In a final blow, the option of migrating to the cities has been cut off by the record levels of urban unemployment. It is believed that up to 15 million rural immigrants have returned to their villages and towns of origin. According to one estimate, there will soon be 200 million "surplus labourers" in China's rural areas—an effective unemployment rate of 25-30 percent.

China's central government has displayed great sensitivity to the possibility that these conditions could lead to widespread rural discontent. Beijing has made periodic criticisms of the excess taxes and corruption of the local and regional layers of China's government. Village elections have been promoted as giving more power to the peasants. The government has also pursued a social security policy of setting minimum prices for agricultural commodities and purchasing grain that fails to sell in the market at that price.

Beijing's actions, however, far from placating rural anger, appear to have generated illusions within the peasantry that the central government sympathises with their plight, emboldening them to submit petitions and organise protests against local authorities.

The demonstration in January was the second held in Daolin. Earlier in 1998 the peasants conducted a protest, which passed without incident, against the level of school fees. Unofficial reports indicate that thousands of similar rallies took place across rural China last year. As the protests grew in number and intensity, the authorities began to crack down on

expressions of opposition.

A violent protest is known to have occurred in the Xinglong district of Sichuan province on October 21, 1998, provoked by the arrest of four local peasant representatives after they took a petition to Beijing protesting the taxes charged by the local authorities. The *China Rights Observer* newsletter reported that peasants besieged government offices to demand the release of the four and that a party official jumped to his death from the municipal buildings attempting to avoid the crowd.



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