

Troops used to break up protests by laid-off Chinese miners

James Conachy
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Details emerged last week of a three-day street battle in late February between police and up to 20,000 Chinese workers laid-off from the Yangjiazhangzi molybdenum mine in the north-eastern province of Liaoning. Despite calling in riot police from nearby cities, authorities were only able to suppress the miners with the assistance of armed troops.

In November, the bulk of the state-owned mine was closed on the grounds that it was not profitable. Viable portions were sold to private investors. According to local officials, Chinese premier Zhu Rongji personally cited the mine, once the country's largest non-ferrous mine, as an example of a redundant industry and insisted on its closure during a tour of the province.

The closure of the mine is a sentence of poverty for the workforce and the surrounding area. Being laid-off from the mine means workers lose not only a regular wage but subsidised health care, education and housing. There is no alternative employment. Moving is little option as the unemployment rate in major Liaoning cities like Shenyang and Dalian runs as high as 30 percent.

A *Washington Post* correspondent who traveled to Yangjiazhangzi reported that most small businesses have been boarded up. Even before the closure, the payment of wages had been irregular. Some workers had not been paid for six consecutive months and families had been reduced to relying on government rice handouts to stave off malnutrition.

Desperation erupted into anger when a redundancy payout was finally announced in February. It amounted to 560 yuan (\$US68) per year of service, from which workers were compelled to pay pension and health insurance contributions. A couple interviewed by the *Washington Post* had together worked 35 years in the mine and received only \$US500, enough to sustain

their family for less than a year. Contract workers received a flat 560 yuan payment, regardless of the number of years of service.

On February 27, amidst rumours that they were entitled to 2,000 yuan per year of service, thousands of miners and their families rallied at the mine headquarters. The management refused to appear and the local mayor told the crowd to disperse. In retaliation workers blockaded the entrance to the headquarters and occupied the centre of the town to prevent any access to the mine.

Over the next days, workers clashed with and fought off hundreds of riot police brought in from nearby cities, who used tear gas and baton charges in attempts to disperse the protest. On February 29, detachments of the Peoples Liberation Army entered Yangjiazhangzi and finally drove the workers off the streets by firing live rounds over their heads.

The town was kept under virtual martial law until the end of March. Officials claim that negotiations are underway with the miners over the terms of the redundancy. But the police have singled out workers as ringleaders and arrested them. Another 20 or 30 have been charged with “destroying public property”.

The wholesale closure of unprofitable or technically backward state-owned factories and mines is official government policy, as it seeks to consolidate the state-owned sector of the economy into some 1,000 profitable, share-traded corporations. At the National Peoples Congress in March, calls were made to accelerate the pace of restructuring ahead of China's entry into the World Trade Organisation—on terms that will give unprecedented access to China's domestic market for foreign-owned companies. Seven to 10 million jobs have been targeted for elimination this year, on top of 30 million state-sector workers who

have been laid off since 1997.

Some estimates put the number of urban unemployed throughout China as high as 80 million—or well over 20 percent. Thousands of small to medium firms have been sold off to private buyers or closed down. Restructured enterprises are reneging on pension payments owed to retired employees and unemployment insurance owed to laid-off staff.

At the same time, the gap between rich and poor has widened dramatically as entrepreneurs accumulate businesses and property. Regional inequalities are also widening, with living standards in the depressed central and north-eastern cities only half those in the eastern coastal cities where foreign investment is concentrated.

Interviews with Yangjiazhangzi miners obtained by the *Washington Post* express the pent-up hostility of workers at the social inequality and the enrichment of the Communist Party and capitalist elite at their expense. One worker said: “It’s so obvious that the leaders are cheating us. They have sold parts of the mine to their friends. They have sold all the mine’s trucks. But we haven’t seen this money. There is no open accounting”.

Another worker, still employed in a section of the mine that was sold off, commented: “We miners have been working here for China, for the Communist Party, since the Revolution. And now suddenly my part of the mine is private. And no-one told me how”.

The incident in Yangjiazhangzi is further evidence of the sharp class tensions building up in China due to the impact of free market restructuring. The Hong Kong Centre for Human Rights and Democracy, the major source of information on social discontent in China, estimates that up to 300 protests take place every day over issues such as lay-offs, unpaid pensions and unemployment benefits, excessive taxation and official corruption. It estimates that a staggering 60,000 protests took place in 1998, soaring to 100,000 in 1999 as conditions worsened.



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