Human carnage continues in the Chinese coal industry

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The free market policies of the Chinese regime have brought anarchy and a staggering rate of accidents and deaths to the country's massive coal industry. After an estimated 5,400 deaths and more than 2,500 accidents last year, January 2002 saw no let-up in the carnage.

On January 14 a blast at the Zijang pit in central Hunan province killed 18 miners. The same day a gas explosion at an unlicensed, privately-operated mine in Yunnan province cost 25 men their lives. Ten days later at least 27 miners were killed in 36 hours by two separate gas explosions at a state-owned coal mine in the Chengde county of Hebei province in central China. According to the official Xinhua news service on the morning of January 26, an explosion killed 19 miners who were working underground. During the afternoon of January 27, a second explosion killed eight workers searching for the body of a missing colleague. Twelve others were injured.

Provincial governors led rescue operations to demonstrate their concern for the lives of the workers. Beijing blamed the accidents on the corruption of these local officials. It promised to investigate allegations that mine operators bribed local officials to turn their back on a series of safety measures announced last year.

The real causes of the ongoing disasters, however, lie in the vast restructuring of the industry over the past two decades.

The rapid pace of industrialisation since China was opened up to direct foreign investment in 1979 has seen the country emerge as the world's largest producer and consumer of coal. In the 1990s, even as the government was closing down or selling off large, state-owned coal mines deemed inefficient or unprofitable, businessmen were encouraged to open up pits and cash in on the growing demand for energy. There was no shortage of workers to labour in the new mines. On top of thousands of young peasants unable to survive through farming, as many as two million coal miners were laid off from the bankrupted state-owned operations.

A massive glut and sharp fall in prices resulted. More than 1.03 billion tons of coal was mined in 1999, an estimated 200 million tons in excess of demand. It is believed that more than 80,000 mines were in operation at the start of 2000. Unlike the relatively regulated and large-scale state mining industry of the past, most were privately-owned and small. The lack of regulation and enforcement of safety standards led to thousands of deaths in coal pits.

The overproduction caused severe losses for large mining companies. In order to cut coal production and shore up their profitability, Beijing ordered a drastic rationalisation of the industry. Under the false banner of enforcing safety regulations, the government claims to have shut down some 58,000 mines in the past three years.

The main effect of the government's campaign has been to spawn an industry of illegal and highly dangerous mining. China relies on coal for 70 percent of its energy and the scaling back of production triggered a supply shortage over the past two years and pushed up prices. In coal producing areas it increased already high rates of unemployment.

Thousands of small mines re-opened during the high-demand winter months to profit from the rising prices and many have remained in operation. Cash-strapped local authorities have tolerated this. The mining creates jobs and, through taxes and bribes, desperately needed revenue. The central government has cut funding to the provinces and made them totally responsible for maintaining schools and infrastructure.

An example is the Podi mine in Shanxi province,

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which was torn apart last November 15 by a gas explosion. On January 23, the *Los Angeles Times* published interviews with survivors from the mine disaster. The pit had been closed down for safety breaches and reopened illegally in 2001. It operated three shifts in the full view of authorities and lacked adequate ventilation. A build-up of gases ignited, killing 33 men and maiming 12 others.

Li Ziqi, a 33-year-old miner who had once worked in state-owned mines, described the conditions in the private pits to the *Los Angeles Times*: "Now we work with 1950s technology, it is like going back in time. If they are supposed to have 10 ventilators, you would be lucky if there were five." Contrasting the conditions now with the regulated industry of the past, Li Yansheng, a former coal industry official, told the paper: "The difference is heaven and earth, think of a fancy four-star hotel restaurant versus a snack stand at a train station."

Even private mines that are operating legally tend to cut corners on safety. Because of the pressure from Beijing to scale down the industry, local authorities generally only give private operators a short-term contract. A February 5 report by the *China Labor Bulletin* noted: "Mine operators are uncertain how long they can keep the license, so they strive to make a quick profit and are reluctant to invest in needed safety procedures." Over 60 percent of the coal produced in Shanxi—China's largest coal producing province—comes from small private operators and at least one third of the sites are prone to accidents.

Not only are the mines poorly constructed and using primitive techniques, but the wages and working hours for miners have deteriorated. While new miners were once put through three months training, workers begin labour immediately in some of the private pits. Most miners are employed on piece-rates, paid on how much coal their team digs. A wage of 1,000 yuan ($US120) per month is considered high.

A factor in the low wages is the crisis confronting the rural peasantry. The heavy tax burden on already impoverished farming families means they seek supplementary work in the local industries. In Shanxi, 15 percent of peasant families rely on mining jobs to survive. The competition for jobs enables employers to drive down conditions.

But workers have few options. In the mining areas there is no other employment. Li Ziqi had already begun work at another pit when he was interviewed. "My family needs the money. I don't know how to do anything else."

A deep resentment has built up among miners toward the regime's policies. Their working conditions have been shattered by the privatisations and restructuring and now they are at the mercy of private operators who value a tonne of coal more than a human life. Their plight reflects that of a whole strata of the industrial working class. Under the free market they have been forced to accept substandard conditions or are lucky to have job at all.

As one retired miner told the *Los Angeles Times*: "Deng Xiaoping [former Chinese leader] said, 'Let some people get rich first'. They got rich all right, by breaking the law. We miners have no human rights. We don't even have the right to exist."

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