

Working class demonstrations spread in northern China

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Tens of thousands of laid-off workers in China's northern provinces have participated in mass demonstrations this month, spurred on by the social inequality and deprivation caused by the regime's free market economic policies.

In Daqing, the centre of the Heilongjiang province oilfields, laid-off oil workers have taken part in protests since March 1 over drastic changes to their redundancy agreement by their former employer, Daqing Petroleum, a subsidiary of China's flagship energy company, PetroChina. Some 86,000 workers, mainly aged in their late 40s and early 50s, have been retrenched by the company since 1999, many in Daqing. The lay-offs have been part of cost-cutting measures associated with PetroChina's listing on the Hong Kong and New York stock exchanges.

Under the terms of the redundancy deal, each worker received a one-off payment of 4,100 yuan (\$US495) for each year of service. By paying back to Daqing Petroleum 3,900 yuan per year, they were guaranteed a company pension when they reached the retirement age of 60. While they lost access to company health care and other benefits, they were also promised an ongoing payment of a 3,000 yuan heating subsidy per year. The company reneged in mid-February, abolishing the heating subsidy and raising the pension levy to 10,000 yuan.

Foreign journalists have been barred from Daqing, a city of 1.5 million, but some have been able to obtain interviews and comments through local contacts that testify to the desperation of the laid-off employees.

A worker, Yu, told the *Australian* newspaper that he had received 60,000 yuan as a redundancy. "If I pay the amount they're asking, I'll have nothing left in less than six years. I'm 43. It will be 17 years before I can retire, so I will have nothing to live on under this scheme," he said. A woman in her 30s told the *New York Times*: "We've been cheated and misled." Another told *Associated Press*:

"They cut you off and you can die and they won't care."

After failing to win a hearing either from the official trade unions or local officials, a group of workers formed the "Daqing PAB Retrenched Workers Provisional Union Committee" to demand the protection of their entitlements. On March 1, 3,000 laid-off workers responded to the committee's appeal for a protest outside the company's headquarters. Up to 50,000 workers took part in a second protest on March 4 and subsequent daily protests have drawn between 5,000 and 30,000 workers onto the streets.

Confronted with the outpouring of anger in Daqing, the initial reaction of the state authorities was cautious. Police have surrounded the company building since early March and a tank regiment of the Peoples Liberation Army was put on standby. There are reports that representatives of the workers' committee have been arrested or gone into hiding, but to this point the security forces have not attempted to stop the protests.

There are indications this is about to change. The *Australian* reported on March 20 that hundreds more paramilitary police were seen entering the city, following the first direct clash between police and workers the day before. Tensions are heightening in the city. The company is refusing to negotiate, with one PetroChina executive telling the *Washington Post* that if it made any backdown, "our shareholders will be angry".

The main purpose of the initial low-key response was to localise the disturbances to Daqing. In the first week of the protests, demonstrations were reportedly held in oilfields as far away as the western province of Xinjiang, as well as in Hebei, Liaoning, Jilin and Shandong provinces. News of police repression threatened to fuel sympathy actions.

Despite the efforts to contain the unrest, an upsurge of laid-off workers is underway in Liaoning province. Once the heartland of China's heavy industry, Liaoning has

been among the worst affected by the vast restructuring of state-owned enterprises (SOEs) being directed by Beijing. In the past five years, at least 40 million workers have been laid-off by SOEs. Unprofitable companies have been bankrupted, while others have slashed staffing in order to increase productivity and profitability.

The major cities of Liaoning, such as Liaoyang and Shenyang, are plagued with chronic unemployment and pervasive social problems. According to some estimates, over 50 percent of workers in Liaoyang are *xiangang*—redundant workers pensioned on a monthly allowance of about 180 yuan (\$22) by their employer. In many cases, the *xiangang* benefits are not being paid, as the companies are bankrupt. At the same time, corruption scandals have surfaced involving the theft of millions of dollars in state assets by senior government officials.

According to a *New York Times* report, over 10,000 laid-off coal miners in the Fushan region of Liaoning have blocked roads and railways since mid-March over inadequate redundancy payments.

On March 11 and 12, 7,000 workers laid off from six major factories in Liaoyang, the provincial capital, demonstrated at the city's town hall demanding the payment of unpaid wages, outstanding benefits and guaranteed access to health care. They also demanded the sacking of the main local government official, whom they accuse of plundering the pension funds of laid-off workers.

Many of the workers were previously employed by Liaoyang Ferro-Alloy and took part in militant protests last October and November against the closure of the factory. A vote by the workforce to shut the plant last year was overseen by dozens of police. A workers' spokesman labelled the methods used by the management as "white terror". The workforce was owed years of unpaid wages and given a severance package of just one month's pay for every year worked.

While the two days of protests were allowed to proceed, police arrested a key leader, 53-year-old former Ferro-Alloy worker Yao Fuxin, on March 17. The next day, 30,000 *xiangang* workers from more than a dozen workplaces rallied to demand his release. On Wednesday, according to an *Agence France Presse* report, 10,000 workers pushed against riot police and some 1,000 stormed the local government headquarters searching for Yao.

Three more workers' leaders were seized by police during the protest, provoking another mass demonstration on Thursday. Shouting "Release them!" and "The

government has humiliated the people", 10,000 workers again marched on the government offices. A local woman told *Associated Press*: "Everyone is very worked up and excited about this. You can feel their anger and their misery." Reports indicate that there were no demonstrations in Liaoyang yesterday, as workers waited to see if the government would carry out a guarantee that the four arrested men would be released.

The unrest in the northern provinces is not an isolated phenomenon. The Beijing regime long ago dispensed with its claim to be building some form of egalitarian society and openly lauds private wealth and property. A vast chasm has opened up between the thin wealthy elite which benefits from the free market, and the rest of the population whose living standards and social conditions have deteriorated. The country is wracked with discontent, with more than 300 protests or strikes taking place every day.

A report prepared last year for the ruling Communist Party warned: "If the difference between the rich and poor cannot be controlled within a certain range, it will inevitably destroy the simple faith of the broad masses in socialism, shake their trust in the party, and even stop reform in its tracks and create social turmoil."

The sentiments expressed by workers in Liaoyang testify that their faith has already been destroyed in the regime and its capitalist policies. One summed up the bitterness at their treatment by the Beijing regime and the absence of any organisation that speaks for the working class. Calling himself Xiao, he told the *New York Times*: "We can't go on living like this and nobody is listening to us. We can't take our problems to the official trade unions. They are the Communist Party's [the government's] unions, not ours." Another, Zhang, told the *Washington Post* of the same day: "We're not benefiting from any of this. Do you understand me? Everyone talks about China's miracle. Well, there are no miracles here."



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