

# Beijing to prosecute leaders of workers' protests

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Five leaders of last month's demonstrations in China's northern city of Liaoyang, the capital of Liaoning province, have been formally charged and will soon face trial. The arrested workers are Yao Fuxin, Xiao Yunliang, Pang Qingxiang, Wang Zhaoming and Gu Baoshu. All are former employees of the bankrupted state-owned Liaoyang Ferro-alloy Factory. The first four were detained by police during protests by up to 30,000 laid-off workers to demand unpaid wages and benefits and denounce official corruption. Gu Baoshu was seized this week, according to a press release by the Hong Kong-based *China Labour Bulletin*.

*Reuters* reported that on March 31, local police sent the families of the first four a notice that the "suspects had committed crimes of illegal gathering and demonstration". According to article 296 of China's crime code, the charge of "illegal gathering and demonstration" can carry a sentence up to five years jail. While the police have refused to specify any date for their trial, they are being detained in Tieling, a city nearly 100 kilometres from Liaoyang.

The main leader of the Liaoyang workers, 52-year-old metal worker Yao Fuxin, was reportedly hospitalised with heart problems and high blood pressure on March 25. But his wife, Guo Xiujing, told the international press that he was well when he was detained 12 days before, and that he had no medical history of heart disease. Though the police promised "effective treatment" of Yao, Guo Xiujing was denied the right to see her husband until April 11, nearly a month after his arrest.

Last month's Liaoyang demonstrations broke out on March 11 when the city mayor, Gong Shangwu, told reporters that "there is no unemployment" in his city. In an area where thousands of workers have been laid-

off by state-owned companies and live in poverty, the remark triggered widespread outrage. Following the example of workers in the Daqing oilfields to the north, who were staging daily protests over their conditions, workers from as many as 20 bankrupt factories in Liaoyang began marches on the city offices.

The former workers of the Liaoyang Ferro-alloy Factory were at the centre of the protests. The plant was bankrupted last November but it had not paid its 5,000 staff for two years. The local government guaranteed a pension of \$22 a month, but, as was the case with workers laid off from other city factories, the money was not being paid. A former textile worker told the *Washington Post* on March 23: "All of us have totally lost faith in the government. When people saw Gong lie on TV, we were ready to explode."

The demonstrations in Liaoyang were brought to an end in late March by a combination of concessions and police repression. The US-based China Labor Watch has reported that the Liaoyang local authorities promised to pay laid-off workers a pension of \$60 and provide them free health care. They guaranteed there would be no charges laid against arrested workers and promised to investigate workers' allegations of corruption. The provincial government also announced a temporary suspension of plans to merge Liaoning province's four largest steel plants and list the company on international stock exchanges. The merger is expected to lead to the redundancy of one third of the 200,000-strong workforce under conditions where unemployment in Liaoning is already over 25 percent.

At the same time, however, hundreds of paramilitary police were deployed in the city. The authorities appear intent on imposing prison sentences on the five leaders, in an attempt to intimidate the working class from engaging in future actions.

Large-scale demonstrations by redundant workers are continuing to break out in the other part of the country however. On April 8, 1,000 workers laid off from the state-owned Guiyang Steel Factory in the south eastern province of Guizhou blocked two roads to protests over their low unemployment benefits. “With only 150 yuan (\$18) per month, how could they live and what choice do they have? I can only make 400 to 500 yuan (\$48-\$60) a month, which is enough to raise only one person. What about my family?” one worker said.

On the same day, a violent clash took place between workers and factory security guards in Dongguan, a free trade zone city in China’s major export province of Guangdong. Over 1,500 workers sacked by a bankrupt Hong Kong-based toy company—producing toys for transnational corporations like Mattel, MGA Entertainment and Wal-Mart—demonstrated outside the plant to demand the payment of outstanding wages. According to China Labor Watch, the workers were predominantly rural migrants and “worked 19 hours a day, seven days a week, with dangerous chemicals, for less than 20 cents an hour”.

Underlying the unrest is the immense social inequality and deprivation in China. A recent survey of the living conditions of the urban poor in China’s capital Beijing found that 50,000 families live on less than \$US110 per month, while another 37,500 families somehow survived on less than \$US60 per month. Tang Jun, a specialist in urban poverty with the Chinese Academy of Social Sciences, told the *Singapore Straits Times* on April 1: “They are China’s new poor, the result of the massive layoffs in recent years. The urban poor came about when state-owned enterprises began their reforms.” It is estimated that more than 40 million state-sector workers have been laid-off since 1997. Even CASS, a government-controlled institution, estimates that 25 million urban Chinese live on subsistence wages.

The working class unrest in north-eastern China has been widely commented on. Workers besieging government buildings, blocking roads, forming organisations and clashing with the police, are being noted in international financial circles as signs that the Chinese regime is failing to prevent the emergence of a militant labour movement.

Hu Angang, an academic with CASS, told *Business Week* on April 8 that the workers’ protests were “the

Number one challenge for China’s next generation of leaders. No country in the world has ever cut so many jobs before”. Hu estimated that with China’s entry into the World Trade Organisation (WTO), another 10 million industrial workers will be laid-off annually.

The *New York Times* remarked on April 14: “The apparent quiet suggests how effective the government has quelled the protests with its usual strategy—a few arrests, a ban on news reports and quick concessions to the majority of workers. The response averted a runaway pandemic of protests.” The stability, the paper warned, was only short-term, however, as Beijing’s actions were generating “widespread contempt for the Communist Party, a spreading realisation that protests can bring results” and did not address the “continued feelings of vulnerability among millions of idle workers”.

In its April 8 issue, *Business Week* devoted an editorial to “Why Beijing must satisfy workers”. “Without the safety valve of political participation, worker dissatisfaction is going to be aimed directly at the government, with potentially explosive results,” the magazine declared. The comment is a blunt warning to Beijing that, unless the situation is brought under control, the billions of dollars that have poured into the country to take advantage of a regimented, low-wage workforce will just as easily flood out.



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