

# Political crackdown in China as leadership prepares mass privatisations

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In recent months, the Chinese government has jailed dozens of workers, peasants and political dissidents on charges of “subverting the state power” or “disturbing the social order”. The police-state crackdown is probably the largest since the destruction of the China Democracy Party and the Falun Gong religious movement in 1998-99.

Among the recently reported jailings and arrests are the following:

On November 13, Shijiazhuang City court in Hebei Province sentenced a businessman, Cai Lujun, to three years imprisonment for subversion. His alleged crime was to publish articles on the Internet discussing problems confronting Chinese peasants.

Du Daobin, a 40-year-old medical officer from Yingcheng City in central Hubei Province was arrested on November 11 because he published articles on social issues and signed an online petition calling for the release of Liu Di, a 23-year-old Internet dissident from Beijing Normal University, who has been detained since last November.

On the same date, AFP reported that Jiang Lijun, a Beijing resident, was placed on trial for being a leader of a “pro-democracy” Internet community.

On November 6, a 39-year-old laid off worker, Luo Zhangfu, from Chongqing in Sichuan Province was sentenced to three years jail for writing Internet articles calling for Liu Di’s release. The principal charge against him was “subverting the state power”.

Thirteen villagers from Daxuecun, Yutai County, in eastern Shangdong Province were sentenced on October 30 to one to four years in prison, according to a report by the Hong Kong-based Information Center for Human Rights and Democracy. They were charged with “disturbing the social order” and clashing with police while protesting over the corrupt confiscation of their land by local government authorities on August 2.

In late October, a local intermediate court in Sanming City, southern Fujian Province, sentenced eight people arrested in April to two to sixteen years of imprisonment. Headed by Li Jianfen, a former court official in Ningde City, the eight have been convicted of setting up a “subversive” trade union in 2000 and attempting to publish a book called *Labour Unions* with material downloaded from the Internet.

Banned religious organisations were also targets of the latest political repression. On November 12, an intermediate court in Tianjin City sentenced five Falun Gong members to eight years jail for “disrupting the implementation of Chinese laws by means

of evil cult”.

The imprisonment of dozens of people for airing their views on the existing political and social order in China, reflects the degree of nervousness within the Stalinist regime over the social time-bomb being produced by their economic policies. There is even greater fear that the rapid expansion of the Internet in China has provided an effective means for political tendencies to acquire a mass audience.

Information Center of Human Rights and Democracy director Frank Lu commented to AFP: “There are more and more social problems, and people, especially the young increasingly use the Internet to air their views.”

The crackdown takes place as Beijing prepares to accelerate its privatisation program. Its aim is to intimidate China’s workers and farmers as well as to reassure international investors that the Beijing regime will not hesitate to use the full force of the state to suppress any challenge from below.

At a Central Committee meeting on October 14, the ruling Communist Party leadership passed a resolution to sell the government’s majority stakes in medium and large state-owned enterprises, including 196 “strategic companies” in energy and natural resources. In the past, Beijing has insisted it will retain state control over any enterprises designated as “strategic”.

Throughout the 1990s, the restructuring of state-owned industry and the deregulation of agricultural production facilitated the growth of a capitalist elite, fattened by the influx of billions of dollars of foreign investment. The number of state-owned companies fell dramatically from 262,000 in 1997 to only 159,000 last year. But the leadership of President Hu Jintao, installed a year ago, wants to go even further.

Fred Hu, a managing director of the US-based investment bank Goldman Sachs, told the *Washington Post* on November 12: “This is a major ideological breakthrough. It’s essentially a declaration of mass privatisation. In my own discussion with a lot of senior policymakers, my impression is they’ve made up their mind. The word strategic is becoming less and less meaningful, and the basic approach is, whatever the private sector can do better, the government should get out.”

Shenzhen, the special economic zone in southern China, for example, has spearheaded the new policy by selling its water supply to a major French company, Veolia.

Another sign of the regime’s political direction came on October 8 when Rupert Murdoch became the first foreign media magnate

to deliver a lecture to future senior Chinese officials at the Central Party School. The 100 or so party bureaucrats applauded Murdoch's assurance that the opening up of the state-controlled media to foreign companies would not challenge the party's grip, but instead enhance "public education" and "increase national unity".

Murdoch stated that "the unleashing of the potential of the open market does not represent any loss of power" by the party. "On the contrary, as the party goes from running the country's media businesses to overseeing their growth, both China's leaders and her people will be greatly empowered by the rewards."

It is only the capitalist elite closely connected to both the Beijing regime and the transnational corporate giants that has been enriched by the market reforms. Two months ago, for instance, President Hu Jintao's daughter married China's 11th richest man, Mao Daolin, a former chief of the NASDAQ-listed news portal, Sina. Mao has a personal fortune of at least \$US35 million.

For the majority of the population, the reintroduction of capitalist relations has produced brutal social conditions and injustice. Tens of millions of workers in state-owned industry have been laid off and an even greater number of small peasant farmers have been driven off their lands.

These conditions are likely to worsen. A report by the official Xinhua news agency on November 24 warned that China's 94 million rural migrant workers in the cities are currently owed \$US12 billion in unpaid wages, which will be a major cause of social unrest. This month's US trade sanctions against China's textile and garment imports will have an immediate impact on the jobs and conditions of an estimated 15 million textile workers and 100 million farmers.

According to unofficial estimates, privatisation of public services has kept 20 million children out of school and up to half the population cannot afford the cost of medicines and the "user pays" fees set by hospitals. China now accounts for a quarter of world's new tuberculosis cases and produces 20 million new hepatitis B patients every year. AIDS/HIV infection is estimated to reach 10 million people in 2010.

A central government think tank, the State Development and Economic Reform Commission, recently published a study warning that the fragility of US-China relations and the acute social and economic issues in China could produce "possible shocks and even a meltdown" between now and 2010.

Protests and public discontent over job losses, official corruption and social inequality have been escalating in recent weeks, even as Beijing moved to crush organised unrest.

On November 23, about 7,000 workers from a state-owned autopart company in Xiangfan City, Hubei Province, blocked major two highways and a rail bridge to protest the dismissal of employees and official corruption in the restructuring of state-owned industry. Hundreds of police were deployed and five protest leaders were arrested.

On November 14, an estimated 1,700 farmers in Minhou County, Fujian Province, clashed with 500 anti-riot police officers during a protest over the government's reduction of compensation for their compulsorily acquired lands from 20,000 yuan to 3,000 yuan. More than 100 villagers were injured.

On October 28, more than 1,000 protestors stormed the Zou city government in Shangdong Province to protest the death of a vendor who was deliberately run over by an official's vehicle in an attempt to confiscate his cooking utensils. At least 100 people were arrested during the clash with 800 police officers.

Even in Shanghai, where public protest has been a rare phenomenon because of strict political control, 400 workers gathered outside the city hall on November 5 to protest over the planned closure of a state-owned pharmaceutical plant, which would lay off 1,100 workers.

The Hong Kong-based *China Labour Bulletin* reported that another 600 workers from a crane company in Zhengzhou City, Henan Province, have been protesting since late October. They objected to the corrupt sale of the state-owned company to a private business member of the National Peoples Congress "for a price of zero" and the looming loss of 60 percent of the 5,000 jobs.

The US-based *Chicago Tribune* warned on November 12 that social unrest in China has reached the point of explosion: "Riots and other acts of civil disobedience are routine in China, and routinely quashed. It is the nightmare scenario of China's leaders that one day all of the country's aggrieved citizens—from the poor farmers to the urban unemployed to the politically liberal—will find a way to unite in opposition to a government that never stands for election and tolerates no dissent."

In trying to prevent this "nightmare scenario," the Chinese leadership under President Hun Jintao has reinforced its police-state methods against any organisation or incident that might become a focal point for an anti-government movement of the working class and rural poor.

The November 13 edition of the British-based *Economist* magazine observed: "If Mr. Hu is to succeed in bringing greater democracy to the party's inner working, he too will want to be sure that no one will take this as a green light to start questioning the party's right to rule. Just as Mr. Jiang [Zemin, the previous president] cracked down ruthlessly on organised dissent, and yet tolerated and even encouraged limited experiments with political reform (such as direct elections of township governors in a few places), Mr. Hu is likely to do the same."



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