Drive for coal produces more deaths in China’s mines

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16 March 2004

Every year, gas explosions, cave-ins and mine flooding kill thousands of miners who are driven by deepening poverty to risk their lives in China’s notoriously dangerous coal mining industry. According to China’s State Administration of Work Safety, 6,702 died in mining accidents in 2003, but other sources put the number at 7,197.

In the face of mounting anger over the deaths, the government has repeatedly promised to crackdown on unsafe mining operations. Last year saw a series of such pledges: to create the country’s first nationwide network of industrial safety inspectors, boost spending on mine safety and introduce increased penalties for breaches of safety laws. The authorities also vowed to keep closing thousands of illegal and small pits. Yet this year is already delivering another grim toll.

On March 1, a gas explosion ripped though the Jinshanpo Coal Mine in the northern city of Jiexiu in Shanxi province, killing 28 miners. About 32 men were working underground at the time. Managers were aware on the day of problems with the mine’s ventilation system, which is vital to prevent a build-up of gas, but they did not halt operations.

The worst mine disaster so far this year occurred at the privately-owned Baixing Coal Mine in the northeastern city of Jixi in Heilongjiang province on February 23. At least 32 miners died, with 13 men still missing at the time of the last report. Officials declared the chance of finding more survivors was “slim.” The mine was operating illegally in defiance of a February 6 order from authorities, instructing the owner to cease production because of safety issues.

Those killed at the Baixing mine were aged between 22 and 49. Thirty of the victims had started working there after being laid off from local industries that had gone bankrupt. A total of just $US9,640 was allocated to compensate their impoverished families, many now without a breadwinner. The mine is owned by the Jixi mining group and has an annual production capacity of 60,000 tons.

In January, 16 more miners died in a gas explosion at another coal pit near Jixi City. The area was also the site of the fourth deadliest coal mining accident in China’s history, in June last year, when 115 men were killed in a single blast.

Deaths and accidents are likely to escalate in coming months as state-owned and private mining firms step up coal production to meet China’s ever-growing need for energy. China’s economic growth, described in business circles as “breakneck,” stood at 9.1 percent last year and will remain at around eight percent this year. According to the Beijing-based statistics bureau, economic output grew at annual rate of 17 percent in the first two months of this year, after reaching a record 18 percent last December. Continued growth is expected to see the demand for electricity rise 11 percent this year.

According to one financial media report, “a crippling energy crunch” hit more than half the country last year. The crisis was highlighted on March 5 when Premier Wen Jiabao made it central to his speech to the annual session of the National People Congress (NPC). Wen declared the country would “increase the production of coal, electricity and oil products” to ease the energy squeeze.

Energy analyst Charles Chang said the energy question was not normally a topic for the NPC. Its centrality this year demonstrated it had clearly “risen to enough significance for the government to put it into a major speech.”

Beijing has adopted extraordinary measures to offset the energy crisis. It has severely limited exports of thermal and coking coal in a bid to maintain even reduced levels of production in the country’s steel industry and smelting sector. The growth in these areas is indicated by import figures for the first half of last year. Iron ore imports jumped by 45 percent, while copper shipments rose by 40 percent. In January, China’s exports of coke and semi-coke products fell 52.3 percent on a year-on-year basis, while coal exports dropped 28.6 percent.

In addition, the government is discouraging investment in some power-intensive industries. In January, local authorities in some regions revoked a four-year favorable price policy allowing aluminum producers to buy electricity for a 0.02 yuan per kilowatt-hour discount. The decision increased the cost of power needed to produce one tonne of aluminum to 500-600 yuan ($50-60). An analyst with the nonferrous metals association, Wang Feihong, said the measure has already led to the closure of 10 smelters in Hunan province alone, while production in plants in Hubei and Henan dropped by 15 percent. Overall, government measures are expected to see aluminum output growth slow to 10 percent over the year, from 25 percent in 2003, while steel output growth will ease to 17 percent from 22 percent the previous year.

The government has announced plans to spend 200 billion yuan ($US24.2 billion) this year to build power plants that, when completed, will generate three times the electricity used by New York City. It is also attempting to turn from reliance on coal to other forms of energy such as oil and gas. In 2003, China imported 91 million tonnes of crude oil, 31 percent more than in 2002, accounting for one-third of its total oil consumption.

The turn to oil as an alternative energy source, however, has run into difficulties with the domestic price increasing last year by 55 percent. This was largely due to the high cost of shipping oil from Russia through the Black Sea. China's bid to build a pipeline from Russia appears to have been put on hold because of legal difficulties facing its Russian oil company partner.

For the foreseeable future, power generation, steel production and metal smelting in China will remain substantially dependent on coal. China, the world's largest coal producer, consumes 31 percent of total global coal production. Under such conditions, Chinese companies with ready access to pools of cheap and desperate labour stand to make sizeable profits from both legal and illegal mining operations.

Given this economic pressure, governments at all levels do little to enforce the country's minimal safety regulations and mostly act against mining companies only when safety breaches end in major tragedies. According to the China Labour Bulletin (CLB), last August the central authorities announced the allocation of an extra 2.2 billion yuan, on top of the 2002-03 budget of four billion yuan, to improve coal mine safety. In reality, the CLB stated, spending has fallen some three to fourbillion yuan short of previously set targets. In Heilongjiang Province alone, safety investment was reported to be about 570 million yuan short of the planned targets.

Likewise, the government announced last June that a more comprehensive legal system for addressing workplace safety would be introduced over two to three years. It also proclaimed that from July 2003 new penalties would apply to people who breach work safety laws that came into force in 2002.

The CLB commented: "Despite the rhetoric and good intentions expressed at the recent meetings, the same measures, the same temporary bans on production and the same type of inspections have been announced each and every year in the past decade or so and similar exhortations made to the local governments to implement existing laws and yet the disastrous situation of safety in China's coal mines continues unchanged."

There are only a few thousand qualified inspectors—far too few to police the 200,000 or so mines thought to be operating across the country. As the February 23 Baixing disaster illustrates, even when profit-hungry mine operators are found to be breaching safety laws, they often ignore orders to cease operations.

Another factor rendering it almost impossible to regulate mining safety is the worsening poverty caused by the regime's turn to a free-market economy. Tens of thousands of workers have been retrenched from state-owned industries and stripped of benefits and pensions. Unemployed factory workers and the rural poor have flooded into the mining industry. In Shanxi province, for example, more than half a million people are employed in the mining and quarrying industries.

Rural villages and townships have suffered particularly. The CLB reported last year: "With no other livelihood available and with little education or training, many rural workers are willing to work for cash in appalling and unsafe conditions, often assisting coal mine owners in avoiding safety procedures to ensure continued employment.

"Many have also been willing to work in illegal single shaft mines which operate in isolated areas where there are few chances of being investigated by safety inspection teams. In fact, township and village-owned mines are the most dangerous mines operating in China, with over 2,355 fatal accidents occurring in 2002 compared with 485 fatal accidents in major state-owned mines. Control over these smaller mines remains in many cases, almost non-existent due to local corruption and paybacks from officials."

In some cases, village-run mines provide the only major source of income and they ignore safety in an attempt to generate funds for desperately needed basic services. Cash-strapped authorities in the provinces also rely on mining revenues. Corrupt officials at all levels, some with personal interests in mines, turn a blind eye to the flouting of safety regulations.

The prevailing forces behind the continuing death toll in the coal industry were aptly summed up last month by the acting chairman of the New York-based China Labor Watch, Li Qiang. "On the one hand, in order to gain profit, mines continue production even if they are clearly aware of unsafe conditions. On the other, due to extreme poverty, many peasants have to take jobs in these mines. To them, it's like betting with their lives. So, generally speaking, little effort as been put into mining safety."