

# A riot in China over deteriorating public health care

**John Chan****27 November 2006**

Two thousand people mobbed and ransacked a hospital in the southwestern Chinese city of Guangan, in Sichuan province, on November 10 after it allegedly refused to treat a 3-year-old child before payment. The riot is another indication of widespread and growing frustration over worsening social conditions, in this case the result of Beijing's "user-pays" medical reforms.

According to the Hong Kong-based Information Centre for Human Rights and Democracy, the disturbance was sparked by news that a young boy, Xiong Zerong, was rushed to local Guangan No.2 Peoples' Hospital on November 8 after he swallowed pesticide.

The hospital staff, however, did not treat the boy because his grandfather had only 123 yuan (about \$US15), instead of the full fee of 639 yuan. Doctors asked him to go back home to raise more money, but the child died before the grandfather returned.

The family has demanded compensation but the public hospital agreed to pay only 500 yuan. When relatives tried to take their grievance to the municipal government, security guards beat them. A group of local students helped the family stage a protest, which rapidly attracted others angered by shoddy hospital practices and prohibitively expensive healthcare services.

The angry crowd smashed windows and equipment at the public hospital. Around 100 armed police were called in to break up the demonstration—10 people were injured, five were arrested and three police vans were burned.

A local telephone operator told the Associated Press news agency the following day: "I saw many armed policemen on the streets. They were using loudspeakers to tell the people not to believe rumours and to trust the

government."

Both the municipal and national governments cleared the hospital of any responsibility. China's state-run media claimed the hospital had provided emergency treatment to the young boy. An investigation by medical specialists associated with Sichuan University found the hospital had immediately pumped the boy's stomach and put him on a drip, but he had died because he drank too much pesticide.

The official story is likely to be a cover up. Even if the infant was actually treated, the incident reveals intense popular hostility toward Beijing and its pro-market policies. Many people obviously believe that hospital administrators are quite capable of allowing patients to die if they or their families cannot pay hospital fees. The introduction of a "user pays" regime in the 1990s means that millions of people cannot afford basic medical and hospital services.

One of the social gains of the 1949 Chinese revolution was the establishment of a free, albeit rudimentary, system of public healthcare. Between 1949 and 1978, average life expectancy increased from just 35 years to 68 years. Public health, along with other essential services, has been seriously undermined since the beginning of "market reforms" in 1979.

Despite an average annual economic growth rate of 10 percent over the past 27 years, social wealth has been concentrated in the hands of a new capitalist elite associated with the Chinese Communist Party (CCP) regime. Healthcare, education and housing have become heavy financial burdens for working people.

According to the World Health Organisation, China ranks at 188 of 191 nations in the world in terms of equality of medical resources for its 1.3 billion citizens. The central government's share of total healthcare funding dropped from 40 percent in 1980 to just 16

percent in 2004.

An article last month in the official *China Daily* reported a new saying in rural China: “Once an ambulance siren wails, a pig is taken to market; once a hospital bed is slept in, a year of farming goes down the drain; and when someone falls ill with a serious disease, 10 years of savings are whittled away.”

The newspaper cited a number of reports pointing to the deepening divisions between rich and poor and between urban and rural areas. Almost two-thirds of government health funding goes to urban areas, leaving 800 million peasants, the majority of the population, with little access to basic healthcare.

At the same time, 80 percent of the public medical funding in cities is used by just 8.5 million people—a tiny privileged minority forming less than 0.007 percent of the population. A central government report admitted that Chinese hospitals are now “clubs for the rich”.

Alarmed by rising social tensions, Beijing implemented a limited system of social insurance, including healthcare, in late 1990s, supposedly to protect workers and farmers. Except for a small layer of urban middle classes and well-off farmers, however, most people cannot afford the insurance premiums.

The health ministry estimates that nearly 90 percent of the rural population has no health insurance; in the cities the figure is 60 percent. The last medical survey in 2003 revealed that 73 percent of rural residents who needed medical treatment chose not seek it because of expensive fees. It was the same for 64 percent of urban dwellers.

Beijing set up a rural cooperative medical scheme in 2003, which requires farmers to pay 10 yuan a year. However, only 156 million people, less than one fifth of the rural population, have joined the plan. Many rural poor cannot afford 10 yuan and the scheme covers at most 65 percent of medical expenses. Although Beijing has promised 20 billion yuan for the rural healthcare system over the next five years, the crisis will remain.

Li Ling, a professor at Peking University, pointed to the underlying causes. She told *China Daily* the healthcare reforms of the 1990s were “a government failure and a market failure”. Li said rising medical costs were rooted in the fact that doctors and hospitals “rely more and more on profit” for their income. This

leads to corruption, over-prescription and accepting kickbacks from drug companies. The prices for medicines and medical treatment have skyrocketed.

In August, the Chinese National Development and Reform Commission issued its 19th price cap on medicines, to try to control rising drug costs. But according to Li, the latest measure, like previous ones, would make little difference, as drug manufacturers will simply ratchet up prices by changing the name or packaging of their products.

Each year there are tens of thousands of protests by workers and farmers in China over social inequality, corruption, the lack of jobs and other social evils. But the latest riot has a particular significance. Guangan is the hometown of Deng Xiaoping, the architect of market reform, who held out the false hope that his policies would bring great benefits to everyone.



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