

# Snowstorms and blackouts create chaos in China

John Chan  
1 February 2008

Severe snowstorms in China since January 10 have paralysed the country's transport system, leaving millions of people stranded at railway stations, airports and highways—just as the vast army of rural migrant workers are heading home for the Chinese New Year on February 7. While the heavy snows are a natural phenomenon, the resulting chaos has quickly exposed the country's fragile infrastructure as well as the deep social tensions being generated by its sweatshop economy.

The winter storms in southern and central China, the worst in half a century, are forecast to last for several more days. At least 50 people have been killed, but the toll is expected to rise. Economic losses so far amount to around \$US3 billion. More than 100,000 houses have collapsed and another 400,000 have been damaged. A dozen airports across China have shut.

The rail system, which was due to transport an estimated 178 million people during the holiday season, is in turmoil due to electricity shortages. The roads are no better. A 40-kilometre section of highway in Anhui province, for instance, was clogged with 11,000 vehicles. Some 8,000 police were sent to the area to maintain order.

An estimated 600,000 passengers have been stranded in Guangzhou station due to a power failure in Hunan province. The huge crowds packed the station. Others found shelter in nearby schools and public buildings. The station has stopped selling tickets until after February 6. The only assistance provided to tired and hungry travellers has been a little food and some bottled water. Toilet facilities are completely inadequate. A nervous government dispatched 2,500 police to prevent protests.

Wang Jigen, a typical rural labourer from Sichuan province, told the Associated Press on January 29: "I spent last night outside at a bus depot. I have no idea where I'll sleep tonight or how I'll ever get home." Agency France Presse (AFP) cited the comments of a woman who pointed to an indifferent rail official and

shouted: "Take him out and beat him. Otherwise they'll never understand how serious this is."

The *New York Times* observed: "As the capital of Guangdong Province, home to the largest numbers of migrant workers in China, the situation in Guangzhou poses sticky problems for the Chinese government, which not only faces the risk of unrest if the crisis isn't quickly resolved, but also a serious blow to its prestige among ordinary people."

The newspaper cited an angry comment posted on the Internet, pointing out that it was not just bad weather that had created the crisis but official contempt for rural migrants. "The problem is our old, two track urban-rural divide," it declared.

To meet the requirements of foreign investors, China has a highly developed infrastructure in its coastal cities. But in the vast rural areas, public services remain at "Third World" levels and, as the latest crisis demonstrates, can quickly create chaos nationally.

Heavy snowstorms in rural areas have hit the electricity grid, affecting supplies throughout the entire country. The difficulties in restoring power has immobilised the country's electric trains, leaving hundreds of thousands stranded at stations in freezing conditions.

For millions of Chinese workers, the "Spring Festival" is their one opportunity after a year of arduous labour to be with their families. This year looks particularly bleak. Even if they manage to reach their homes, they will have less food on the dining table—thanks to the escalating cost of many basic items from cooking oil to pork.

The rail delays will also compound the existing problems of transporting goods, including food. In a bid to overcome shortages and to curb rising prices, Beijing has made the transport of coal, oil and foodstuffs the priority for the rail system. Inflation hit an 11-year high in November. In January, the government announced an emergency measure to force large enterprises to halt price

increases on consumer items.

Even before the snow storms, 17 provinces had imposed power rationing through deliberate brownouts. As the *Financial Times* explained on January 28: “Power company spokesmen insist the brownouts are the result solely of coal shortages, but executives admit privately the industry may have exacerbated the situation to drive home to Beijing the unfairness of price controls.” An unnamed energy executive told the newspaper: “The shutdown of power stations by the generators is not force majeure [the cancelling of contracts due to a major unforeseen event]. This is price majeure.”

Beijing has deregulated coal production, but still regulates the price of electricity to provide cheap power for industry. As global prices of coal have surged in recent months—on top of higher energy demands during winter—power companies are faced with generating electricity at a loss.

The government is still the largest shareholder in many “state-owned” corporations involved in the power, coal and railway sectors, but the public interest is the last consideration of their CEOs. These companies are run on a commercial basis with an obligation to make a profit for private shareholders and partners.

The deregulation of coal production has not brought a rational distribution of resources. China’s stockpile of coal has fallen to just 21 million tonnes—less than half of the normal winter level in previous years. Li Chaolin, an energy expert, told the *Financial Times* that the coal shortage was compounded by the closure of many small mines over safety concerns. High prices, however, are encouraging the remaining mines to cut corners to maximise production. A mine accident in Shanxi killed 105 workers in December.

As the snowstorm crisis makes clear, the Chinese Communist Party (CCP) leaders live in constant fear that its policies will produce a social explosion. Beijing has mobilised 500,000 troops and one million police, not so much to patrol congested highways or provide in disaster relief, but as a precaution against the outbreak of protests.

At the CCP Politburo meeting on Tuesday, President Hu Jintao urged officials to “be aware of the seriousness of the situation”. To placate stranded passengers, Premier Wen Jiabao traveled to Changsha, the provincial capital of Hunan, and then to Guangzhou. He took the rare step of apologising to workers stuck in the rail stations and promised they would be home soon.

The Shanghai share market fell by 7.2 percent on Monday—its fourth largest fall in a decade—caused, in part,

by investor concerns about the impact of the snowstorms. China’s economy grew 11.4 percent last year—the highest since 1994. However, Premier Wen warned last week that 2008 would be “the most difficult year for the economy”, because of growing global financial instability.

Any slowdown in the US, not to speak of a recession, will inevitably impact on China’s export-led economic growth. According to a Citigroup estimate, every 1 percent contraction in the US economy will slash 1.3 percent off China’s growth. Any slowdown would dramatically worsen unemployment—with 20 million new workers entering into the labour market annually—even as prices continue to climb.

Economic commentators have already expressed nervousness over social tensions in China. Michael Kurtz, an equity strategist with the US investment house Bear Sterns in Hong Kong, told Bloomberg last week that inflation in China “is quickly spreading from ‘just’ an economic issue to a potential social instability threat”.

In comments to the Associated Press, Susan Shirk, a former Clinton administration official, pointed to the dangers of social unrest. “When large numbers of people are upset about the same problem at the same time, there is a risk of large-scale collective action that could threaten Communist Party rule,” she said. “Will the travellers [the rural migrant workers] blame the weather or the government?”

The latest reports indicate that the rail system may be returning to normal but the episode serves to indicate just how quickly any problem can mushroom into an acute political crisis.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**