

Protests in Chinese city halt multi-billion chemical project

John Chan
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Authorities in the eastern Chinese city of Ningbo announced the suspension of a planned \$US8.9 billion petrochemical plant expansion on Sunday, after three days of protests by thousands of residents concerned about the health and environmental implications.

The decision affects not only a proposed refinery facility owned by the state-owned energy giant, China Petrochemical Corporation (Sinopec), but also the production of the industrial chemical paraxylene, known by locals as “PX”.

Residents fear that the concentration of polluting facilities in the Ningbo Chemical Industrial Zone has led to rising rates of cancer and other diseases.

Farmers began the protests by blocking a road near the refinery and were joined by students and local residents last Saturday and Sunday. Online photos showed about 1,000 demonstrators gathered outside the gates of the municipal government and in others protestors were marching in the streets. Demonstrators carried signs that read “Save Zhenhai [the petrochemical plant site], Save Ningbo, Save China,” and “We want to live, we want to survive.”

On Saturday, riot police fired tear gas and beat protestors, while marchers fought back with bricks and bottles. Some 100 people were detained. *Ningbo Daily* reported that the city’s Communist Party secretary Wang Huizhong and mayor Liu Qi held a meeting with representatives of the protestors in the evening and promised to make a decision reflecting the will of the people.

However, most of the protestors were sceptical over

the subsequent government statement that the planned Sinopec facility would be suspended, thinking that it was simply a temporary tactic to disperse the movement.

The *New York Times* reported that the official who read out the statement “was drowned by the crowd, which then called on the mayor to resign and demanded the release of protestors who had been detained.” The newspaper also cited postings on the microblog service Sina Weibo reporting that police raided Ningbo University to arrest protesting students and detained demonstrators who remained on the street.

The back down is rooted in broader political considerations. The unrest is a blow to the ruling Chinese Communist Party (CCP) as it prepared to hold its key 18th national congress on November 8 to carry out a leadership transition. In recent weeks, the state security authorities have called local governments to stop any protest ahead of the congress, because public demonstrations could destroy the already fragile “unity” of the rival CCP factions.

What concerns the CCP bureaucracy is that any mass protest against the government could become the focal point of a broader movement of the working class. Ningbo is a coastal city of 7.6 million within the industrially-developed Yangtze River Delta centred at Shanghai. Amid deepening global economic turmoil, China’s eastern provinces are currently experiencing falling exports orders creating a debt crisis for many private enterprises and the danger of a domino effect of business failures and large job losses.

There are signs of emerging unrest among workers.

Protests and strikes involving thousands of workers have taken place at Foxconn's giant sweatshops over unbearable pressure for higher output and stricter product standards. Last month, thousands of workers at Xinfei Electric Company, a major Singaporean-Chinese home appliance joint-venture, took strike action for four days over wages.

The planned Ningbo project is part of a wave of major new projects to produce the petrochemicals needed by foreign and domestic companies to make everything from plastics to cleaning solvents and textiles. The German chemical giant, BASF, for example, now operates 23 subsidiaries and 16 joint-ventures in China, with total sales of 5.8 billion euros in 2010.

This petrochemical expansion has become a significant source of social tension because the impact on public health and the environment is routinely ignored. Local governments are competing against each other for such projects, under the slogan of "Zhao Shang Yin Zhi" (attracting businesses and introducing capital) in order to boost the local economy. The local population is simply not consulted.

In August 2011, local authorities in Dalian city in the north-eastern province of Liaoning had to shut down a privately-owned PX plant after protests erupted and clashes with police took place.

In July, another confrontation took place in Shifang in Sichuan province, where police used tear gas and stun grenades against residents and students demonstrating over a planned \$1.6 billion molybdenum-copper plant. The project was eventually cancelled.

Later in July, Qidong city authorities in eastern Jiangsu province had to terminate the construction of a pipeline to dump wastewater from a Japanese-owned paper mill in order to placate protesters.

A major reason behind these concessions was that the protests were dominated largely by relatively affluent sections of China's urban middle classes. Their limited demands focused on environmental concerns that could be met by relocating the projects elsewhere.

In response to the unrest in Ningbo, an editorial in the *China Daily* declared that "too many local governments are still preoccupied with gross domestic product." It criticised local officials saying they "still need to acquaint themselves with the notion that residents' rights to a healthy environment must be adequately respected."

Other sections of the ruling elite are deeply concerned about the slowing of industrial investment and its impact on the economy. They regard even these limited protests as unacceptable. A recent editorial in the state-run *Global Times* commented: "Some claim the people in Ningbo scored a victory. But we hold that when deciding a heavy chemical project through such protests, there is no winner, but the whole country loses."

Within the CCP, there are factional differences over the need to cultivate a base of support among layers of the middle class. All factions are fearful of, and deeply hostile to, mass protests and strikes of the working class and rural poor.



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