

# CHINA BALANCE SHEET

## SOCIAL UNREST & NATIONAL STABILITY

The direction that China and U.S.-China relations take will define the world's future. For the United States, a rising China increasingly affects American prosperity and security, calling for some clear-eyed thinking and tough economic, political, and security choices. As the twenty-first century unfurls, the stakes have never been higher for getting U.S. policy toward China right. By untangling the complex, sometimes contradictory, strands of this vast and dynamic country, *China: The Balance Sheet* lays the foundation for informed and effective U.S. policy toward China, the world's emerging superpower.

### BACKGROUND

- Social unrest is rising in China. In the summer of 2005, senior Chinese officials announced that riots, strikes, demonstrations, and protests, had increased from 8,700 in 1993 to 74,000 in 2004.
- Ministry of Public Security sources announced in 2006 that public order disturbances rose by 6.6 percent over 2005, to 87,000.
- According to Chinese government statistics, the number of the more narrowly defined "mass incidents" fell 22 percent in 2006 to 17,900 between January and September.
- Protests are growing in average size from 10 or fewer people in the mid-1990s to about 52 people per incident in 2004.
- In the first half of 2005, there were over 340 protests involving more than 10,000 people, resulting in an estimated economic loss of \$4.2-5 billion.
- Between January and October 2005, 1,826 police were injured and 23 killed handling "mass group incidents."
- Mass petitions to government authorities by groups of citizens seeking the redress of their grievances increased at double digit annual rates of growth throughout the 1990s and into the early 21st century.
- In 2005, an estimated 40 percent of protests were rural and 30 percent urban.
- In urban areas, sources of unrest include: unfair working conditions in enterprises; lack of social security for laid-off workers; unpaid pensions for retired workers of state-owned enterprises; low and unpaid wages for migrant workers; insufficient compensation for resettled urban residents; and ethnic tensions.

For further information, see *Social Instability in China: Causes, Consequences, and Implications* by Carl Minzner, published in *The China Balance Sheet in 2007 and Beyond*, available online and Chapter 3: "China's Domestic Transformation: Democratization or Disorder?"

*China: The Balance Sheet: What the World Needs to Know Now about the Emerging Superpower*

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- In rural areas, where the frequency and scale of incidents are greater, unrest arises largely from shady land confiscation, fees, tolls and other local tax burdens, environmental degradation, and official corruption.
- Protests often aim to circumvent the control of local officials by challenging local decisions that differ from national regulations and thus provoking the intervention of higher-level authorities.
- “Responsibility systems” discipline local Party authorities for outbreaks of social unrest, which creates both incentives for citizens to resort to street protests to try to resolve their grievances. against local authorities and incentives for local Party officials to suppress social unrest. This conflicting incentive exacerbates social unrest.

## CURRENT SITUATION

- The central leadership is acutely aware of the challenges posed by social unrest. In late 2005, Central Party Committee and State Council leaders issued an internal directive that made reducing the level of social unrest a major policy goal in 2006. and they recently announced a slew of new policies aimed at addressing social welfare issues, especially in the countryside.
- The authorities have adopted a somewhat more permissive and sophisticated strategy to deal with protests, even supporting them on occasion: In April 2005, Premier Wen Jiabao reportedly called a halt to construction of a dam on the Nujiang River in Yunnan Province amidst widening public outcry against the project.
- That said, China has not “gone soft” on unrest: In the most troubling and persistent cases, local authorities will intimidate or arrest individuals deemed to be “ringleaders” as a way to suppress further protests.

## IMPLICATIONS

- While incidents of unrest are frequent and widespread – and clearly worrisome to Chinese leaders – they remain largely spontaneous, unorganized, and focused on localized “backyard” grievances. They do not appear to threaten the stability of the regime for the near- to medium-term.
- The vast majority of protests are not promoting broader political reforms, nor do they appear linked through any national network or other coordinating mechanism of dissent.
- Chinese authorities will, however, continue to crackdown at the first sign of any association among leaders and organizations on a national level, such as against Falun Gong and the China Democracy Party.
- While Chinese officials admit that failures of local government officials are the cause of many citizen protests, they have so far avoided the deep institutional reforms required to address long-term problems of social instability in favor of maintaining centralized one-Party rule in the near-term.
- By pointing out the linkage between authoritarian controls and the increase in citizen protest activities, U.S. authorities can credibly tie greater political liberalization to a core interest of Chinese leaders: social stability.

### Recent Incidents of Unrest in China

- *March 2007: A mass riot in Hunan province over an increase in public transportation fees led to the death of at least one person and the injury of several dozen. The clash involved more than 20,000 disgruntled farmers, 1,700 local police, and 20 truckloads of armed forces called in for back up.*
- *January 2006: A Chinese farmer detonated a bomb in a court house in Gansu Province, killing himself and four others and injuring 22 people. The farmer was protesting a court ruling over a land dispute.*
- *December 2005: In Dongzhou Village, Guangdong Province, local police opened fire during a confrontation with some 300 villagers protesting construction of a local power plant; 20 people were reportedly killed.*
- *April 2005: In Huaxi, Zhejiang Province, some 60,000 farmers erupted in anger over local government indifference to over health problems caused by nearby chemical plants. Two people were reported killed.*
- *October 2004: A clash between Han Chinese and Hui minorities in Henan Province involving over 10,000 people left 100 people dead, including 15 police, and 400 injured.*