

CHINESE GOVERNMENT LEARNING TO LIVE WITH SOCIAL PROTESTS

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Executive Summary

1. Most of the social protests in China are non-threatening to regime stability. On the contrary, they function as one of the major components of social stability. They serve as checks against the abuse of power by the leaders and as mechanisms to ensure the accountability of the government.
2. Large-scale mass incidents may decline in the coming years. Most of the causes of economic grievances that have arisen during the process of socio-economic transformation are on the passing soon. Increasing financial capabilities also enable the government to ease the economic pains of the transformation and significantly reduce the occurrence of large-scale mass protests.
3. Contrary to the view that authoritarian regimes tend to suppress social protests by force, the Chinese government has tolerated most large-scale mass incidents (60%) and rarely applied force (4%). The Ministry of Public Security has repeatedly emphasized that the government should dispatch police forces with caution (慎用警力). The government has also accommodated close to 30% of the large-scale mass incidents with economic compensation.
4. The Chinese political system is able to learn and make adjustment from its own experiences. The central government has organized training programs for leading officials from local governments. The central theme is how to manage “emergency incidents” (突发事件) without causing further unrest.
5. The central government has established an accountability system, explicitly holding officials accountable for the outbreak and mishandling of mass incidents. Provincial governments have also followed suit. These institutional innovations have provided incentives for the officials to minimize the likelihood of social protests

6. While the authorities hardly ever admit to wrong doings or offer any apologies, they certainly correct their mistakes. Failed policies would be revoked or changed due to persistent social protests, such as the abolition of agricultural tax and the increase in retirement pension for SOE retirees. This mechanism of social protests ensures rather than undermines social stability in China.

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TONG Yanqi & LEI Shaohua*

- 1.1 No economy of China's size that has experienced economic growth at such a dynamic pace could avoid experiencing social tensions and social disruptions in the process. The increase in large-scale mass incidents in recent years reflects the pains and social costs of China's socio-economic transformation. Social problems are also aggravated by corruption and incompetence of local governments.
- 1.2 An analysis of data indicates that the occurrence of large-scale mass incidents had declined in 2009. This could either be a short term effect because of the tightening of government control in preparation for the 60th anniversary of the PRC or a long term trend due to improved socio-economic conditions and local governance. The latter is a more likely scenario.

TABLE 1 LARGE-SCALE MASS INCIDENTS BY YEAR (2003-2009)

Year	2003	2004	2005	2006	2007	2008	2009	Total
Cases	9	20	9	25	63	76	46	248

- 1.3 Most observers in the West have primarily focused on the protesters, especially their grievances. Very few have paid attention to how the Chinese government has reacted to these mass incidents. The general assumptions are that the outbreaks of social protests are caused by socio-economic illnesses,

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and a communist authoritarian regime would crush these unrests which would further destabilize the political system.

- 1.4 However, if one looks at the issue of political stability from the perspective of how the government has responded to mass incidents, the conclusion would be different. Socio-economic protests are rarely system threatening and the political system in China is capable of making self-adjustment and responding to socio-economic problems.
- 1.5 The central government will do well to capitalize on the frequency and scale of social protests as an effective performance indicator to keep the local governments on their toes and press for improving governance, reducing corruption, and perfecting crisis management. Beijing could step in as the arbitrator to further strengthen its legitimacy in the event social protests became uncontrollable.

Non-Threatening Mass Incidents

Political Tradition

- 2.1 A salient feature of Chinese political tradition is, as Mencius emphasized, the responsibility of the government in the provision of people's welfare. Such political culture encourages and empowers protesters to rise up from the bottom of society to challenge government leaders. Claims to a basic subsistence that stay within local confines have seldom been deemed threatening by the Chinese regime. Only when the rulers repeatedly failed to respond to subsistence demands were they doomed.
- 2.2 A well known social protest scholar, Elizabeth Perry at Harvard University, has long argued that social protest in China is one of the major components of social stability. They serve as checks against the abuse of power by the leaders and as mechanisms to ensure the accountability of the government. In an authoritarian polity where elections do not provide an effective check on

the misbehavior of state authorities, protests can help to serve that function, thereby undergirding rather than undermining the political system.¹

- 2.3 Most of China's 248 large-scale mass incidents were driven by economic grievances, and therefore fit into the above category. These economic grievances were generated either by the misconduct of local officials or the process of socio-economic transformation when there was a lack of experience in handling these problems or the lack of proper regulations.
- 2.4 These economic protests do not threaten the regime for two reasons. First, if the protest has economic demands, it involves expectations for government action. By asking the government to "enforce justice" (做主), the protests themselves provide legitimacy to the regime. In other words, if people are counting on the government to solve their problems, they are endorsing the authority of the government.
- 2.5 Second, economic demands are most likely to be satisfied when the state has plenty of financial resources. If the state could respond to these demands, it further consolidates its legitimacy.

The Passing of Economic Distress

- 2.6 As China is in the process of socio-economic transformation, the causes for certain grievances that have arisen during the process would also disappear as the process evolves. In other words, many forms of grievances are developmental, and they will be solved by further development. For example, the taxation disputes, once a cause for fierce mass movement, have totally vanished from the scene.
- 2.7 Some of the current causes of large-scale mass incidents may be on the passing soon. The most frequent large-scale mass incidents are labor disputes

¹ Elizabeth Perry, *Challenge the Mandate of Heaven: Social Protest and State Power in China*, M. E. Sharpe, 2002; and "Chinese Conceptions of Rights: From Mencius to Mao—and Now," *Perspectives on Politics* 6:1 (March 2008), pp. 37-50.

of state-owned enterprises (SOEs). In these cases, the government is directly responsible for the grievances generated by the structural changes. However, structural changes to the SOEs may have passed their most difficult period. In today's China, the SOEs have become the equivalent of the rich with huge surplus in savings. They are able to settle financial disputes with their employees more easily than before. Other social security mechanisms have also matured over time and are likely to reduce large-scale mass incidents.

- 2.8 The second type of labor disputes are in the non-state sector. Labor disputes with foreign or private investors do not directly involve the government. Therefore these kinds of mass incidents do not threaten regime stability. Sometimes, the government has to step in to be the mediator between the workers and the investors. At other times, the government even has to provide financial assistance to calm down the angry workers. This would only further strengthen the legitimacy of the government.
- 2.9 Land disputes are more complicated. Land disputes usually occur between peasants and developers or business companies. However, as developers or business companies are typically backed by the local government, these land disputes often evolved into a confrontation between the peasants and the government. Some of the resistance was fierce. However, land disputes only occur in selected areas. If it is a matter of economic compensation, it is not difficult for the government to put down the resistance.
- 2.10 Ethnic conflicts are caused by different rationales. Yet economic distress such as income disparities has compounded ethnic conflicts. Continued economic prosperity will ease certain ethnic frictions. Moreover, although conflicts of different ethnic identities are hard to reconcile, they are mainly confined to minority areas.
- 2.11 The most system threatening mass incident is disturbances and riots with no specific economic demands. The outburst of disturbances is often the product of broad and diffused social grievances over a variety of issues ranging from inequality, corruption and social injustice to increasing drug addiction.

Disturbance is often triggered by poor local governance, especially the misconduct of *chengguan* (城管) or the police. In these cases, social anger, not economic demands, is directed at the authorities. These incidents could be system threatening because they are challenging rather than endorsing regime legitimacy. Reduction of disturbances requires the improvement of local governance.

Government Responses to Large-Scale Mass Incidents

- 3.1 Contrary to common belief that an authoritarian regime would suppress mass protests, the regime in China has shown a considerable degree of tolerance toward protests by farmers and workers if they remain clearly bounded in both scale and aspirations (Table 2).
- 3.2 The multi-layered administrative structure of the Chinese state has provided a favorable mechanism to mitigate the impacts of large-scale mass incidents. The targets of the protests were mainly local authorities, which serve as a cushion for the central government. The central government can not only use these opportunities to check on the misconducts of local officials, but also step in as the arbitrator for justice rather than the blame bearer.

TABLE 2 GOVERNMENT REACTIONS TO LARGE-SCALE MASS INCIDENTS

Year	2003	2004	2005	2006	2007	2008	2009	Total	% of Total
Cases	9	20	9	25	63	76	46	248	
Tolerance	5	8	3	17	46	46	27	152	61%
Accommodation	4	11	3	4	16	24	10	72	29%
Discipline	1	2	4	0	2	5	6	20	8%
Force	0	0	2	4	0	2	2	10	4%

Note: In some cases, the government used more than one method. Therefore the summation of different methods is slightly larger than the total number of cases.

Tolerance

- 3.3 About 60% of large-scale mass incidents were tolerated (152 out of 248). The government would watch the development of the mass incident closely but refrain from using force. The police sometimes may detain a couple of activists but would release them soon after the incident without any charges. Local government officials usually would not be held accountable for these incidents. Yet the protests would not receive much compensation.
- 3.4 For protests that are not particularly targeted at the government, such as the labor disputes within foreign ventures, anti-Japanese student demonstrations, or student protests against school administration, the government has typically stayed out of the disputes.
- 3.5 In 2008, the Ministry of Public Security had issued several documents, repeatedly emphasizing that local governments should deploy their police force with caution (慎用警力). The police have been instructed not to carry weapons and not to fight back if attacked.
- 3.6 Sometimes the caution in dispatching police forces has received sharp criticisms. There have been complaints that the armed police was dispatched way too late in the Lhasa and Urumqi incidents which led to unnecessary deaths and injuries.

Accommodation

- 3.7 The government is also willing to accommodate to the demands raised by the protestors. Accommodation has been the second most frequently used method in large-scale mass incidents (29%). Using money to pacify unrest has become possible only after the central government has accumulated enough financial resources after the taxation reform of 1994. Some rich local governments are also able to do so. But this is not a viable solution in the poor areas.

- 3.8 All five veteran protests were solved with economic compensation. One third of the disputes in SOEs received some kind of economic accommodation (21 out of 64). Sixty percent of the land disputes ended with monetary compensation (16 out of 26).
- 3.9 Half of the labor disputes in the non-state sector received economic compensation (23 out of 44). Most of the compensation was paid by the enterprises with government supervision. Occasionally, if the enterprise is bankrupt, the government would shoulder the financial burden. One such example is the case in Dongguan County of Guangdong Province. When the Hong Kong investor deserted the factory and disappeared, the township government paid the workers their back wages.

Disciplining Officials

- 3.10 Since protests are mainly targeted at the local government, local officials are sometimes held accountable for either the outburst or mishandling of the incident. The central government would discipline local officials to calm down the social unrest. In 20 out of 248 incidents (8%), local officials were sacked afterwards.
- 3.11 The occurrence of large-scale disturbance and riot is an indicator of poor governance. Without exceptions, local leaders would be disciplined (dismissed) if a large-scale disturbance accelerated into mass riot. Typical cases are Weng'an and Shishou incidents. All major leaders from these counties were removed from their offices.
- 3.12 In general, government officials would be disciplined under any of the following conditions: 1) There is a large number of participants in mass incidents; 2) The participants have assaulted government institutions or transportation hubs; 3) There are deaths and injuries; 4) The incident occurs on the eve of important holidays or event (e.g. National Day, or Olympic Games); and 5) The incident has attracted intense pressure from the public.

Application of Force

- 3.13 The government has been avoiding the application of force as a solution to mass incidents. The overwhelming majority of the incidents were not forcefully repressed and few activists were arrested. But this does not mean that the government has no teeth. There were cases where the government deployed the police force. From 2003 to 2009, the government has used force in 10 of the 248 large-scale mass incidents (4%).
- 3.14 The preconditions for applying force are 1) police officers are attacked in their efforts to keep order; 2) violent acts such as killing, burning, looting, and smashing; and 3) the political purposes and goals of these incidents. Large-scale ethnic riots were typical cases where force was used.
- 3.15 In general, there are several ways of applying forces: 1) Opening fire on site, such as the case of Dongzhou Village when police was under attack; 2) Arresting those who have participated in killing, looting, burning, and smashing, such as the case in Urumqi; and 3) Investigating criminal liability after the mass incident has quieten down, which often means making delayed arrests (秋后算账), such as the case in Shishou.

Learning Capability of the Political System

- 4.1 The willingness of the central government to respond to some of the protesters' key grievances points more toward political flexibility than toward fragility. Moreover, the Chinese political system is able to learn from its own experiences. The governments have been learning to prevent and deal with mass incidents in a more effective manner.

Training Program for Local Officials

- 4.2 After the Weng'an Incident, the central government has organized training programs for over 3,000 county party secretaries and chiefs of public security bureaus. The training program focuses on ways to deal with "emergency

incidents (突发事件). The central theme is to conciliate first and refrain from using force. This may help to explain the reduction in the number of large-scale mass incidents in 2009.

- 4.3 Yet, in some places, such as Shishou (where the largest riot occurred one year after the Weng'an incident), the training program did not seem to work. Web bloggers commented that officials from Shishou were too dumb to learn and deserved to be sacked.

Accountability System

- 4.4 After the Shishou incident, on 13 July 2009, the central government enacted an “accountability system” for officials above the county level government, including the central government. It stipulates that if the misconduct of the officials leads to the outburst of mass incident or the officials mishandled the mass incident, they would be held accountable. Depending on the seriousness of the incident, the officials will have to either make public apologies, or resign, or be dismissed.
- 4.5 Similar systems have been implemented at local levels as well. For example, in Jiangxi Province, the standards for the township governance evaluation are, in descending order, 1) zero petition visit to Beijing; 2) zero mass incident; 3) family planning; 4) environmental protection; and 5) solicitation of outside investment. The meeting of the first two measurements is crucial as the failure of which will cancel out or negate any achievement in other categories. Other provinces have also set comparable criteria.
- 4.6 This kind of accountability system is different from the system in democracies in which elected officials are accountable to voters. However, as long as the officials are held accountable for their mistakes, the Chinese system is equally effective. It has obviously provided incentives for local officials to annihilate any potential mass incidents as the political careers of the local government leaders are at stake.

“Harmony Bonus”

- 4.7 With these political incentives, local governments have designed various schemes to prevent mass incidents. An interesting example is that of the “harmony bonus” established by the government of Minhang District of Shanghai. If a village has no mass incident during land requisition process, in addition to land and relocation compensation, every family will receive a harmony bonus of 8,000 RMB each, to be delivered in installments in two and a half years. Any mass incidents within this period will deprive the entire village of its harmony bonus.

Improving Governance

- 4.8 As the government is tolerative of most mass incidents, it has been adjusting its policies. The government is well aware that the persistence of protests of a same type indicates serious problems that need to be addressed.
- 4.9 Policy adjustment ranges from issues as big as the abolition of agricultural tax to matters as small as the termination of a dog-killing campaign. Another example is that the consecutive waves of protests by laid-off SOE workers in Northeast China had forced the central government to appropriate huge funds to renovate the shabby houses of laid-off workers to survive the harsh winter season.
- 4.10 In December 2009, the State Council decided to raise the retirement pension of SOE retirees for six consecutive years. This had alleviated the pain caused by the structural changes of the SOEs and would significantly reduce the labor disputes arising therefrom. The housing relocation regulation is also under revision to ease the friction during such a process.
- 4.11 The manner in which the government deals with social protests has improved in some places. A case in point was the taxi drivers strike in Chongqing in 2008. The taxi drivers were complaining about the high rent imposed by taxi companies and the illegal competition from unlicensed taxis. Party Secretary

of Chongqing city Bo Xilai's direct dialogue with the taxi drivers was broadcast live on television. Bo promised to reduce the rent and remove unlicensed taxis from the market. His effort was well received by the public.

- 4.12 Other cities took the cue from Chongqing. The Beijing Municipal Government for the first time has allowed taxi drivers to charge a fuel tax (燃油费) while the Shanghai Municipal Government has also invited the taxi drivers to voice their concerns. The eagerness to wipe out unlicensed taxis led to schemes such as the so-called "fishing."² In Shanghai, one such fishing effort hooked the wrong guy, and the public security bureau had to make public apologies to the victim.

Policy Responses to Sustain Social Stability

- 5.1 Social protests in China are one of the major components of social stability. They serve as checks against the abuse of power by the leaders and as mechanisms to ensure the accountability of the government.
- 5.2 Large-scale mass incidents driven by economic grievances are likely to decline in the coming years. Most of the causes of economic grievances that have arisen during the process of socio-economic transformation may be on the passing soon. Increasing financial capabilities also enable the government to ease the economic pains of transformation.
- 5.3 Contrary to the view that the authoritarian regime tends to suppress social protests with force, the government has tolerated most of the large-scale mass incidents and rarely applied force. The government has accommodated close to 30% of the large-scale mass incidents with economic compensation.

² Referring to plain-clothed police officers who pretended to be customers and tricked private car drivers into taking passengers.

- 5.4 The Chinese political system is capable of learning from its own experiences. In order to deal with large-scale mass incidents, the central government has established training programs for leading officials from local governments.
- 5.5 The central government has also established an accountability system holding officials accountable for the outbreak and mishandling of mass incidents. The institutional innovation may be crucial to reducing the occurrence of large-scale mass incident.
- 5.6 While the authorities never admit wrong doings or apologize for them, they do correct their mistakes. Failed policies would be revoked or changed due to persistent social protests. This mechanism of social protests ensures rather than undermines social stability in China.
- 5.7 In order to minimize the likelihood of the most destabilizing mass incidents—disturbances and riots—governments at all levels need to design more institutional mechanisms to improve governance. Training programs could be extended from teaching local leaders on how to cope with emergency incidents to training the entire government staff on the manner of governance. A clean, effective, and civilized government is the key to long-term social stability.