

**CHINA'S SOCIAL PROTESTS:
POLITICAL THREAT OR GROWING PAINS?**

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Executive Summary

1. The number of strikes, demonstrations, riots, and other forms of “mass incident” in China had grown 22% annually between 1994 and 2004, from about 10,000 to 74,000. The only exception is between 2005 and 2006, when mass incidents reportedly declined by 16.5%.
2. These events clearly indicate rising discontent of losers in the major structural transformations now sweeping the Chinese economy. The decline of the previously dominant state industrial sector, the expropriation of farmland for non-agricultural development, and the rapid commercial real-estate development in urban areas have sustained the rise in social protests.
3. The rising protests, together with the much publicized scandals such as tainted food, labor slavery and pollution crisis, reveal the downside of China’s economic boom. They have raised concern about the prospect of China’s social and political stability. Many believe that the recent waves of protest have the potential to impose a significant political challenge to the regime.
4. A careful analysis suggests otherwise. In general, recent protests do not involve politically strategic populations, such as rank and file party members, government functionaries, and winners of the recent rapid economic expansion.
5. With only one exception (purchasers of apartments), none of the protest groups are located in politically strategic regions or enterprises. Protests in rural regions and rust-belt towns are far from the leading political and commercial centers of China, where protests would have the greatest impact.
6. Moreover, these protests target specific issues instead of broadly defined rights; the motives for participation vary across localities and shift over time, which helps lower the risk of spreading, escalating and lasting into sustained social movement.

7. China's economic boom has produced far more winners than losers. Insofar as the winners generally accept the regime's claim that current political arrangements are the only currently tenable ones that can provide stability and prosperity, the regime has a firm basis of social support.
8. What kind of motives *would* stimulate protests that have more serious political implications? First, some kind of macro-economic shock – a renewed bout of inflation, a sharp decline in export, or a burst of property bubble – would unite disparate populations, especially in politically strategic regions.
9. Second, some external political shock – a failure of the regime to stand up for China's national dignity – would be equally destabilizing. A humiliating failure on the Taiwan issue would promote anti-regime sentiment, even among party members and government functionaries, and trigger discontent.
10. In sum, the recent waves of protest in China are a response by scattered pockets of the population who are losers during the period of structural changes. The protests do not involve politically strategic populations and are unlikely to culminate to any serious challenge to the regime, even if they continue to rise in prevalence.