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CHINESE PRESIDENT XI JINPING BESET BY GROWING POPULAR DISCONTENT

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Faced with increasing popular discontent, Chinese President Xi Jinping and the Chinese leadership have since the 19th Party Congress in 2017 been focussed on trying to assert the Chinese Communist Party (CCP)'s pre-eminence in all sectors and ensure social stability. The legitimacy of the CCP and its continuance as the sole ruling party of China are the top priorities. There are various indicators that confirm popular discontent in China, including within the CCP, is rising. This has the potential to adversely impact the CCP's leading role and Chinese President Xi Jinping's position. China's security apparatus has consequently been appreciably increased as reflected in the expanded budgets and leadership appointments of the Ministry of Public Security (MPS) and Ministry of State Security (MoSS).

2. Reflecting the leadership's sensitivity to the rising discontent was the decision of the Chinese authorities in recent months to prohibit official Chinese organisations from reporting the number of protests and strikes taking place. These showed that the number of protests and strikes by workers due to poor working conditions or non-payment of dues were rising across China. Nikkei Asia (November 21) disclosed that "around 50 to 70 demonstrations are now occurring monthly, though August saw about 100 worker-led protests, three times as many as the same month a year earlier. Since June 2022, demonstrations have occurred in 276 cities nationwide". It said Freedom House's China Dissent Monitor project tallied 1,777 demonstrations linked to the property sector between June 2022 and October 2023.

3. Human Rights in China (HRIC) reported that on December 27 and 28, 2023, thousands had gathered in Henan to protest the death and possible gruesome murder of a 14-year-old student, as well as the government's apparent complicity in helping the school cover it up. The demonstrations drew crowds of over ten thousand, becoming the largest Chinese protest of 2023. The authorities quickly cracked down, with police and blockades shutting down the whole city. Separately, in Sichuan, doctors perched on windowsills to protest unpaid wages, amid a series of protests over wage arrears. The Hongkong-based China Labour Bureau reported in January this year, that in the last 6 months there were 1104 strikes in China and 976 calls for help by workers striking for wage arrears etc. with the latest incident occurring in Guangdong Province. On January 4, 2024, Radio Free Asia reported that amidst the waves of layoffs across China, Beijing bus companies are hiring security guards so that each bus has at least two to "prevent emergencies".

4. China's economic situation is more stressed than it has been for decades. The magnitude of the problem can be gauged from the government's efforts to curb spending. Cuts in wages

of government employees are quietly being effected across China. The National Financial Work Conference held in Beijing on December 21-22, 2023, emphasized the need to vigorously promote financial management reform next year. It stressed the importance of practicing frugality to instil the concept of tightening belts and establishing a system of living within tight financial constraints. Reports from China's provinces on December 28, 2023, revealed that the policy of reducing salaries of civil servants is spreading to the more prosperous areas and regions including Beijing, Hubei, the Yangtze River Delta, and the Pearl River Delta. A civil servant in a Beijing municipal agency said that although the basic salary has not changed this year, various subsidies and bonuses have been reduced by tens of thousands of yuan. He said a Salary Reduction Office had been established to eliminate the "unreasonable" benefits provided earlier. An article on the official WeChat account of Hubei Province disclosed that the wave of salary reductions began quietly in 2023 before the year's end. It mentions a town-level civil servant in Xiantao, Hubei, who joined in 2018, experiencing a reduction of about 280 yuan in monthly salary that month and a halving of the year-end performance bonus of over 10,000 yuan, resulting in an overall salary reduction of around 15%. The annual income in Shenzhen has dropped from over 360,000 yuan to just over 250,000 yuan, and in Zhuhai, it has decreased from 280,000 to about 200,000 yuan. After the reduction, the annual income for provincial government employees in Guangdong is over 220,000 yuan, in Foshan and Dongguan it's 200,000 yuan, and in Zhongshan it ranges from 150,000 to 200,000 yuan, with Huizhou and Jiangmen at 140,000 yuan. Reports also suggest that civil servants in various regions are undergoing structural adjustments in their salary, which is a "disguised" pay cut. A netizen on Xiaohongshu, a social media and e-commerce platform with over 300 million registered users, claimed that Shandong Province has issued a document eliminating the basic performance bonuses but leaving room for discretionary distribution. A notice on "strengthening budget management and adhering to the concept of living within tight financial constraints" issued by the Xiamen Municipal Government in Fujian Province has widely circulated online. It strictly prohibits the unauthorized construction of buildings and facilities and forbids projects solely for political achievements or image-building. Meanwhile, China's state-backed Zhengzhou Public Transport Group is seeking opinions internally on its plan to encourage employees to start their own businesses.

5. Radio Free Asia (RFA) reported on November 16 that the authorities have reduced wages for public security and national security personnel by about 20 percent. It quoted a well-known dissident in Beijing who did not want to be named for security reasons as telling: "The National Security Bureau told me that they have reduced wages by about 20%. Now they are more polite than before". A human rights activist in Chengdu who did not want to be named for fear of retaliation told RFA: "The national security guards in Chengdu have all had their salaries reduced, with each person receiving a reduction of one to two thousand yuan. No wonder they are now more polite than before. In fact, they have also begun to get dissatisfied with the government, after all, the wage cut affects their interests." Separately, Radio France International (RFI) reports that there are numerous posts by citizens on Sina complaining about delayed payment of wages and non-payment of wages for up to 8 months. When wage cuts were announced by the National People's Congress (NPC) across the board for all government ministries and departments from 2020 till 2022, the Ministries of Public Security and State Security were exempt as was National Defence. That they also now face wage cuts indicates the Chinese government's severe financial constraints.

6. The authorities apparently hope to offset any consequent laxity in discipline and enforcement of the security personnel with the introduction of a “whistle-blowers” programme to help maintain social stability. For example, on October 25, Beijing’s Tongzhou District issued confidential documents to various industries and offered rewards to encourage people to provide “hints of instability”. The documents explain that intelligence clues combined with the results of actual application have different levels of rewards for the whistle-blowers. From first-class clues to fourth-class clues and other clues, rewards range from 10,000 yuan to 500 yuan. The final reward amount will be determined based on the actual effect. If multiple people report the same clue, only the first citizen to report will be rewarded. Posts on social media by citizens critical of the programme say that the “Big Whistleblowing Campaign” is the fifth largest intelligence organization in China after the “Chaoyang Masses”, “Xicheng Aunt”, “Haidian Netizens” and the “Fengtai Persuasion Team”. Some netizens feared that this campaign to involve citizens in maintenance of stability will lead to the recurrence of the mutual revelations of the Cultural Revolution, and the emergence of a large number of so-called “secret agents” and will help the CCP divert social conflicts and consolidate its power.

7. There are a number of other indications that China's economy is slowing. For example, graduate unemployment has been officially declared to be 21.8 percent which, in a one-child society further accentuates dissatisfaction. After releasing such data twice in six months, with both data sets reflecting steadily growing figures, the National Statistics Bureau (NSB) was stopped from issuing this data. Similarly, the NSB has ceased releasing data on joblessness. The number of marriages have declined as girls say that with housing shortages and jobs paying less, they would rather live at home and share their salaries with their parents. This has raised fears of a declining population which would lower national productivity and CCP cadres have been directed to talk to youth and persuade them to marry. There is also a rising trend of young graduates applying for government jobs in contrast to looking for employment in the private sector. The lack of appropriate jobs has had a deleterious effect on Chinese youth and led to the social phenomenon called '*tangping*', or losing hope and 'lying flat'. Party cadres are trying to dissuade the youth from adopting such an attitude as it could adversely affect China's productivity and economy. China's social media shows another similar attitude impacting the youth who, instead of striving harder, are hosting “quitting” parties and leaving their jobs.

8. There is, additionally, a high outflow of funds from China indicating that Chinese businessmen are uncertain about the country’s economy and its policies. China's State Administration of Foreign Exchange (SAFE) recently revealed that there had been an outflow of US\$ 53.9 billion in September 2023. This is the largest amount since January 2016, when China logged a net outflow of nearly US\$55.8 billion. Al Jazeera (May 2) quoted the rights group ‘Safeguard Defenders’ as reporting that China has stepped up use of ‘exit bans’ against government critics with more than 15 laws and legal instruments in place. It noted that mentions of ‘exit ban’ on the Supreme People’s Court database rose from less than 5,000 in 2016 to 39,000 in 2020. It added that only administrative, criminal, and civil case-related exit bans appear on the court’s ‘China Judgments Online database’ so the figure is probably an underestimation, noting that it can also take up to two years for data to be uploaded.

9. In just the past few weeks China's NSB was instructed not to release official data on joblessness in China and the rise in graduate unemployment. The implication clearly is that release of such information confirms the economic downslide and raises questions on the leadership of the Chinese Communist Party (CCP). Meanwhile, Xi Jinping has consistently laid stress on stability over development. This appeared to change last month, however, when the once-in-five-year Central Economic Work Conference mentioned progress and stability and placed progress ahead of stability. The CCP's mouthpiece People's Daily also published an editorial stressing that reforms were necessary for the rejuvenation of China. However, stability continues to receive greater prominence.

10. The growing dissatisfaction, which appears to exist within the CCP too, has moved Xi Jinping to increase the number and enlarge the scope of the security-related organisations and appoint 'loyalists' to head them. Telling is that China's apex security body, the National Security Commission, which is chaired by Chinese President Xi Jinping, has Premier Li Qiang and Politburo Standing Committee member and Director of the important CCP CC General Office, Cai Qi -- both long time confidants and loyalists of Xi Jinping -- as its two Vice Chairmen. An expanded national anti-espionage law is also to soon be made applicable in all provinces and Autonomous Regions in China.

11. At the Central level, in 2023 just prior to the 20th Party Congress, Xi Jinping curtailed the authority of the five other Politburo Standing Committee (PBSC) members to appoint and pay staff members and authorised the Ministry of Public Security (MPS) to monitor members of the CCP CC Politburo. Unless the economy begins to grow and people's lives improve, Xi Jinping will continue to face increasing popular discontent.

(The author is Member of the National Security Advisory Board and President of the Centre for China Analysis and Strategy.)