4 Comrades and collectives in arms

Tax resistance, evasion, and avoidance strategies in post-Mao China

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Within months of the February 1997 passing of Deng Xiaoping, the chief architect and symbolic father of the post-Mao reform program, the Chinese countryside was gripped by a rising tide of collective violence. Farmers frustrated by the unrelenting demands of local tax collectors took to the streets in a wave of contentious actions that spilled across the three central provinces of Hubei, Jiangxi, and Sichuan during the summer and fall of 1997. In Jingzhou Prefecture, Hubei Province, rural residents staged parades and demonstrations and filed petitions in more than seventy incidents that accused the authorities of “exploiting and fleecing the peasants.” In Tianmen County, a combined force of nearly 3,000 peasants assaulted the Party and government offices, leading to a stand-off with armed police.¹ In Jiangxi’s Pengze County, nearly 5,000 peasants from five villages and townships besieged the county government building in hand tractors, shouting “Down with the county lords!” and “Down with the county officials and local despots!” In a separate incident in another Jiangxi county the same month, protesting farmers claimed that they would start an armed rebellion to initiate the third great revolution in modern Chinese history.²

Despite the apparent successes of the Dengist reform program in stimulating the market economy, it has also created a milieu ripe for contentious politics. Numerous official, journalistic, and scholarly accounts have pointed to the rising trend in collective violence with growing alarm. One 1993 Chinese government report cited by a Hong Kong periodical noted that over 1.5 million cases of protest had occurred in rural areas that year alone, over 6,000 of which were officially classified as “disturbances” (naoshi) by mainland authorities. Of these cases, 830 involved more than one township and more than 500 participants; 78 involved more than one county and over 1,000 participants; and 21 were considered to be “extremely large-scale” (teda de) events involving more than 5,000 participants. A surprising number of these confrontations turned violent: during these disturbances, 8,200 casualties resulted among township and county officials, 560 county-level offices were ransacked, and 385 public security personnel were fatally injured. According to the same report, the first four months of 1994 continued the trend of rising violence: collective protests that took place between January
and April of 1994 resulted in over 5,000 casualties among county and township government personnel. That same year, the author of the bestselling *China from the Third Eye* argued that by unshackling the peasantry, the Dengist reforms “spelled the beginning of the collapse of the Great Wall [of socialism and Party domination] ... The genie is out of the bottle,” and predicted nothing less than a total “social cataclysm” for China in the next decade or so, should current trends continue. More recently, the Taiwanese Mainland Affairs Council reported that the number of public protests and demonstrations on the mainland reached 110,000 in 1999, a jump of 70 per cent over the 60,000 registered in 1998, and that information gleaned during the first half of the 2000 calendar year suggested that collective protests would surpass the record set the previous year.

The restive quality of mass politics in contemporary China stems from a long tradition of collective action, rebellion, and popular contention, insightfully described by Elizabeth Perry, Lucien Bianco, and others. It is therefore hardly surprising that as the post-Mao leadership continues to deepen existing market reforms, both those marginalized and those empowered by such policies have mobilized to press their claims against the regime. This chapter focuses specifically on recent incidents of collective tax protests, and seeks to compare reform-era mass mobilization strategies to those employed by the Maoist regime. Leaving aside acts of violence by individuals and their families against tax collectors and state agents – events which are also on the rise – episodes of collective tax resistance (kangshui) in the era of reform clearly demonstrate the capacity of groups, collectives, and even communities to draw upon the organizational resources created by the Mao-era state and to use them to pursue very different aims in the period of reform.

Episodes of tax protest, avoidance, and resistance reflect directly on the larger question of regime legitimacy. Reform-era tax protestors have raised serious questions about the legitimacy of taxes, not only in terms of the types and amounts of tax monies levied, but also in terms of the manner in which they were collected, and then later used, by local governments in the PRC. In the absence of more routinized forms of political expression, rural taxpayers see collective action as a rare opportunity to convey their grievances to those in power. In his work on political contention, Charles Tilly argued that in 19th-century Europe, “most people did not vote, petition, or take positions on national affairs in anything like the contemporary meanings of those terms. Yet they did act together on their interests, broadcasting their demands, complaints, and aspirations in no uncertain terms” through the medium of collective action. Reading the meaning of such events requires careful attention to the particular patterns, or repertoires, that give such episodes shape and form.

Any population has a limited repertoire of collective action: alternative means of acting together on shared interests. In our time, most people know how to participate in an electoral campaign, join or form a special-interest association, organize a letter-writing drive, demonstrate, strike, hold a meeting, build an influence network and so on. These varieties of action constitute a repertoire in something like the theatrical or musical sense of the word -- but the repertoire in question resembles that of *commedia dell’arte* or jazz more than that of a strictly classical ensemble. People know the general rules of performance more or less well, and vary the performance to meet the purpose at hand.

What can the language of collective action tell us about regime legitimacy in reform-era China? An examination of recent episodes of anti-tax resistance suggests three general repertoires, each of which reflects a different type of fracture within the reform-era polity: protest corresponding to ethnic divides, mobilization that is centered in the vestiges of the Mao-era collective economy, and anti-tax resistance that arises from the new enterprises and social forces that are themselves products of the Dengist reform program. Due to the sensitive nature of Han control over large portions of the west and southwest, both post-1949 and reform-era economic policies have tended to be less rigidly implemented in areas with significant non-Han populations. Perhaps not surprisingly, given the relatively high level of financial support provided for locales in such regions, episodes of collective tax resistance in these areas appear to be relatively rare, and are often conjoined with episodes of ethnic strife and calls for secession and ethnic autonomy. By contrast, reports of tax protests in central China, including those occurring in the north-east rust belt, are far more numerous. Workers and farmers in these areas, whose livelihood is still significantly shaped by the state-imposed institutional structures of the Mao era -- the vestiges of the commune in the countryside and the state-controlled industrial work units in the cities -- readily draw upon the organizational and discursive legacies of the revolutionary period when they mobilize collectively to protest tax collection. Finally, tax resistance by the reform-era small private businesses and merchants, heavily concentrated in the eastern provinces, but also present in peri-urban areas in central China, often adopt a contract-based language of long-term negotiation and strategic resistance against the demands of local officials.

These three patterns of protest, which appear to be directly related to the deepening of market reforms, offer three different critiques of the current regime's claims to legitimacy. Anti-tax protests that evolve into demands for ethnic autonomy call into question the claims of the Han-dominated Party-state to represent the interests of minority groups, many of which have reacted with alarm to recent influxes of Han settlers to their traditional homelands. Acts of tax resistance by farmers and state enterprise workers that rely heavily upon the class-based language and organizational forms popularized under Mao probe the true depth of the commitment of the current leadership to the interests of the workers and peasants, in whose
name the Party still purports to rule. Tax protests spearheaded by the growing class of private entrepreneurs created by the Dengist reform program seek to test the willingness of the current leadership to abide by its own newly stated allegiance to the rule of law in the post-Mao era.

Yet perhaps even more challenging to the legitimacy of the current regime than the size and frequency of such anti-tax protests is the role apparently being played by the lowest tier of the state and Party officials in mobilizing collective action. A close reading of tax protest repertoires suggests that local cadres and enterprise administrators are playing a key role in the transition from episodic waves of protest to sustained social movement. Market reform policies have tied the interests of local cadres, managers, and administrators more firmly to the financial soundness of the collective work unit or local community, and have made them less dependent upon the central state. In recent conflicts over tax remittance, grass-roots cadres and low-level enterprise managers have sometimes sided with local residents and workers, and have on occasion even led resistance efforts against state authorities. Rising tensions between those on the payroll of the central state who “eat imperial rations” and those struggling for survival in the market economy have increasingly erupted into overt violence. Thus, a key finding of this study of tax resistance repertoires in the reform era is that regardless of regional, organizational, or discursive variations, local and state forces appear increasingly fractured, with local grass-roots and enterprise cadres finding new grounds for solidarity with the workers and farmers with whom they interact on a daily basis, against what they see as the insularity of the central state.

Anti-tax resistance and ethnic violence

Tax resistance in largely non-Han western and south-western China is not commonly reported in the Chinese press. Fearing widespread ethnic unrest in such areas, central officials instituted preferential reform policies (youshi zhengce) in Xinjiang and other non-Han majority regions, establishing special economic zones “of the same kind as those of the coastal provinces,” and in 1992 announced that the tax-sharing arrangements enjoyed by coastal provinces would be applied to nine additional provinces and cities, including Xinjiang. Ethnic minority regions were furthermore entitled to keep 80 per cent of local taxes, as opposed to the usual 50 per cent. Xinjiang has also benefited far more than other provinces from fiscal transfers from the central government.

Yet despite relatively favorable economic arrangements between some areas of “subsistence” China and the central government, reports of rising levels of unrest continue. In these areas, incidents of collective violence initiated by largely non-Han populations propelled by economic dissatisfaction may quickly become large-scale ethnic mobilizations once the Han-majority authorities move to suppress the protest. For example, in 1994, a year marked by significant unrest nationwide in the PRC, Amnesty International noted that acknowledged arrests for pro-separatist or counter-revolutionary activities rose a remarkable 90 per cent in the Tibet Autonomous Region over the previous year. Tibet’s Governor Gyaincain Norbu claimed that the “Dalai Lama clique took advantage of some social hot spots inland, such as the problems of commodity prices and taxation, to try its utmost to disrupt unity and stability ... in Tibet.” Similarly, in 1991, dozens of Tibetan farmers from the Dri region of Qinghai (Amo) protested outside provincial offices in Xining, with a long banner which proclaimed in Tibetan: “Return our snowlands – Give us back our grasslands – Leave us be – We are dying of hunger.” In two separate incidents on 26 and 28 April in Urumqi, 1,000 and 2,000 marchers assembled at various locations around the capital before converging on the People’s Square to lodge a collective protest against corruption, inflation, and the failure of the government to “protect the interests of the working class.” The autonomous regional Party committee and regional government mobilized nearly the same number of cadres (2,000) to “dissuade” the demonstrators, all the while assuring the protestors that “everything can be discussed and solved.” The marchers purportedly chanted “Long Live Xinjiangstan.”

According to Amnesty International, a peaceful protest by ethnic Uighurs against a local crackdown on religious groups turned bloody on 5 February 1997 when the police began beating demonstrators. According to official sources, two days of rioting left 10 people dead; but unofficial accounts estimate the fatalities to number 100. Ili Prefecture’s governor, Ahubsai Rahim, refused to comment on the diverse reports, but noted with respect to the rioting that the real underlying motives for the protest were economic in nature: “The ethnic issues are core issues tied to the economy. If the economy is going good [sic] then everything else is easier to do. If living conditions are improving, then there is less splitism and everyone is happier.”

Revolutionary and class-based repertoires

In contrast to the relatively scant information on reform-era collective actions in the western and south-western regions, reports of tax protests in heavily agricultural central China and the north-eastern industrial rust belt have been far more numerous and richly detailed. Workers and farmers in these interior provinces, once the cradle of the centrally planned economy, rely upon their collective resources – both institutional and ideological – to resist the revenue-collection efforts of reform-era officials. Led primarily by farmers protesting tax burdens and the imposition of so-called “miscellaneous fees and levies,” such incidents have often included large numbers of participants from many villages or several counties at a time. For example, in May 1997, more than 500,000 peasants assembled, staged parades and demonstrations, and filed petitions in over 50 counties in Hunan, Hubei, Anhui, and Jiangxi provinces. In Hunan and Jiangxi, some of these protests
turned into widespread rioting as well. These actions came on the heels of prior mobilizations that involved actions in no fewer than nine provinces, a surge of rural collective action that the April issue of the Hong Kong journal *Dong Xiang* reported as “peasant rebellion.” Originally beginning in the winter of 1996 and the spring of 1997, a series of riots, disturbances, and rebellions erupted in 36 mostly rural counties in nine provinces and autonomous regions that involved the participation of nearly 380,000 peasants in demonstrations, parades, and episodes of public petitioning. A few months later, between 10 July and 5 August, another 200,000 peasants from 87 townships in 15 counties in Jiangxi Province initiated and participated in a rally and demonstration against “issuing IOU notes,” “forcing down grain prices,” “increasing taxes and levies,” “raising the price of chemical fertilizer,” and “setting up government work teams.” In early August 1993, another Hong Kong journal reported that some 2,000 peasants from seven villages in southern Anhui rallied against the government’s use of IOUs with banners that read “All power to the peasants!” and “Down with the new landlords of the 1990s!”

These large-scale protests in central China have most often been triggered by local government tax-collection policies and practices, including the imposition of the so-called “three arbitraries” (san huan) – arbitrary collection of fees (huan shoufei), arbitrary levying of fines (huan fakuan), and arbitrary apportionments (huan tanpa) – that have mushroomed in rural areas during the reform period. In the early 1990s, such strategies were exacerbated by the widespread circulation of “green” and “white” slips in the countryside, IOUs issued to farmers by government officials in charge of mandatory grain procurement in lieu of expected payments.

These dire economic pressures on rural taxpayers were further met by steep increases in the prices of agricultural equipment, fertilizer, and other necessities utilized by Chinese farmers, with the prices of some items rising 200 per cent from one year to the next.

In many cases, the requisitioned funds have apparently been used to enrich the local government and its representatives at taxpayer expense. The widespread rioting in Jiangxi and Hubei described above was purportedly caused in large part by misuse of public monies: the local governments in question were believed to have channeled either taxpayer funds or provincial subsidies earmarked for the purchase of agricultural products to build new office buildings for Party and government personnel. Reform-era protesters frequently allege that local government monies have been used to construct lavish villas, purchase imported luxury sedans, and fund sight-seeing tours abroad for ranking cadres. Not surprisingly, targets of recent collective violence include new local government buildings, the vehicles of government personnel, and sometimes the new roads or highways for which levies are often sought.

As the pressures on rural taxpayers have risen in recent years, they have increasingly turned to contentious repertoires of protest that invoke the revolutionary language and class-based oppositions of the Mao era. Large-scale protests have sometimes erupted when rural residents perceive links between the imposition of new fees and levies that have no apparent legal basis and the conspicuous consumption of local cadres. In such cases, extravagant banqueting, foreign tours, and the use of new cars by state officials arouse suspicions that public funds are being misused, and class-based language is used to express the widening socio-economic gap between local bureaucrats and taxpayers. In 1997, such pressures purportedly erupted in widespread rioting involving 100,000 peasants in Jiangxi Province in which rural taxpayers managed to seize the county Party and government buildings, attacked supply and marketing cooperatives, and confiscated chemical fertilizer, cement, and other items in demand by farmers, all while chanting “Down with the urban bureaucratic exploiting class and share the wealth of new local overlords in the countryside!” and “Establish peasants’ own political power!” In Xiushui, Wanjian, and Xingguo counties, protesting taxpayers encircled provincial- and prefectural-level leading Party and government cadres.

In many cases, anti-tax protests in the countryside have given rise to the formation of grass-roots social organizations. In late October 1995, the residents of some townships and villages along the Hubei-Sichuan border established “committees of peasant autonomy,” or “peasant autonomous governments,” and denounced some local Party cadres as “local tyrants,” “swindlers,” and “persons driving peasants to rebellion.” Rural residents in the Yuxianxiang and Yuxi regions organized armed self-defense units, broke into state warehouses, and confiscated the fertilizer and farm tools stored there. Between 1990 and 1991, several hundred farmers in Jiangsu’s Shuyang County pledged to take “united action” against tax-collection cadres, engaging in a string of three incidents of tax resistance. The Shuyang farmers brandished farm and household implements to repel the tax collectors, destroyed loudspeakers and other tools used by the tax collectors, and paraded in the streets, chanting slogans.

A series of such riots occurred in August 2000, when Jiangxi taxpayers in Yuanzhu, Bailu, Duantang, and Xiaotang protested a steep increase in local land taxes imposed by administrators in nearby Fengcheng Municipality. Following the encirclement of the Yuanzhu village government offices by over 2,000 angry taxpayers, the unrest spilled over into neighboring villages and townships, ultimately concluding in a series of pitched battles involving some 20,000 rural residents against armed police throughout the area. The Yuanzhu and Duantang local government offices were destroyed, as were the private homes of ten local Party cadres serving in the Yuanzhu Party branch.

New enterprises and new social forces in industrializing China

Li and Bernstein argue that tax burdens—and therefore anti-tax protests—have been less frequent in the more successfully industrialized eastern
provinces during the reform era, due to the success in those areas of “township and village enterprises” (TVEs). While it is certainly true that successful TVEs may provide a lucrative source of revenue for local governments, such enterprises in both rural and urban areas were subjected to levels of taxation that one 1989 World Bank report referred to as state-sponsored “fiscal predation.” Another report, funded by the central government, found that over 900 types of administrative fees were being collected from private enterprises, on top of which local administrations were also collecting more than 1,000 types of fees and funds. Fees, taxes, and other charges imposed by local cadres on rural enterprises, aside from the rent charged on collective land and property used by such enterprises, include utility fees (for water and electricity); commercial management fees; mandatory life insurance for all employees; security fees (zhian fei); sanitation fees; quarantine fees (jianyi fei); planned production fees (jisheng fei); temporary resident population fees; quality control fees; and flood-prevention fees. In Zhejiang, fully one-third of local government revenues for the 1989 fiscal year was traced back to the fees and surcharges levied against rural enterprises.

Given such financial pressures, it is perhaps not surprising to find small business owners and their employees engaging in collective acts of resistance, evasion, and even violence against tax collectors. This is especially the case among the so-called getihu, the employees of which are often members of the same household. A 1998 case in Hunan’s Loudi Municipality is typical: a married couple with two storefronts on the same street both selling bamboo goods were ordered to pay two installments of a fixed commercial tax, one for each storefront. The getihu owner refused, claiming that the “fixed tax is too high,” and that “the two family stores are really one”; after receiving several tax notices, the owner publicly announced that “whoever dares to collect this tax, I will hack to death.” After a year, the local tax-collection department attempted to confiscate 300 units of bamboo merchandise in lieu of the overdue taxes. The owner and his wife, along with the store employees, brandished cleavers, shovels, and other tools to fend off the tax collectors. The incident drew a crowd of over 100 sympathetic onlookers who “made it impossible for [the tax collectors] to carry out their duty.” Fortunately, the incident concluded without bloodshed.

Other episodes of getihu tax resistance, however, have ended in violence. In a similar case in 1995, one Hunan Shuangyuan Village getihu was visited by a team of tax collectors and public security officers to collect arrears for the previous two years. Liu Xiazhong, who opened a fiberglass thread-spinning factory in the village in 1993, had never registered the business with either the local commerce or taxation departments, and had purportedly ignored previous notices regarding his arrears. Liu initially pleaded that his production was down and his profits were very low due to local power outages, and so was unable to pay; however, as the Public Security Bureau (PSB) officers on the scene began to arrest Liu, more than ten of his relatives and over 100 employees of the factory surrounded the tax collectors. Liu’s grandfather, mother, father, and wife beat the local assistant police commissioner unconscious; some of the factory employees prepared to drag the commissioner’s body into the reservoir to drown him, but he came to before this plan could be carried out. In the melee that ensued, one of the tax cadres was seriously hurt, and another police official had his uniform ripped to shreds by the angry crowd.

Similarly, in November 1998, a group of armed inspectors arrived at the Dengjiashan coal mine in Hunan’s Jinjiang Township to carry out a major tax investigation. They were met by the mine’s two owners, Kuang Xueying and Kuang Yueying, who refused to hand over the account books. The five-member team concluded that the best course of action would be to confiscate the account books and return to the tax offices to conduct the investigation; but upon seeing the legal confiscation order, Kuang Xueying responded: “My family has very strong behind-the-scenes backers in the city and county governments. Public security, procurators, judges, I don’t fear any of them: why should I fear your tax-collection department? I could make one phone call and have you all killed!” Thereupon the group was surrounded by a hooting mob of mineworkers. “Sensing danger,” the tax collectors prepared to retreat, but Kuang Xueying let loose “a vile stream of invective,” followed by a volley of stones, and the amassed mineworkers began hurling mining timbers at the retreating tax cadres, three of whom were savagely beaten when they fell behind their colleagues. Kuang Xueying and Kuang Yueying were arrested soon thereafter, but filed police reports against the tax collectors, claiming that the agents had stolen a purse full of cash and an expensive ring from the sisters during their visit to the mine.

As enterprises and commercial organizations proliferate and diversify, cases of non-family based tax resistance among private businesses have also multiplied in recent years, and local tax collectors are increasingly under attack not merely by business owners, but by employees as well. This appears to be particularly true of tax resistance among collective enterprises now struggling to maintain profitability. For example, in November 1997, six Henan Xinxiang County National Tax Office agents were brutally attacked and badly beaten by employees of the Xinye Collective Company when they visited the enterprise to conduct an on-site audit investigation. The manager of the company’s accounting department argued that some of the account books were not “open” for inspection without the prior permission of the local Party branch. However, when the auditors spied the books they required on a nearby table, they decided to simply seize the material on their way out the door. The auditors were chased down by well over a dozen enterprise employees in three cars, who pulled them out of their vehicle and beat them senseless alongside the local highway. In one 1999 case, a small township in Jilin’s Lishu County, in which the majority of households were engaged in auto salvaging operations, became the target of an investigation into overdue taxes. When a coterie of county government, tax, and armed police cadres entered the village, one male worker mounted a heap of
salvaged scrap metal and repeatedly yelled out "The devils have entered the village!" ("Guizi jincunle!") to warn the residents. As the cadres stepped out of the van and prepared their documents, the villagers gathered behind a small hillock, brandishing sickles, spades, and wooden rods, and launched an attack on the party that was quickly quelled by the armed police before any harm was sustained. Months later, with the investigation and charges against them nearing conclusion, one of the residents in arrears commented to a local reporter:

With respect to tax collection, there is nothing we can say without letting down the government that propped us up for so many years. However, with respect to the tax quotas fixed by the tax department, we have two dissenting opinions. First, it is unreasonable: in one year we can hardly struggle enough to make this little bit of money, and in one instant, they take it away, [the tax is too high]; and the second is that it's unfair: in our village of a few dozen households altogether in a year we fork over 6,000 yuan, but other villages pay only 900 yuan. If we all handed over the same amount, then we wouldn't have to speak our minds like this.33

The dual pinch of reform-era policies designed to decrease central government subsidies and rising tax pressures is not restricted to commercial enterprises. Non-profit, non-production units (shiyé danweí) also face mounting pressure to open "profit-making windows" and become economically self-sufficient. In many cases, this has resulted in the closure of numerous artistic and cultural institutions, with, for example, one county library closing its reading room to convert it into a lucrative karaoke bar and hotpot restaurant.34 As a result, collective tax evasion and resistance strategies are increasingly being seen in organizations as varied as entertainment groups, schools, hospitals, and libraries. In one widely reported case in May 1999, a dozen tax-office cadres were dispatched to Huaxiaxiang High School in Hunan's Huarong County. The purpose of their visit was to redilate a case of tax arrears involving the school's snack bar concession. When the owner of the concession informed the party that he was unable to pay his overdue taxes that day, the tax cadres decided to confiscate two of his refrigerated soda cases in lieu of payment. As the team began removing the cases, the concession owner began to scream that he was being robbed by thieves. His cries of distress brought well over 100 of the school's teachers and administrative personnel to the scene, one of whom also placed an emergency call to the local police station to report a crime in progress. Shortly thereafter, the principal arrived at the scene, but not only did he not assist the cadres, he also ordered that the school gates be locked and instructed the teachers to guard all entrances and exits to school grounds. He then announced to all assembled that "taxation does not come to school," and that the school's income could not be appropriated so as "to

squeeze taxes out of people." The stand-off between the teachers and the tax collectors was punctuated by intermittent outbreaks of violence instigated by the head of the physical education department. After more than four hours, the local police ordered that the gates of the school be opened and the tax collectors released, one of whom suffered a sprained wrist after repeated tussles with the physical education teacher.35

Caught in the cross-hairs: grass-roots cadres and tax resistance

Grass-roots cadres in the countryside and low-level enterprise management personnel are increasingly caught between the cross-cutting demands of local tax departments and the financial health of their enterprises or communities. In rural communities, tax officials attempting to fulfill central directives can quickly run afoul of local authorities and taxpayers alike. In one recent case in Sichuan's restive Pengzhou Municipality, a team of local tax and party cadres set up a hearing one morning to explain the rationale underlying national tax collection. In concluding the presentation, one authority pointed out that the various services provided by the municipality to farmer households, including water, electricity, and property maintenance, required funds from the residents. A resident in the audience replied: "Our tax rate is high enough. We demand lower taxes." The official explained that tax rates were set by national authorities, and could not be changed according to local demands. Another resident stood up and announced that "tax laws are instituted by people, and can be revised – the national constitution can be revised too!" Such comments apparently inspired a rising tide of resistance among the meeting participants, including the local leadership: while eating lunch after the hearing, one local village cadre purportedly began yelling at the other assembled residents, "this afternoon come with me to the government to create a disturbance. If you come, I'll give you ten yuan apiece; if you don't, I'll fine you ten yuan each." That afternoon, over 100 village residents gathered around the township government offices, armed with sickles and poles, demanding to have a "discussion" with local authorities regarding the collection of agricultural taxes. In the melee that ensued, four township and tax cadres were beaten.36

Some local cadres have also mobilized pre-emptive protests to protect local businesses from demands arising from tax arrears. In one 1995 case in Hunan, Bajiao Township Party Secretary Cao Jingping refused to sign a court order directing a local mine to pay off an overdue loan, in part because the court order mandated that the local government would have to pay off the loan if the mine was unable to come up with the funds. When the municipal Party committee headquarters in nearby Laiyang City attempted to pressure the Bajiao branch into compliance by arresting four residents accused of harassing the mine's supervisors, Party Secretary Cao organized 150 people to participate in a riot in Laiyang which involved pelting the municipal riot police with a volley of stones, and smashing the windows of
the municipal courthouse where the Bajiao residents had been sentenced.37 In one early 1986 report from Hangzhou’s Xihu Township, a team of ten tax cadres tried to investigate the merchants of the Fayunlong tea market who had collectively determined not to pay their taxes. The village chief in Lingyin, where the tea market is located, led a mass attack on the tax collectors, which left two of the cadre wounded at the scene.38

**The Organizational Impetus behind Many Reform-Era Tax Resistance Cases**

Appears to come from these low-level cadres, who not only suggest strategies for action, but also shape the discursive strategies of the protests as well. According to one classified 1995 report from the State Council (Guowuyuan) cited by a Hong Kong periodical, most of the incidents in a wave of rural violence that swept across Shaxi, Henan, and Hunchen in recent years were instigated and led by grass-roots cadres, many of them actually organized by township and village Party and state officials. Under their leadership, rural taxpayers, sometimes with the help of “underground organizations,” have mobilized under the following slogans: “Return land and property to the peasants!”; “End the exploitation and oppression of the peasant class!”; “Long live the peasant communist party!”; and “Long live the unity of the peasant class!” With the assistance of local cadres, in some rural villages and townships, disgruntled residents have formed “peasant unification committees,” “peasant revolution committees,” and “peasant rebellion command committees” (nongmin zaofan zihui weiyuanhui).39 According to an internal reference (neibu cankao) report cited by another Hong Kong source, some of the rural Party and government cadres at the township and village levels actively encouraged peasants to demonstrate and personally participated in processions, offering slogans like “Down with the urban bureaucratic exploiting class and divide up the wealth of new local overlords in the countryside!”, and “Establish peasants’ own political power!” In late July 1995, rural cadres in Lianhua, Tianhe, and other nearby counties organized rallies to “accuse the new despots and landlords of their crimes.”40 In late October 1995, two village cadres in Hunan’s Linwu led over 5,000 rural taxpayers to demand the establishment of a “voluntary self-salvation government” (zidong ziji zhengfu) and held a large-scale demonstration. Following the detention of the cadres who led the protest by local public security forces, crowds set fire to public security vehicles, clashed with PSB employees, and confiscated PSB weapons, all the while demanding the release of the detained cadres.41

In some cases, the fracturing of political authority at the lower levels appears to be due less to a willingness to lead local taxpayers in defiant protest against government policies than to a lack of clarity over conflicting government mandates. In one 1993 case in Henan’s Luyi County, the supervisory municipal postal department, in order to “raise capital to quickly develop the post and communications work unit [danweil],” mandated new surcharges on all items mailed through the post office. The Luyi County Party and state cadres concluded that these new charges violated the spirit of the central government’s mandate against imposing new miscellaneous fees and taxes, and refused to comply with the directive. Instead, they declared 1993 a “year of no apportionments” (wu tanpai de nian) for the residents of Luyi County.42 In another case in Henan’s Ziling Township, over 100 getihu established the “Ziling Township, Ziling Village branch geti labor alliance” (Ziling geti laodong xiehui, Zilingcun fenhu) with the support and cooperation of local officials, who purportedly viewed the alliance as an effective mechanism to secure the timely payment of local taxes. The organization’s charter carefully mandated the rights and responsibilities of its members, but stated that “when paying fees and taxes, alliance members must observe the upper limit and heed the common schedule set by the alliance.” When news of the organization reached the provincial Party committee, the provincial Party secretary dispatched a team to investigate. The organization was promptly declared to be “an illegal popular organization openly boycotting the national tax system,” and the organizers were disciplined.43 In a similar example that took place in Hebei’s Dingxing County, a group of Goushen villagers organized a local “poultry farming alliance” under the leadership of one elderly resident, but allegedly with the complicity of local authorities. One November morning, over thirty members of the alliance piled onto seven tractors and surrounded the local tax office in an apparent attempt to intimidate the tax cadres therein. Quick-witted local tax officials set up speakers’ platforms at the village’s main intersection and proposed an exploratory meeting at which they explained the nationally mandated tax policies to the alliance members. In the meantime, higher-level authorities were notified, and the alliance was declared an “illegal organization” and disbanded with little further resistance.44 Similar attempts to establish taxpayers’ organizations for the purpose of educating taxpayers about national regulations concerning tax and fee collection have met with stiff resistance from local officials who see their activities as “demonstrations and parades” and “hanging big character posters” – as undermining public order.45

Another source of Maoist revolutionary language and class-based anti-tax mobilization is retired state and Party cadres. The National Veterans Cadres Bureau noted in 1997 that in the period from 1995 to 1997, retired cadres participated in no fewer than 335 events of collective protest, and submitted at least 125,300 individual petitions protesting state policies in such cases, it appears that the impetus to collective action among retired cadres stems from withheld pension monies and declining benefits; however, these skilled mass mobilizers trained during the Maoist era have in recent years used their skills to launch repeated attacks on state offices at all levels of government. In one 1997 case, 250 retired cadres from Hebei descended upon the provincial Party committee, denouncing them as “a newly restored Guomindang [Nationalist Party]” and “a newly created bureaucratic class,” knocking office supplies from desktops and hurling the cellular phone of one hapless official out of an open window. Six weeks earlier, a group of
veteran cadres in Ningxia organized an “anti-corruption and embezzlement team” that used iron bars to destroy seven luxury cars owned by provincial Party cadres. When eleven people were later taken to the hospital as a result of the confrontation, over 500 retired officials rushed the hospital in a gesture of support for the organization. In another incident, the refusal of one Qiqihar hospital to treat a veteran cadre who was critically ill resulted in a massive demonstration and riot outside the facility, during which armed police fired on the crowd.46 In 1995, when the Shenyang Municipal government attempted to cut retirement benefits to veteran cadres there, the retirees mobilized a series of highly public protests and had the decision reversed. However, once mobilized, the veteran cadres turned their attention to other cases as well, helping local residents to pen petitions and demonstrate against what they perceived to be the real root of the problem: government corruption. Shenyang authorities apparently found their collective efforts threatening enough to sentence at least one 69-year-old retiree to a labor reform camp for three years.47

Conclusion: fissures in the reform-era state

The mounting economic pressures of reform-era policies have been met in recent years by a stunning array of collective efforts to circumvent state demands on individual household and enterprise incomes in the form of taxes, fees, and the seizure of assets. Incidents of collective tax resistance, including strategies of avoidance and evasion, have evolved in response to specific local policies, but have done so in ways that reflect the organizational and discursive legacies of the Mao era. Local protest repertoires reflect the communal resources – both institutional and ideological – within the communities and workplaces from which they arise. In non-Han majority communities in which the central state has continued to subsidize local development projects designed to raise the overall standard of living, tax resistance repertoires appear to be linked to larger issues of ethnic autonomy and separatist goals. In largely agricultural central China, where the financial success of TVEs has yet to make a significant impact, and in the north-eastern rust belt, farmers and workers have borne the brunt of the state’s extractive demands, while at the same time also falling prey to steep declines in formerly subsidized social benefits. Strategies of resistance and avoidance in these areas tend to show the hallmarks of the Maoist legacy, preserved, for the most part, in the everyday living and working conditions of the residents. Anti-tax protests involving farmers and workers in these areas frequently invoke the rhetorical repertoires and class-based oppositional language popularized by the Maoist regime, and hearken back to the revolutionary heritage of the “peasant-workers state.” In areas marked by greater heterogeneity of socio-economic forms, largely in the capital-rich coastal provinces, collective protests less commonly invoke revolutionary images, but do establish new, or co-opt pre-existing, organizations to press claims against local authorities. In some cases, as economic pressures mount, entire work units have joined together to protect their collective economic interests against the incursions of tax collectors and government authorities; in other cases, new economic forces created by reform-era policies (for example, the getihu) have sought to create their own collective alliances, perhaps modeled in part on the institutions propagated by the central government during the Maoist era.

Caught in between this conflagration of state and social forces are low-level local cadres and enterprise managers, many of whom have lent their organizational skills to shape resistance movements against tax-collection efforts. Reports of their participation in such events are clearly a source of alarm for central authorities,48 who have rightly interpreted this fragmentation of local state power as a challenge to the coherence and efficacy of central state power. Wang Lixiong recently argued that the widening income gap and rising levels of social frustration that have arisen in the transition to market socialism have set the stage for an economic crisis of endemic proportions. According to Wang, the determination of the Deng-era political leadership to end the Party’s reliance on Maoist mass mobilization techniques meant the closing off of key channels for voicing popular dissatisfaction, while at the same time creating economic hardship for large numbers of ordinary people. Yet it is precisely the worker- and peasant-heroes raised to believe in the glory of revolt that the current system has marginalized. The net effect of these policies, according to Wang, could easily translate into a Maoist-inspired “economic Cultural Revolution” led by a worker-peasant alliance against the Party and the state.49

Bernstein and Lü have suggested that such anxieties motivated central authorities to implement a series of measures designed to empower rural taxpayers by providing them with alternative channels for expression and participation, including village elections. However, they found that even with such measures in place, the key factor in reducing taxpayer burden remained the availability of financial resources at the disposal of local governments.50 Poorer villages, even those free to elect their local leaders, could still prove fertile ground for the seeds of the type of “economic Cultural Revolution” forecast by Wang Lixiong. Yet, if such an economic crisis is indeed brewing, the critical link may in fact lie at the very lowest tier of the state itself, where the claims to legitimacy of the current regime are tested on a less ideological, and far more quotidian, level. Insofar as market-based reforms have entailed the withdrawal of state subsidies for enterprises and local governments, and therefore created increasing pressures on low-level cadres to develop new sources of revenue, the lowest tier of the Party and state bureaucracy is now finding itself at the mercy of both an increasingly restive population from below and an increasingly remote extractive state from above. As the reforms continue to deepen and take root, it is this tier of the government that may prove instrumental in deciding the fate of both state and social forces alike.
Notes

4 Willy Wo-Lap Lam, “Book says peasants are ‘active volcano,’” South China Morning Post, 10 August 1994, p. 15.
7 See, for example, the extensive discussion of individual-level tax resistance in Ch. 5 of Lü Xiaobo and Thomas Bernstein, Taxation without Representation in Contemporary Rural China (forthcoming).
9 These three trends overlap significantly with the three sub-national environments described (in reverse order) by Thomas Bernstein and Lü Xiaobo in Taxation Without Representation in Contemporary Rural China: “industrial” rural China, mainly concentrated in the eastern provinces, agricultural China, primarily in the central belt of provinces, and subsistence China, located mostly in the western and southwestern provinces. However, my specific focus on episodes of tax protest suggests a closer correlation between protest repertoires and the particular tax- and fee-collection strategies of local officials than with the broader regions identified by Bernstein and Lü. This correlation is no doubt due in large part to the uneven distribution of institutional forms (both old and new) across the reform-era landscape.
11 Becquelin, “Xinjiang in the nineties,” p. 70.
13 Karmel, “Ethnic tension and the struggle for order.”
14 Luo Bing and Li Zijing, “The ‘enemy’s situation’ is discovered in seventeen provinces and thirty-three cities,” Zheng Ming (Contenction) 200 (June 1994): 10.
16 Li Zijing, “A half million peasants rebel in four provinces.”
17 Yue Shan, “Five hundred thousand peasants violently rebel in Jiangxi and Hubel.”
18 FBIS, 10 September 1993; cited by Perry, “To rebel is justified.”
19 The problem of mismanaged grain procurement funds peaked in 1992, when the central government distributed IOU notices (called “white slips”) by the farmers who received them in lieu of cash payment for grain. Farmers who received such slips were nonetheless required to pay their taxes, and pay cash for their farming equipment, fertilizers, and pesticides. See Andrew Wedeman, “Stealing from the farmers: institutional corruption and the IOU crisis,” China Quarterly 152 (December 1997): 802-838.
21 Yue Shan, “Five hundred thousand peasants violently rebel in Jiangxi and Hubel.” Such perceptions are no doubt fueled in part by press reports of the lavish cadre lifestyles, but also by more subtle and subversive reports on the predatory work styles of local tax collectors, such as one that appeared recently in Huan shuiwubao (Hunan Taxation News) that described an incident in which three brothers transporting three pigs one evening were stopped by a tax cadre standing – oddly enough, given the hour – outside the doorway of the brand new tax office building. When they did not heed his demand that they pay a 10 yuan livestock slaughtering fee (for the three live pigs), the tax cadre and a colleague hopped on a motorbike and chased the brothers for some distance before catching up with them on a “newly constructed highway” outside the village. Unfortunately, the incident resulted in a violent altercation in which the tax cadre was injured, and the two brothers fled the scene. The manner in which the incident was reported in Huan shuiwubao raises – at least implicitly – questions about the modus operandi of local tax collectors in Hunan’s Liuxiong village. See “Resistance over paying a ten yuan tax – two tax cadres seriously hurt,” Huan shuiwubao, No. 387, 12 May 1998, p. 1.
22 Li Zijing, “A half million peasants rebel in four provinces.”
23 Yue Shan, “Five hundred thousand peasants violently rebel in Jiangxi and Hubel.”
24 FBIS, 28 October 1991; also cited by Perry, “To rebel is justified.”
25 FBIS, 29 August 2000.
27 Li Peichun, “Fees squeezing out taxes, a weighty topic of conversation,” Jiansu fuzhi bao (Jiangsu Legal Daily), 12 August 1997, p. 3.
29 “Senseless tax resistance – a certain Mao and his wife are both taken into custody,” Huan shuiwubao (Hunan Taxation News), No. 404, 10 July 1998, p. 3.
33 “How it was that the Jingyou village peasants walked into court,” Zhongguo fuzhi bao (China Legal News), 13 May 1999, p. 1.
5 Neither transgressive nor contained

Boundary-spanning contention in China

Kevin J. O’Brien

In studies of popular politics, a split exists. Some scholars focus on rather tame and predictable forms of political participation, while others become interested mainly when political action spills out onto the streets. For one set of analysts, attention centers on questions related to voting, lobbying, party activity, and various forms of contacting: how, in other words, the popular classes make use of approved channels of influence. For the other group, how people act up when the authorities are unresponsive and frustration mounts with existing opportunities for expression is of greater concern. Although there are exceptions, inasmuch as some researchers examine a range of institutionalized and uninstitutionalized acts, the two literatures tend to travel along separate tracks: one spotlighting forms of inclusion and legal political behavior, the other, consequences of exclusion and actions that are closer to resistance than to conventional participation.

In their book Dynamics of Contention, McAdam, Tarrow, and Tilly take a dim view of such divisions. They argue that many episodes of contention belong in a single definitional universe and that there is no need for wholly distinct literatures on topics such as revolution, social movements, elections, and interest-group politics. For them, so long as popular action entails episodic collective interaction between the makers of claims and their objects, and a government is involved, similar causal processes and mechanisms are at work. McAdam et al. of course recognize differences between what they call transgressive and contained contention. These include whether all the parties are established political actors and whether innovative means of collective action are employed. But then, in short order, they return to the many links between the two sorts of politics, not least because it is difficult to locate where the boundary between transgressive and contained contention lies, and because the two kinds of politics “interact incessantly.”

After this bout of provocative claims-making, “for the sake of clarity” in an analysis that already extends from the Mao Mau rebellion to the Montgomery bus boycott, McAdam et al. choose to concentrate on episodes involving transgressive contention. Although they note that many transgressive episodes grow out of contained contention, little more is heard about