

**HOW DOES CHINESE CENTRAL
GOVERNMENT'S COVID
CONTROL MECHANISM WORK?**

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Executive Summary

1. China's State Council established the Joint Prevention and Control Mechanism on 20 January 2020 to contain the spread of COVID-19. It is a multi-ministry taskforce headed by Vice Premier Sun Chunlan and coordinated by the National Health Commission.
2. The Joint Mechanism has formed nine regular work groups to handle issues such as epidemic prevention and control, medical treatment, scientific research, publicity, foreign affairs, logistical support and social stability.
3. It uses several ways to steer and coordinate nationwide efforts, including issuing policy documents/guidelines, holding press conferences, and sending steering groups, work groups and inspection groups to provinces/cities with a serious local outbreak.
4. The Joint Mechanism worked well in 2020 and 2021, owing to a strong political commitment to epidemic control, a system with superb ability to mobilise resources and take early actions, and a public willing to cooperate.
5. It encountered a major challenge in 2022. The more transmissible but less deadly Omicron hit Shanghai in early March. Shanghai responded by continuing with targeted measures rather than mass PCR testing and city-wide lockdown, but failed to keep the number of new infections at bay.
6. Sun Chunlan intervened in April to bring Shanghai closer to the practices of other Chinese cities. The unexpectedly stringent measures in April and May shocked Shanghai residents, created stress, frustration and fury over food shortages, medical emergencies and prolonged lockdown, and badly ruined Shanghai's reputation as a vibrant, cosmopolitan and well-governed city.
7. Worrying about the economic tolls of the "dynamic zero-COVID" policy, Premier Li Keqiang held an emergency video conference on 25 May with about 100,000

attendees nationwide to give his starkest warning about the economy and urge more efforts to stabilise growth and reduce unemployment.

8. For political reasons, China is unlikely to give up the “dynamic zero-COVID” policy. Xi Jinping on 5 May called on the country to “unify in thoughts and actions” behind the policy and “resolutely fight against all questioning” of it.
9. Some practical adjustments are imperative and likely. A shift from stringent measures of prolonged lockdown, centralised quarantine and frequent PCR testing to a pragmatic strategy that prioritises on vaccinating the elderly and home quarantining those infected without symptoms can be equally effective and much less disruptive economically and socially.
10. While China’s Joint Mechanism has the ability to implement major policy overhauls, it is a political decision that can only be made by the top leadership above it.

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China's COVID Control System

- 1.1 The first few weeks of COVID-19 outbreak in Wuhan, the capital city of Hubei province in central China, were characterised by information cover-up and slow government action. A major change occurred on 20 January 2020, which marked China's shift to a pro-active approach to COVID control.¹
- 1.2 On that day, Xi Jinping directed the prevention and control of COVID-19 as the top priority of government at all levels. The Central Leadership Group for Epidemic Response (中央应对疫情领导小组) was formed, with Premier Li Keqiang as the head. At the working level, the Joint Prevention and Control Mechanism of the State Council (国务院联防联控机制, the Joint Mechanism or central COVID control mechanism hereafter) was established.²
- 1.3 The Central Leadership Group for Epidemic Response plays a leadership role in epidemic prevention and control. It takes instructions from the Politburo Standing Committee of the Chinese Communist Party (CCP), helmed by General Secretary Xi Jinping. Table 1 lists the group head, deputy head and its members.

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¹ World Health Organisation (2020), "Report of the WHO-China Joint Mission on Coronavirus Disease 2019 (COVID-19)", <https://www.who.int/docs/default-source/coronaviruse/who-china-joint-mission-on-covid-19-final-report.pdf>, accessed 23 May 2022.

² On 20 January 2020, China's Ministry of Health declared COVID-19 as a Class B infectious disease to be treated as a Class A infectious disease in terms of prevention and control measures. See <http://www.nhc.gov.cn/jkj/s7916/202001/44a3b8245e8049d2837a4f27529cd386.shtml>, accessed 23 May 2022.

TABLE 1 CHINA'S CENTRAL LEADERSHIP GROUP FOR EPIDEMIC RESPONSE

	Name	Portfolio
Head	Li Keqiang (李克强)	Member of the Politburo Standing Committee of the CCP, premier of the State Council
Deputy head	Wang Huning (王沪宁)	Member of the Politburo Standing Committee of the CCP, secretary of the Secretariat of the CCP Central Committee
Member	Ding Xuexiang (丁薛祥)	Member of the Politburo of the CCP, director of the General Office of the CCP
Member	Sun Chunlan (孙春兰)	Member of the Politburo of the CCP, vice premier of the State Council
Member	Huang Kunming (黄坤明)	Member of the Politburo of the CCP, head of the Propaganda Department of the CCP
Member	Cai Qi (蔡奇)	Member of the Politburo of the CCP, party secretary of Beijing
Member	Wang Yi (王毅)	State councillor, minister of Foreign Affairs
Member	Xiao Jie (肖捷)	State councillor, secretary general of the State Council
Member	Zhao Kezhi (赵克志)	State councillor, minister of Public Security

Source: http://www.xinhuanet.com/politics/2020-05/20/c_1126011498.htm, accessed 23 May 2022.

1.4 The Joint Mechanism was activated in accordance with the National Influenza Pandemic Preparedness Plan (《国家流感大流行应急预案》) issued by the National Health Commission in 2011. The first meeting, chaired by Vice Premier Sun Chunlan, was held on 20 January 2020.³

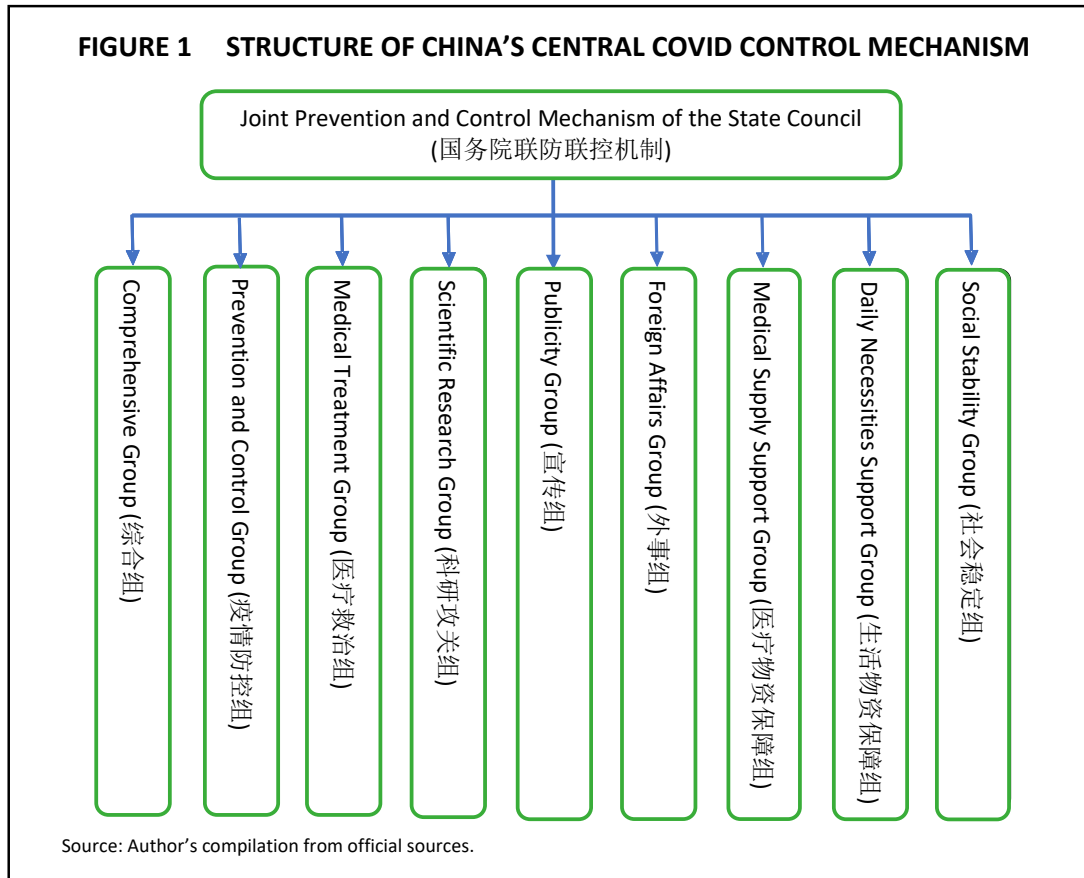
1.5 The Joint Mechanism is a multi-ministry taskforce coordinated by the National Health Commission. With members from 32 central ministries/agencies, it plays a crucial role in coordinating multi-sectoral cooperation in areas such as epidemic prevention and control, medical treatment, scientific research, publicity, foreign affairs, logistic support and frontline work. It is also tasked with steering COVID control at the provincial or even the city-level.⁴

³ http://www.gov.cn/xinwen/2020-01/20/content_5471057.htm, accessed 23 May 2022.

⁴ http://www.gov.cn/xinwen/2020-01/22/content_5471437.htm, accessed 23 May 2022.

Makeup of the Joint Mechanism

2.1 Led by Vice Premier Sun Chunlan, the Joint Mechanism consists of several work groups (see Figure 1). Reportedly, each work group is headed by a ministerial-level official.⁵



2.2 The Comprehensive Group (综合组) is the most important work group within the Joint Mechanism. It has issued most of the policy documents, advisories and notices in the fight against COVID. It has also sent work groups to provinces or cities hit by a sizeable local outbreak. The National Health Commission undertakes a coordinating role. Its Director Ma Xiaowei (马晓伟) is the head of the Comprehensive Group.

2.3 The Prevention and Control Group (疫情防控组) comes under the Bureau of Disease Prevention and Control under the National Health Commission. Member

⁵ Ibid.

units include the Department of Primary Health under the National Health Commission and Chinese Centre for Disease Prevention and Control.

- 2.4 The Medical Treatment Group (医疗救治组) is hosted by the Bureau of Medical Administration under the National Health Commission.
- 2.5 The Scientific Research Group (科研攻关组) is headed by the Ministry of Science and Technology and joined by 12 other central government agencies. This work group oversees the development of COVID vaccines and reports to Vice Premier Liu He (刘鹤).⁶ Under this work group is a special vaccine R&D project (疫苗研发专班) headed by Zeng Yixin (曾益新), deputy director of the National Health Commission.
- 2.6 The Publicity Group (宣传组) is jointly organised by the Information Office of the State Council and the Publicity Department of the National Health Commission. It had hosted a total of 198 press conferences as of 31 May 2022.⁷ Press conferences organised by the former invite ministerial-level officials (together with other invitees), while those by the latter invite department- or bureau-level officials to speak for the Joint Mechanism.⁸
- 2.7 The Foreign Affairs Group (外事组) is led by the Ministry of Foreign Affairs. It deals with issues such as international cooperation in the fight against COVID and consular services to Chinese overseas.⁹
- 2.8 The Medical Supply Support Group (医疗物资保障组) is facilitated by the Ministry of Industry and Information Technology.¹⁰ Member units include the Department of Social Development and Department of Industry under the National

⁶ <http://www.gov.cn/xinwen/gwylflkjz24/wzsl.htm>, accessed 24 May 2022.

⁷ <http://www.gov.cn/xinwen/gwylflkjz197/index.htm>, accessed 31 May 2022.

⁸ https://www.sohu.com/a/446379842_116237, accessed 24 May 2022.

⁹ https://www.fmprc.gov.cn/web/wjbxw_new/202201/t20220113_10491240.shtml, accessed 24 May 2022.

¹⁰ <http://www.gov.cn/xinwen/gwylflkjz42/index.htm>, accessed 24 May 2022.

Development and Reform Commission, Department of Consumer Goods Industry under the Ministry of Industry and Information Technology, and General Administration of Customs.

- 2.9 The Daily Necessities Support Group (生活物资保障组) directly reports to the National Development and Reform Commission.¹¹ Member units include the Ministry of Transport, Department of Trade in Services and Commercial Services and Department of Market Operation under the Ministry of Commerce, and several departments/bureaus under the Ministry of Agricultural and Rural Affairs.
- 2.10 The Social Stability Group (社会稳定组) is responsible to the Ministry of Public Security, assisted by government agencies such as the Department of Grassroots Political Units Development and Community Governance under the Ministry of Civil Affairs, the Bureau of Prison Administration under the Ministry of Justice, and the Ministry of Transport. Wang Xiaohong (王小洪), executive deputy minister of Public Security, is the head of this work group.¹²
- 2.11 Apart from the aforementioned regular work groups, the Joint Mechanism has established mission-oriented work groups from time to time in the past two years. The Liaison Group (联络组) was set up on 4 May 2020 to steer and support post-COVID economic recovery in Hubei province.¹³ Its mission was completed on 17 July 2020. The Spring Festival Travel Work Group (春运工作专班) was formed on 10 January 2021 headed by the Minister of Transport Li Xiaopeng (李小鹏).¹⁴

¹¹ <http://www.gov.cn/xinwen/gwylflkjz179/index.htm>, accessed 24 May 2022.

¹² http://www.legaldaily.com.cn/index/content/2021-08/09/content_8576084.htm, accessed 24 May 2022.

¹³ Member units include the General Office of the State Council, National Development and Reform Commission, Ministry of Education, Ministry of Industry and Information Technology, Ministry of Civil Affairs, Ministry of Transport, Ministry of Culture and Tourism, National Health Commission and so on. The Liaison Group is headed by Ding Xiangyang (丁向阳), deputy secretary-general of the State Council.

¹⁴ This work group consists of 15 member units, including the National Development and Reform Commission, Ministry of Public Security, Ministry of Human Resources and Social Security, Ministry of Transport, Ministry of Emergency Management, National Health Commission, Ministry of Education, Ministry of Culture and Tourism, China Meteorological Administration, National Railway Administration, Civil Aviation Administration, Logistic Support Department of the Central Military Commission, All-China Federation of Trade Unions, Central Committee of the Communist Youth League and China Railway. See https://www.mot.gov.cn/buzhangwangye/fengcaijijin/202101/t20210111_3513840.html, accessed 24 May 2022.

Work Methods

- 3.1 The Joint Mechanism uses a few ways to steer and coordinate nationwide epidemic prevention and control, including issuing policy documents/guidelines, holding press conferences, and sending the steering group (中央指导组), work groups (工作组) and inspection groups (督查组) to provinces/cities with a serious local outbreak.

Policy mandates, guidelines and advisories

- 3.2 The Joint Mechanism has issued a wide range of policy mandates, guidelines and advisories since late January 2020. In terms of the issuing unit, important or urgent policies, including mandatory policies and policies requiring multi-sectoral cooperation, are often issued in the name of the Joint Prevention and Control Mechanism of the State Council.
- 3.3 Examples include the Notice Concerning the Distribution of the Recent Work Plan to Prevent and Control Novel Coronavirus Pneumonia, issued by the Joint Prevention and Control Mechanism of the State Council on 27 January 2020.¹⁵ The majority of earlier policy documents were issued in this way.
- 3.4 At a lower level, individual work groups also issue their policy documents, which are often narrower in scope or technical in nature. For example, the Prevention and Control Group issued the Notice Concerning the Distribution of the Manual to Protect People with Different COVID Risks and the Manual on the Use of Masks to Prevent Infection on 30 January 2020.¹⁶ The Medical Treatment Group, Medical Supply Support Group, Scientific Research Group and Spring Festival Travel Work Group have all issued policy documents that fall under their ambit.¹⁷

¹⁵ http://www.gov.cn/xinwen/2020-01/28/content_5472795.htm, accessed 25 May 2020.

¹⁶ http://www.gov.cn/xinwen/2020-01/31/content_5473401.htm, accessed 25 May 2020.

¹⁷ See <http://www.gov.cn/zhengce/gwyflkjzj.htm>, accessed 25 May 2020.

3.5 By comparison, the Comprehensive Group has issued the largest number of policy documents and notices, especially since 8 April 2020 when China began to move from the phase of emergency response to regular epidemic prevention and control. Therefore, in terms of the issuing unit, the Joint Mechanism dominated the first phase—late January to early April 2020—where there was an urgent need for a workable policy framework and interventions, while the Comprehensive Group under the Joint Mechanism took over thereafter when the fight against COVID has become more routinised.

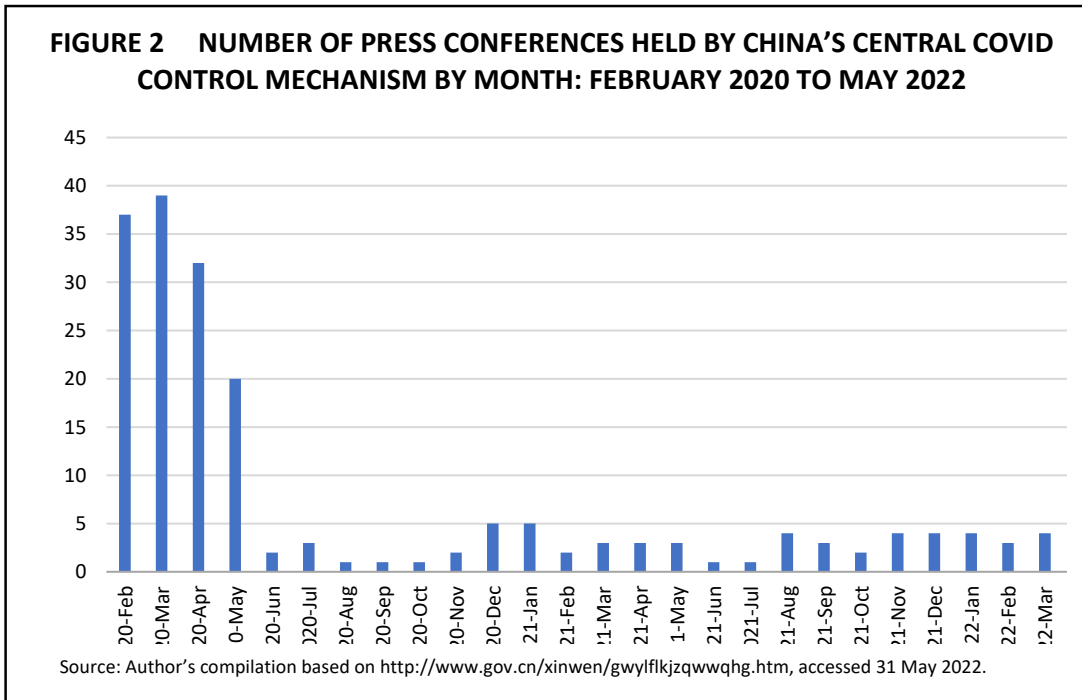
Press conferences

3.6 The Joint Mechanism also uses press conferences as a means of steering and communication. The task of organising press conferences is undertaken by the Publicity Group, which has two key member units—the Information Office of the State Council and the Publicity Department of the National Health Commission. The former holds higher-level press conferences, featuring one or more ministerial-level officials as spokespersons for the Joint Mechanism. In comparison, the latter organises press conferences more frequently and invites department/bureau-level officials.

3.7 Since the first press conference held in the name of Joint Mechanism on 5 February 2020, a total of 198 press conferences had been organised as of 31 May 2022. Figure 2 presents the number of press conferences month by month.

3.8 Figure 2 shows that most of the press conferences were held in the first three months from February to April 2020, the first phase of China’s fight against COVID. In this period, there was at least a press conference every day.¹⁸

¹⁸ Notably, three press conferences were held on 15 February 2020, with one in the morning at the Information Office of the State Council on measures taken by the financial system to help control the epidemic and restore the economy, one in the afternoon (also at the Information Office of the State Council) on epidemic prevention and control for passengers/migrants returning to work after the Chinese New Year, and one in the afternoon at the National Health Commission on the progress of drug and vaccine development in China. See <http://www.gov.cn/xinwen/gwylflkjz14/index.htm>, accessed 25 May 2022.



3.9 The pattern of at least one press conference a day continued through 19 May 2020. There was no press conference from 20 May to 18 June 2020. Press conferences were temporarily discontinued because the spotlight was on the upcoming “*lianghui*” sessions (the National People’s Congress and Chinese People’s Political Consultative Conference), which were postponed for the first time in many decades from March of the year to 22-28 May for the National People’s Congress and 21-27 May for the Chinese People’s Political Consultative Conference. By this time, the epidemic in Wuhan city and Hubei province had been contained.

3.10 Since June 2020, no more than five press conferences were held in any one month, even in the run-up months to the Spring Festival travel season (five press conferences each in December and January 2021 and four each in December and January 2022), or the month in which China was hit by the wave of Delta variant (four press conferences in August 2021).

3.11 Similarly, despite the large-scale Omicron outbreak in March-April 2022 in Jilin province and April-May 2022 in Shanghai, press conferences were kept at five or below per month (see Figure 2). This reflects the confidence of the Joint

Mechanism that the knowledge/experience gained from February to April 2020 and updated thereafter should be able to sail China through yet another COVID wave.

- 3.12 In terms of the subject, press conferences from February to April 2020 covered a wide range of aspects of China's COVID policy and practices, including the supply of medical goods, medical treatment and daily necessities, community-level epidemic prevention and control, COVID control in rural areas and in schools, work/production resumption, support measures for employment, micro-, small- and medium-sized enterprises and sectors affected by the epidemic, border control, drug and vaccine development, services for migrant workers and assistance to the needy families.
- 3.13 Starting from 29 April 2020, press conferences shifted to focus on the experiences of medical teams despatched to Hubei province from Beijing, Shanghai, Sichuan, Jilin, Shandong, Shaanxi, Guangdong, Hunan, Henan, Fujian and other provinces. Additionally, local officials and medical experts from Shanghai, Jiangsu and Beijing were invited to introduce how their governments managed to contain the spread of COVID.
- 3.14 From mid-May 2020, press conferences have moved to focus on measures undertaken for regular epidemic prevention and control. As the winter season drew near, press conferences during the September-December 2020 period gave more attention to epidemic prevention and control in the winter season. Vaccines and vaccination have become a major focus since December 2020.
- 3.15 Between December 2020 and March 2022, apart from the main focus on vaccines and vaccination, press conferences were also devoted to the Delta outbreak in August 2021 and to some seasonal topics such as epidemic prevention and control during the Spring Festival season (January-February 2021 and January-February 2022). A major shift has occurred since 19 March 2022, when the key message of

press conferences became “strict implementation” (从严从实) of the “dynamic zero-COVID policy”.¹⁹

Steering group, work group and inspection group

- 3.16 Depending on the severity of the epidemic situation, the Chinese central government sends steering groups, work groups or inspection groups to localities where COVID hits.
- 3.17 The central steering group (中央指导组) was formed and sent to Hubei province on 27 January 2020. Headed by Sun Chunlan, this steering group included 11 ministerial-level officials from the CCP Central Political and Legal Affairs Committee, General Office of the State Council, National Development and Reform Commission, National Health Commission, Ministry of Industry and Information Technology and Ministry of Public Security. The official media dubbed the central steering group to Hubei province as a “small half of the State Council” (小半个国务院).²⁰
- 3.18 After three months, with the approval from Xi Jinping and the CCP Central Committee, the central steering group returned from Hubei to Beijing on 27 April 2020.²¹ Soon in May, the Liaison Group was formed to support Hubei’s post-COVID economic recovery. During this period, other provinces did not need a high-profile steering group as the one sent to Hubei province. Instead, the Joint Mechanism sent “working-level steering groups” (工作指导组).²²

¹⁹ On 17 March 2022, Xi Jinping urged swift containment of the epidemic through “strict implementation” of the dynamic zero-COVID policy at a high-level meeting analysing the epidemic situation. See http://www.gov.cn/xinwen/2022-03/17/content_5679571.htm, accessed 26 May 2022.

²⁰ <https://www.infzm.com/contents/179549>, accessed 26 May 2022.

²¹ https://www.hubei.gov.cn/zhuanti/2020/gzxxgzbd/zy/202004/t20200428_2249722.shtml, accessed 26 May 2022.

²² These “working-level steering groups” were numbered such that No. 2 group was sent to Tianjin, No. 3 Hebei province, No. 4 Shanxi province, No. 5 Inner Mongolia and so on. See for example <http://tj.people.com.cn/n2/2020/0314/c375366-33876008.html>, accessed 26 May 2022.

- 3.19 After China entered the phase of regular epidemic prevention and control, the Joint Mechanism sent work groups (工作组) and inspection groups (督查组) to localities when necessary.
- 3.20 Work groups are normally sent by the Comprehensive Group of the Joint Mechanism to provide expertise and technical support to the needy governments. For example, in March 2022 when Omicron hit China, the Comprehensive Group sent work groups to Jilin, Guangdong, Shandong, Hebei, Yunnan, Heilongjiang and some other provinces.²³ In Jilin, the hardest hit province in March 2022, the work group was headed by Li Bin (李斌), deputy director of the National Health Commission.²⁴
- 3.21 The Comprehensive Group of the Joint Mechanism also sends out inspection groups to ensure policy compliance, such as those sent to 17 provinces²⁵ in September 2020 and another 15 inspection groups to check on the implementation of the “dynamic zero-COVID” policy in 31 provinces in December 2021.²⁶

A Shanghai in Shock

- 4.1 China’s Joint Mechanism worked well in 2020 and 2021 as it had built up experiences in epidemic prevention and control. In February-March 2020, it came to adopt the practices of “early detection, reporting, isolation and treatment” (早发现、早报告、早隔离、早治疗) and “testing all who need to be tested, isolating and treating all who need to be isolated and treated, and hospitalisation of all who need to be hospitalised” (应检尽检、应隔尽隔、应收尽收、应治尽治).
- 4.2 Into the phase of regular epidemic prevention and control, China shifted to the strategy of “guarding against imported cases and preventing a resurgence of the

²³ <http://www.gov.cn/xinwen/gwylflkjz186/index.htm>, accessed 26 May 2022.

²⁴ <http://j1.people.com.cn/n2/2022/0329/c349771-35197149.html>, accessed 26 May 2022.

²⁵ <https://web.shobserver.com/wx/detail.do?id=331411>, accessed 26 May 2022.

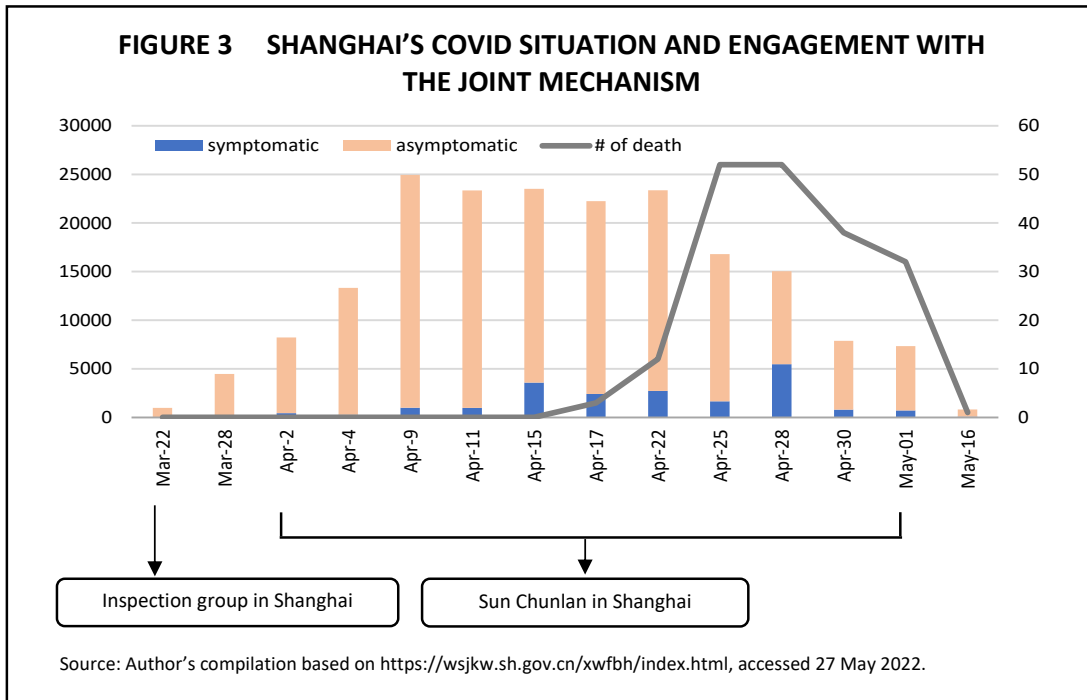
²⁶ <http://www.gov.cn/xinwen/gwylflkjz178/index.htm>, accessed 26 May 2022. The inspection groups were also numbered.

outbreak at home” (外防输入、内防反弹) and sought to contain local outbreaks within 2-3 COVID incubation periods. When the Delta variant hit China in July-August 2021, China adopted the “dynamic zero-COVID” policy (动态清零政策) to contain the spread within one incubation period by acting swiftly in the first 24 hours of outbreak.²⁷

- 4.3 China’s “dynamic zero-COVID” policy and the Joint Mechanism, however, suffered a major setback in 2022 vis-à-vis the more transmissible (but less deadly) Omicron variant. In March, Jilin province reported a total of 44,000 confirmed cases, followed by 36,000 in Shanghai.²⁸
- 4.4 In Shanghai, the situation had yet to worsen in April and May. Few had foreseen what would happen: prolonged lockdown, stumbling economy, never-ending PCR testing, rampant “choke points” in food and service delivery, stress over food shortages and medical emergencies, and frustration and fury over excessive measures. Such a Shanghai is in stark contrast to another Shanghai known to the world, the one that handled well the 1988 epidemic of hepatitis A and the 2009 outbreak of avian H1N1, and the one with China’s best medical systems and governance systems.
- 4.5 Shanghai reported one confirmed case on 1 March 2022. Despite measures such as shutting down sports facilities (from 2 March) and moving primary and secondary education online (from 12 March), the number of infections grew rapidly, reaching nearly 1,000 on 22 March when the inspection group reached Shanghai (see Figure 3 for Shanghai’s COVID situation).

²⁷ Ma Xiaowei (2022), “Resolutely Implement the ‘Dynamic Zero-COVID’ Policy and Resolutely Consolidate the Achievements of Epidemic Prevention and Control” (in Chinese), *Qiushi* (Seeking the Truth), Issue 10. Ma Xiaowei is director of the National Health Commission and head of the Comprehensive Group of the Joint Mechanism.

²⁸ <http://www.gov.cn/xinwen/gwylflkjz190/index.htm>, accessed 27 May 2022.



- 4.6 The number of infections continued to grow exponentially. When Sun Chunlan was in Shanghai to “investigate and steer” its epidemic prevention and control on 2 April, daily new cases exceeded 8,000. The number peaked around 25,000 on 9 April. When Sun Chunlan finished her stint in Shanghai on 1 May, new cases came down to 7,333, yet still high by China’s standards.
- 4.7 Shanghai declared “zero community transmission” (社会面清零) in all 19 districts on 16 May and announced plans to resume businesses step by step. Nonetheless, the progress has been rather slow, sometimes in a back and forth manner, through end of May.
- 4.8 Shanghai’s mishandling of the COVID situation is astonishing and puzzling. Much of it can be attributed to the timing of policy overhaul, which in turn is related to the peculiar relationship between Shanghai leadership and Sun Chunlan. Shanghai’s Party Secretary Li Qiang, also a CCP Politburo member, has the same rank as Vice Premier Sun Chunlan. This makes it difficult for Sun to intervene in Shanghai’s epidemic control unless there is strong justification for interference.

- 4.9 This explains why Sun Chunlan did not go to Shanghai earlier when there were only dozens of cases. When the need for intervention became amply clear, the window of opportunity for taking an early action had already been lost. Nonetheless, the scale of outbreak—over 8,000 new cases on the day of her arrival—gave Sun a strong reason to overhaul Shanghai’s COVID policy.
- 4.10 Arguably, if Shanghai had followed the playbook of “early detection, reporting, isolation and treatment” by conducting frequent city-wide PCR testing, the scale of the COVID outbreak could be much smaller, like in cities such as Shenzhen and Guangzhou where the Omicron variant had hit.
- 4.11 However, Shanghai has adopted a more relaxed approach since 2020, favouring targeted measures rather than the costly and disruptive measures of city-wide lockdown and mass PCR testing. The relaxed approach served Shanghai well in 2020 and 2021. It could continue to serve Shanghai well, evidenced in the very low death rate through March and mid-April 2022.²⁹
- 4.12 Given China’s “dynamic zero-COVID” policy, which bases decision-making on the number of infections rather than indicators such as the death rate or the intensive care utilisation rate, Shanghai’s experimentation with a more relaxed approach is feasible only if it can keep the number of confirmed cases low. This is not possible with the more transmissible Omicron variant.
- 4.13 Sun Chunlan indeed brought Shanghai closer to what has been practised in other Chinese cities: frequent city-wide PCR testing, isolation of asymptomatic infected individuals in Fangcang shelter hospitals, lock down of blocks/communities with confirmed cases, shutdown of roads and public transport, curtail of business activities (even in essential services) and so on.
- 4.14 While it remains unclear whether Sun Chunlan’s policy overhaul has been sabotaged/derailed by non-cooperative local officials and predatory suppliers of goods and services, Shanghai was thrown into chaos and despair in April and May

²⁹ As Figure 2 shows, the overwhelming majority of earlier cases were asymptomatic, with the first death reported on 17 April 2020.

2022. Its reputation as a vibrant, cosmopolitan and well-governed city has been badly ruined. Foreigners are leaving Shanghai, while many Shanghainese are considering emigration.³⁰ Damages inflicted are substantial and difficult to undo, at least in the short run.

2022 as a Watershed Year?

- 5.1 After Shanghai, the Joint Mechanism turned its attention to Beijing. On 24 April 2022, Beijing announced that COVID had been spreading in the community for about a week.³¹ In contrast to Shanghai's relaxed approach in the beginning, Beijing quickly adopted measures such as community lockdowns, frequent mass PCR testing and centralised quarantine of the infected within 24 hours.
- 5.2 By the end of May, Beijing declared that it had achieved "zero community transmission".³² Beijing's aversion of a major crisis like the one in Shanghai is a big relief for the top leadership. It bolsters the belief that the "dynamic zero-COVID" policy works for Omicron as well if the Joint Mechanism's playbook is strictly followed.
- 5.3 However, the increasingly stringent implementation of the "dynamic zero-COVID" policy has left the Chinese economy in a bad shape. The economic tolls of prolonged lockdowns in Shanghai and other places have deeply worried Premier Li Keqiang, prompting him to hold an emergency video conference with about 100,000 attendees from local governments and state-owned enterprises on

³⁰ Indicatively, Shanghai's lockdown has given birth to a slew of slang words, including "润" or "润学", which means "run" or "run philosophy" (as Chinese pinyin for the character "润" is spelled the same as "run" in English). Disenchanted with Shanghai, many professionals there are considering "润/run" to another country for a safer and brighter future. See <https://www.nytimes.com/2022/05/24/business/china-covid-zero.html>, accessed 27 May 2022.

³¹ <http://society.people.com.cn/n1/2022/0424/c1008-32406922.html>, accessed 28 May 2022.

³² Beijing made this announcement at the press conference on 29 May 2022. There were about 10 new cases on that day, but all were under quarantine when tested positive. See http://www.news.cn/local/2022-05/29/c_1128694857.htm, accessed 30 May 2022.

25 May 2022 to give his starkest warning about the economy and urge more efforts to stabilise growth and reduce unemployment.³³

5.4 The following day, the National Healthcare Security Administration issued a regulation banning local governments from using their medical insurance fund for PCR testing.³⁴ The new regulation is probably designed to curb the widely spreading practice of frequently conducting mass PCR testing for the purpose of early detection and isolation.

5.5 Striking a balance between containing the epidemic and reviving the economy has become a critical challenge for China. For political reasons, China is unlikely to give up its “dynamic zero-COVID” policy.³⁵ In response to growing doubts about the “dynamic zero-COVID” policy, the CCP Politburo Standing Committee held two meetings, one on 17 March 2022 and the other on 5 May. Xi Jinping gave his full support to the policy, calling on the country to “unify in thoughts and actions behind the CCP Central Committee’s decisions”, and “resolutely fight against all questioning of our virus control policies”.³⁶

5.6 Globally, “living with COVID” as an alternative approach has become dominant and viable with the vaccination rate reaching high levels among the elderly people and the coronavirus evolving into the more infectious but less deadly Omicron variant. More and more countries are returning to a normal state of economic and social life in 2022.

5.7 The stake is high for China if it continues with stringent measures that centre on prolonged lockdown, centralised quarantine and frequent mass PCR testing. Other

³³ <https://www.scmp.com/economy/china-economy/article/3179297/china-gdp-premier-li-signals-clear-urgency-reviving-economy>, accessed 30 May 2022. Li Keqiang made explicit reference to the high unemployment rate—18.2%—among the youth (age 16 to 24).

³⁴ http://www.gov.cn/xinwen/2022-05/26/content_5692466.htm, accessed 30 May 2022.

³⁵ In the Chinese narrative, the Chinese way of fighting COVID has been held as superior to the Western way (which has been portrayed as “lying flat”, irresponsible and ineffective). Moreover, as the CCP will hold the 20th National Party Congress later this year to endorse Xi’s third term, maintaining political and social stability in the lead up to this major event is a political task for all party/government organisations and officials.

³⁶ http://www.gov.cn/xinwen/2022-05/05/content_5688712.htm, accessed 28 May 2022.

than problems such as the slowing economy and rising youth unemployment, prolonged lockdown and border control raise the issue of decoupling, a process whereby China may see its role diminishing in the reconfiguring regional/global supply chains and innovation networks.

- 5.8 It remains to be seen whether major adjustments will be made within the “dynamic zero-COVID” policy framework. Tremendous strains and stresses can be taken off from the medical and the governance systems if asymptomatic infected individuals are allowed to quarantine at home (rather than at Fangcang shelter hospitals), or if those close contacts can stay home for a shorter monitoring period (rather than centralised quarantine at designated hotels/facilities for up to two weeks). Meanwhile, policy synchronisation across localities and within government hierarchy can facilitate business operation and planning.
- 5.9 China’s Joint Mechanism has the ability to implement necessary policy adjustments, but whether and when major policy overhauls are forthcoming is a political decision that can only be made by the CCP’s top leadership.

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