



By: *Tomorrow's Affairs Staff*

The great Chinese relaxation - strategy or fire extinguishing exercise?



China's traditional composure and ability to plan long-term are becoming a thing of the past as the Chinese leadership enters a series of forced decisions, pressured by a declining economy, discontent and adverse global trends. In less than two months, the image of unity, strength and stability that has been presented since the 20th National Congress of the Chinese Communist Party, has proved to be very fragile. China has forced to make short-term, involuntary moves in an attempt to repair the problems that are shaking the country.

The government in Beijing waited for the CCP Congress to end on October 22 and for Xi Jinping to be elected the undisputed leader of the nation for the third time, before releasing the latest statistical data on growth. The data was disappointing and therefore could not be published before, and especially not during, the triumphant CCP Congress. For the first three quarters of this year, China's growth was only 3%: far below the 5.5% that the government had planned in March for this year.

The bad news continued with mass protests in Chinese cities as a result of the lockdown policy, followed by a chronic crisis in the real estate sector for which there was no solution even before the Congress. A big shadow has been cast over the promises of the Party and its leader that 2022 would be a year of stability.

The major easing of lockdown measures was forced by a series of economic and social crises

The major easing of lockdown measures, which the Chinese leadership introduced last week, was a major shift in state policy. It was forced by a series of economic and social crises whose effects were intertwined. Easing the strict lockdown allowed the Chinese to remain isolated in their homes instead of living in strict quarantine, and the obligations of mass and frequent testing and control of health records were reduced.

The decision was to open up society from

within, because prolonged isolation was the most important cause of the problems the Chinese leadership was facing. China was proud of its "zero-COVID" policy, which entailed drastic lockdowns implemented with enormous control and even repression. China wanted to compete with other models in the world and prove them ineffective, but is now relinquishing its model, because the results were bad.

The period of strictest quarantine also brought a huge drop in Chinese growth, from 8.1 in 2021, to as much as 3.2% as estimated by the OECD, but certainly less than the 5% they had planned for this year. China has witnessed massive civil protests, the first of this scale in more than three decades, during which state forces have struggled to cope with thousands of protesters in China's biggest cities and their demands to ease the pressures of isolation.

This is a unique experience both for the growing Chinese middle class, dissatisfied with the regime of isolation and the decline in living standards, and particularly for the current political class in power, which is facing open large scale discontent for the first time.

The lifting of the lockdown looks more like a panicked move to put out the fire

The lifting of the lockdown is clearly an attempt to remove the main cause of China's growing problems. But the Chinese government's plan is not clear, nor is a long-term strategy visible. If it really wants to reduce the scale of the COVID epidemic through a combination of opening and mass vaccination, China is late in implementing such a model, due to the relatively low percentage of the vaccinated population, in addition to domestic vaccines that have shown to be less effective than Western ones.

This measure, therefore, looks more like a panicked move to put out the fire, and, when the flame is extinguished, the next move will be planned. The first test will come soon, in a month's time, when the Chinese Lunar New

Year is celebrated. For two years now, the Chinese have not been able to mark their favourite holiday as they used to, with celebrations and mass travel. In COVID-free years, about 200 million Chinese travelled the country during the New Year holidays.

The easing of the lockdown and the long-awaited New Year's freedom of movement on January 22 will prompt millions of Chinese to travel and celebrate, and thus raise the risk of a new spread of infection. Does the state leadership have a solution for this kind of risk? "Right now, the optics are good.

There's an opening. People are a little bit more satisfied, a little bit less frustrated. For the next month or so, it's going to be good", said Victor Shih in *The New Yorker*, an expert on Chinese politics who serves on the faculty of the U.C. San Diego School of Global Policy and Strategy. He immediately added, "But when China does get this massive wave of infection and hospitalisation, what is Xi going to do? State propaganda is going to shape the messaging. But what we learned during these protests is that, privately, people have witnessed a lot of tragedy that has unfolded because of the lockdown policy." And this is the second big risk that Beijing could face very soon, if it decides to return to lockdown measures due to the spread of the infection. A new wave is likely in the coming weeks and months.

This has been the experience of all countries that have previously abolished strict anti-COVID measures, so China would not be an exception. If Beijing resorts to repression again, there is a strong possibility that it would once again face mass protests of citizens who are encouraged not only by protesting despite the repression, but also by the fact that these protests achieved a goal. They forced the state to yield. "The government is studying very intensively how to stop that from happening in the future", said Shih. "What these protests have shown is that it is possible, even when your demands are very political, even demanding for systemic change. There will be repercussions, but others will join you."