

# Chinese Communist Party begins lifting Zero-COVID policy

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Over the past week, the Chinese Communist Party (CCP) has begun a clear shift away from its longstanding “dynamic zero” policy, also known as Zero-COVID, which has successfully prevented the mass transmission of SARS-CoV-2 for over two and a half years.

In the last three weeks, the seven-day average of daily new cases has risen tenfold, jumping from 950 on October 23, at the conclusion of the 20th Congress of the CCP, to nearly 11,000 on November 14, according to the website Our World in Data. Placing this in context, during the spring surge of the Omicron BA.2 subvariant, the seven-day average peaked at 26,469 on April 14, a figure that will likely be reached in the coming days.

The response by Chinese authorities to the present surge has been entirely contrary to previous efforts to contain infections through mass public health initiatives, most recently deployed in Shanghai to eliminate the Omicron BA.2 subvariant. While a lockdown has been in place in hard-hit Guangzhou since November 5, numerous other cities experiencing growing outbreaks have refused to implement this most effective measure proven to stop viral transmission.

Last Thursday, Chinese President Xi Jinping led his new Politburo Standing Committee in a meeting on COVID-19. This was followed by the announcement by the Chinese National Health Commission (NHC) of 20 measures which either curtail various aspects of the Zero-COVID policy or indicate preparations for a surge of the virus.

The 20 measures include the shortening of quarantine times for inbound travelers and close contacts of people infected in mainland China, a loosening of travel restrictions to and within China, the ending of tracking and tracing of secondary contacts, and other reductions of mitigations. Also included are measures clearly anticipating a coming surge of COVID-19 infections and hospitalizations, including accelerating vaccination programs for the elderly, building healthcare infrastructure and stockpiling medicines.

Reuters notes that several Chinese cities have begun ending routine community testing, primarily due to the mounting fiscal burden that the federal government is no longer covering. In many locations, residents must now pay a small fee for testing.

The announcement of the 20 measures took place days before

the opening of the G20 summit on Tuesday, at which Xi met with US President Joe Biden. Since 2020, the US has exerted enormous economic and political pressure upon China to lift its Zero-COVID policy in order to facilitate the movement of supply chains and the flow of profits to global finance capital.

Chinese and Hong Kong stock indices surged on the news of easing restrictions. Taylor Loeb, a China analyst at Trivium consulting firm, told the *New York Times*, “This is no doubt an important rhetorical shift and may lay the groundwork for a move toward sustained gradual easing, but the market—as it does—is acting like ‘Zero-COVID’ is over. That’s just wrong. You don’t unwind a nearly three-year top-level national policy overnight.”

Despite these reassurances, it is clear that in response to a major surge of COVID-19 across the country, the Chinese government has lessened its aggressive approach towards containing the virus. There is no scientific justification for this move, which is based solely on political and economic considerations.

In the coming days and weeks, the situation could quickly spiral out of control, particularly in places with lower vaccination rates. In Shanghai, only 71 percent of elderly people above 60 years old have been vaccinated, portending a monumental crisis in China’s most populous city.

In May, a study published in *Nature* found that if Omicron were allowed to spread freely in China, in six months’ time the country could expect 112 million symptomatic cases, 5.1 million hospital admissions, 2.7 million ICU admissions and 1.6 million deaths, as well as the catastrophic collapse of its health system. The dynamics of viral transmission are difficult to predict, and given the numerous densely-populated cities throughout China, the real world catastrophe of lifting Zero-COVID could be far worse than the outcome modeled by this study.

The Chinese working class must make every effort to prevent this tragedy from unfolding and maintain the Zero-COVID policy which has saved millions of lives. The past three years have shown the enormous destruction that COVID-19 can wreak upon societies, including economically.

Since the start of the pandemic, the US has recorded nearly 100 million official COVID-19 infections and the cumulative

death toll is approaching 1.1 million. An estimated 20 million Americans are now suffering from Long COVID, including up to 4 million so profoundly disabled that they are no longer able to work. Worldwide, an estimated over 20 million people have died directly or indirectly from COVID-19, according to the excess deaths tracker by *The Economist*.

On the other hand, the Zero-COVID policy in China has limited the toll of the pandemic in the country to 1.12 million infections and 5,226 deaths thus far. The last death occurred on May 26, shortly after the virus was eliminated in Shanghai through stringent lockdowns, mass testing, contact tracing, and other public health measures.

The latest modifications to China's Zero-COVID policy come on the heels of the installation of Xi Jinping for a third term as party general secretary amid growing tensions with the US and economic difficulties throughout China.

During his opening speech, Xi made repeated empty platitudes about "socialism with Chinese characteristics," a nationalistic conception rooted in Stalin's theory of "socialism in one country" and buoyed by the productive capacity of Chinese capitalism. As much as the CCP aims to ideologically separate itself from the global economy, in the final analysis its economic aspirations are irrevocably intertwined with global capitalism and its underlying contradictions.

Similarly, China's success in its response to the COVID-19 pandemic is shaped by the international situation. Zero-COVID with Chinese characteristics is ultimately subordinated to the challenges imposed on it by global capitalism. The repeated attacks by imperialist countries on China's efforts to contain the virus through massive lockdowns and herculean testing and tracing appear to be giving way to accommodating public life to the virus.

Last month's COVID-19 outbreak at Foxconn's iPhone assembly plant in Zhengzhou (the world's largest iPhone factory) appears to have left an indelible impression on Chinese health authorities and played a role in the recent shift in policy.

Over 200,000 workers were placed in lockdown inside the sprawling campus under a "closed loop" management that attempted to ensure the outbreak was contained while production remained undisturbed during peak season, creating horrendous conditions. In late October, workers staged a mass exodus with more than 60,000 workers fleeing on foot as COVID-19 continued to spread on the campus, food and medical supplies neared exhaustion and the lack of systematic cleaning and disinfection in dormitories led workers to sleep on factory floors near the assembly lines.

According to the *Financial Times*, in 2019, the Foxconn plant shipped \$32 billion worth of electronics abroad and was China's third-largest exporter. Now, the company is attempting to woo back workers in Zhengzhou with monthly \$70 bonuses if they sign up for at least nine months, along with a quadrupling of the daily bonus to workers who stayed to around \$60 per day. Business insiders are expecting output of iPhones

to drop by 30 percent this month.

Prior to the developments of the past week, many of the world's largest corporations were looking to diversify their supply bases away from China in order to avoid future uncertainties. During the Shanghai lockdown, Starbucks sales plummeted by 40 percent in that quarter. In the second quarter of 2022, Tesla delivered 17.9 percent fewer electric vehicles due to the disruptions. The *New York Times* reported Apple lost \$4 billion in sales of iPads and Macs during the second and third quarters.

Although limited by infrastructure and skilled workers, India's Prime Minister Narendra Modi is courting global technology companies to move their production bases into the country with a large labor force and enormous market size.

Ming-Chi Kuo, an analyst at TF International Securities, said that the incident in Zhengzhou would accelerate the expansion of iPhone production capacity in India. In a November 4 tweet, he wrote, "As a result, iPhones made by Foxconn in India will grow by at least 150 percent year-on-year in 2023, and the medium/long-term goal is to ship 40-45 percent of iPhones from India versus the current 2-4 percent, meaning Foxconn's iPhone production capacity in India will increase in the next few years."

These developments come in the face of the World Bank's prediction in late September of a sharp decline in China's GDP growth from 8.1 percent in 2021 to 2.8 percent in 2022. In the first nine months, the fiscal deficit has grown to nearly \$1 trillion, three times higher than last year. Meanwhile, public health costs have risen by almost 11 percent in the same time frame.

The World Bank wrote, "Widespread Omicron outbreaks and extreme weather have weakened economic growth. The external environment has also significantly worsened in the wake of Russia's invasion of Ukraine, with global growth slowing, inflation soaring, and financial conditions tightening."

The moves to lift Zero-COVID are a reckless and pragmatic response by the CCP to the increasingly dire economic situation confronting China and the unrelenting pressures of global finance capital. The Chinese working class, in unity with workers throughout the world, must oppose this maneuver and mount a determined struggle to maintain Zero-COVID and expand this policy globally.



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