



Responding to COVID-19 in the Liverpool City Region

Reopening After COVID-19 Lockdown: Insights From China

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Map of Liverpool City Region Combined Authority (LCRCA) boundary (in red) and constituent local authorities



Data sources: Westminster parliamentary constituencies (December 2018 - ONS), local authority districts (December 2018 - ONS), and combined authorities (December 2018 - ONS)

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Key takeaways

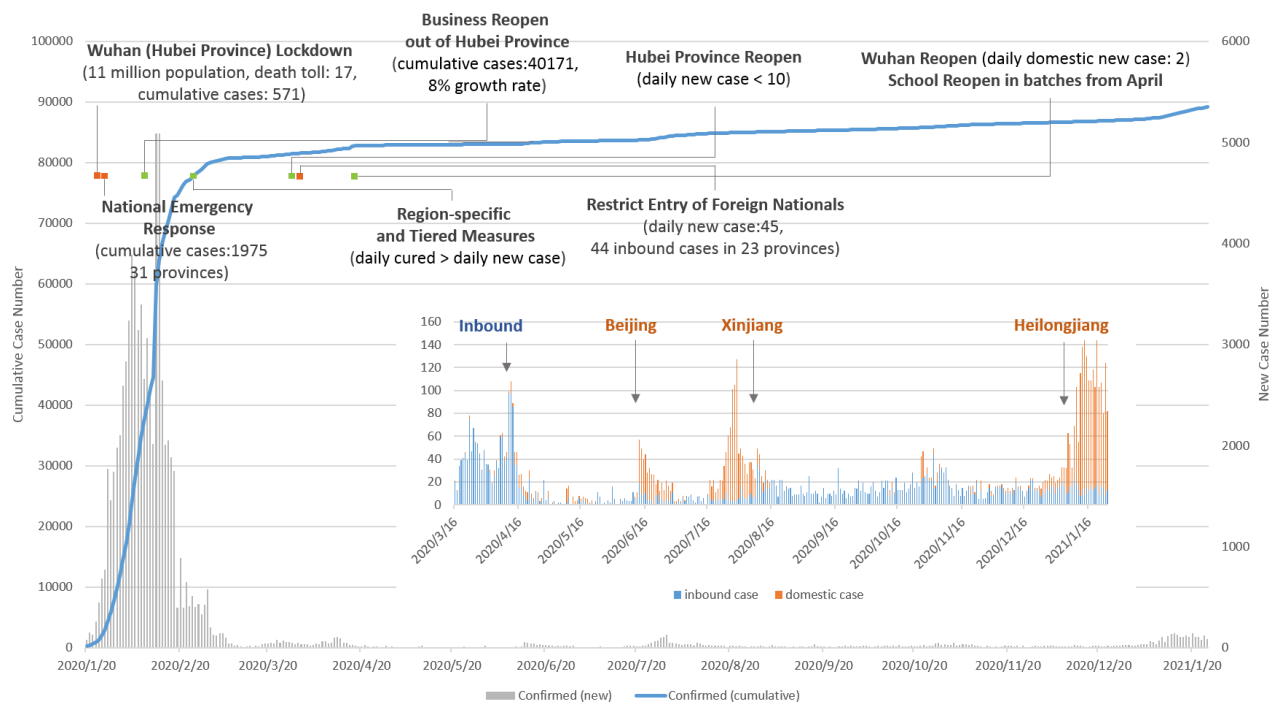
1. East Asian countries (especially China, Japan, South Korea, Vietnam, Thailand, Taiwan and Malaysia) have managed to suppress and 'live with' Covid-19 more effectively than advanced Western countries (especially the United States, Canada and Europe's most developed countries (the United Kingdom, Spain, Italy, Sweden, Belgium, France, and Germany) which have witnessed cycles of painful lockdowns, re-openings, and re-escalations. This has invited commentary on East Asian pandemic management strategies and their transferability to the OECD world.
2. China's particular politico-economic-institutional model has played a key role in its successful suppression of Covid-19 and as such its lessons cannot be transferred to inform the pandemic management strategies of advanced Western liberal capitalist democratic states. But this observation is itself insightful. The Chinese case points to a central challenge facing Western countries: how best to reconcile stringent public restrictions and to ensure public compliance whilst protecting and valorising liberal democratic values. Western governments might usefully develop a social contract and set of governance mechanisms and policy practices to enable temporary restrictive measures to gain a social license and be consequential. We refer to this as a *pandemic social contract*.
3. The Chinese case also fields three specific 'takeaways' of general interest.
 - a) The rapid production and circulation of intelligence and data on the uneven impacts of Covid-19 on places, sectors and social groups is vital to underpin the allocation of effort and efficient uses of resources.
 - b) The pandemic has triggered a technological jolt – accelerating the innovation and adoption of digital technologies and infrastructure. A post-pandemic stock take of the meaning and implications of this digital jolt for particular places needs now to inform the development of local digital strategies.
 - c) In China, the idea of 'build back better' has translated into the concept of high-quality growth. China's fusion of a growth agenda with a mission to build sustainable and resilient economies and communities might usefully inform and be informed by Western efforts to do likewise.

1. Introduction

At a time when many OECD countries have struggled to 'live with Covid-19' and have witnessed an endless cycle of painful lockdowns, re-openings, and surging cases and deaths, East Asian countries (in particular China, Japan, South Korea, Vietnam, Thailand, Taiwan and Malaysia) have seemingly managed to suppress Covid-19, restore a sense of normalcy and avoid a significant economic aftershock and recession. Whilst initially at the epicentre of the pandemic, China in particular has observed no major

increases in case numbers or deaths (localised flare-ups aside) since the initial outbreak. It has avoided successive and painful lockdowns and aborted re-openings and has presided over a year of ongoing economic growth. There is no simple way of making sense of the East Asian encounter with Covid-19, not least given that the countries straddling this region encompass a wide range of politico-economic-institution models. It also seems glib to assert the possible existence of a blanket 'Asian' cultural factor. But can any lessons be learned?

Figure 1. Lockdown and reopening in China



(Source: National Health Commission, 2020-2021)

Reflecting on China’s experience of COVID-19 over the last twelve months, and conscious of the specificities of China’s politico-economic-institutional model, this policy brief attempts to take stock of the wider learning which might be culled from the Chinese case. It argues that China’s centralized political system, distributed political infrastructure and capacity to effect change at grass roots level in every corner of the country have combined to enable a speedy and successful suppression of Covid-19. As such, it is questionable if China’s approach could ever be replicated or emulated in Western capitalist democracies wedded to a liberal politico-economic-institutional model. But this dissonance does point to an important truth: liberal democracies might usefully benefit from a new *pandemic social contract* comprising strictly temporary and regulated innovative governance regimes and methods for reconciling liberal freedoms and the need for public compliance. Beyond this essential insight, we also suggest that the Chinese example

calls further attention to the importance of what we call fast data, technological jolts and quality growth.

2. Lockdown and Reopening in China

Whether, when and how to lockdown and reopen in response to a pandemic is not an exact science (Hickson, 2020). However, China’s experience suggests that acting quickly, comprehensively and strictly can be decisive. Following a visit by a team of public health experts to Wuhan City in January 2020, the Chinese government decided to comprehensively lockdown the city and seal its borders. Immediately, all provinces then switched to China’s ‘Level 1’ public health emergency response mode. All industries, businesses, and schools were closed. Public gatherings and social and recreational activities were restricted.

That lockdown measures were taken two days before the eve of the Chinese New Year signalled the intent of the

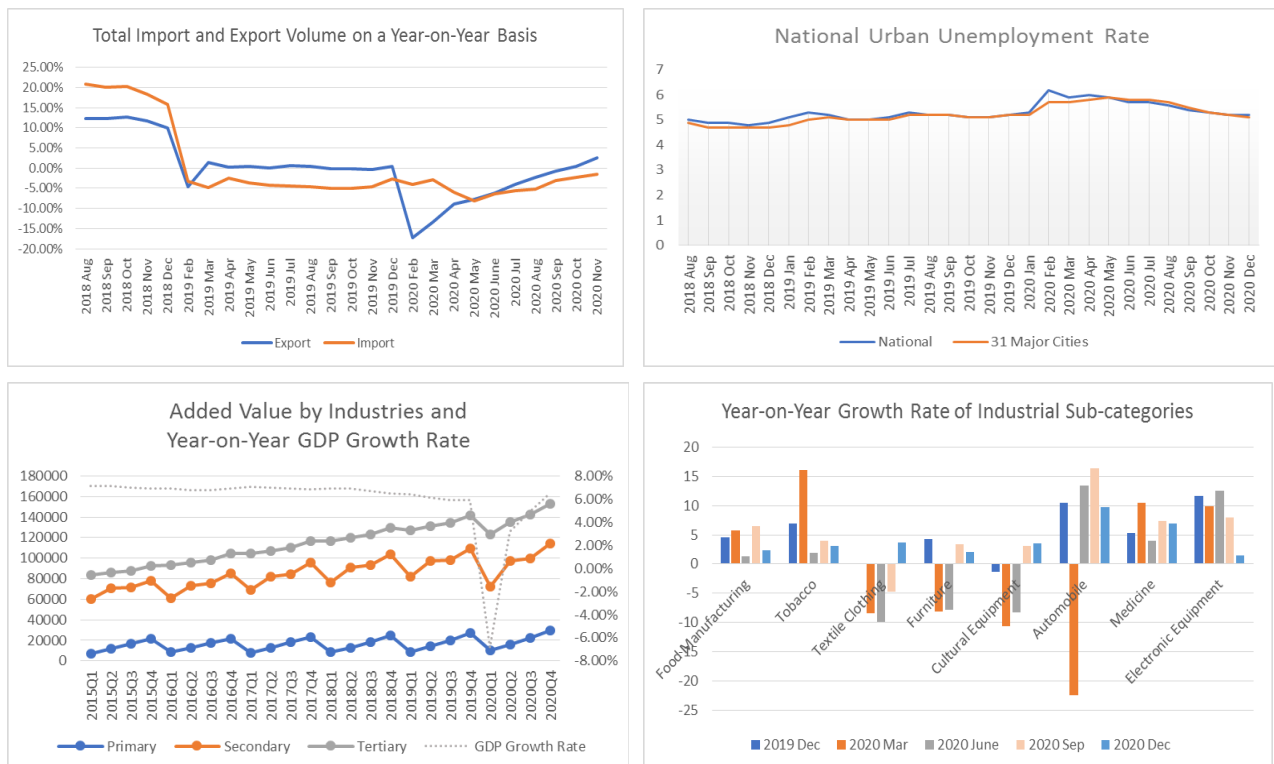
government to make difficult decisions and to prioritise public health. Dependent upon local circumstances, the country was then reopened on a phased basis. Caution, vigilance and uncompromising prioritisation of pandemic suppression was applied to walk provinces through a tiered relaxation of restrictions (Figure 1). When Wuhan reopened on 8 April after a 76-day lockdown, confidence was incrementally restored. When the country passed the major test of the travel peak during the 1 May International Labour Day holiday, lockdown measures were relaxed to near normalcy across the country.

Since May 2020, there have been localised flare-ups but these fires have been put out immediately through limited local lockdowns and reopenings based on speedy and accurate testing, tracing and isolating of potential patients. For example, city-wide nucleic testing of 11 million residents in Qingdao was

completed within five days in October, identifying a total 13 confirmed cases.

The *big and sudden pause* in everyday life implemented nationwide from late January to early February 2020, although preventing the spread of coronavirus, unsurprisingly led to a sharp decline in economic activity (Figure 2). China's GDP growth rate fell to -6.8% in quarter 1 2020, the first negative growth recorded since 1992 and the poorest economic result recorded since 1978 (National Institution for Finance & Development, 2020). Some economic sectors have been more resilient than others. Whilst the catering sector saw a 41.9% fall in income, online services and ICT witnessed year-on-year growth of 14% in turnover (National Bureau of Statistics of China, 2021b). Electronic goods and medicine saw considerable growth, whilst sales of other consumer goods contracted. The urban

Figure 2. Key indicators of China's economic performance during the COVID-19 period



(Source: National Bureau of Statistics of China, 2020-2021)

unemployment rate¹ reached 6.2% nationally in February 2020, and the number of rural migrant workers decreased by 4.96 million in the first half of 2020 year-on-year (United Nations China, 2020). Small and medium-sized enterprises (SMEs) were hardest hit. The fragile global economy has led to uncertainty in global supply chains and export-oriented regions and cities have proactively shifted to a new strategy of *Double Circulation*, which has aimed to stimulate both the domestic and international market. Total GDP growth for China in 2020 is estimated at 2.3%, and compares favourably with advanced economies (-4.9%) and world as a whole (-3.5%) (IMF, 2021).

3. Reopening Strategies and Measures

According to the World Health Organization's (WHO) in a joint mission on COVID-19: "China has rolled out perhaps the most ambitious, agile and aggressive disease containment effort in history" (WHO, 2020). But suppression of the virus and reopening of the economy have not been construed as necessarily antagonistic. A package of intensive policies has been introduced by the national government, accompanied with local measures, to ensure that ongoing disease containment initiatives and economic activities are aligned. These can be categorised into five domains: place, business, livelihood, public health, and people, covering almost all sectors of work and life (Figure 3).

Cities have been classified according to their level of risk based on daily monitoring of cases. Movement in and out of cities at risk has been tracked with the

aid of technology. Within cities, the level of permitted mobility is proscribed by purpose, with different rules for leisure, work, education etc. Financial subsidies or waiving of business costs have been provided to businesses, with special attention given to small and medium enterprises (SMEs) and self-employed groups. To ensure the goal of "employment stabilisation", platform-based employment (e.g. Didi, Taobao, Airbnb) and the street-vendor economy (the so-called "Ditan Economy") was allowed and encouraged by national government. In the run-up to this year's Spring Festival, when substantial numbers of workers travel back to their home towns, incentives were provided to encourage employees to stay in the cities where they work, with the aim of restricting movement. These incentives include increased overtime pay, free food and accommodation, and tickets to local scenic spots (China Daily, 2021).

Implementation of agreed policies at all levels has been key. China's political system has produced high levels of public compliance, the efficient allocation of resources, and the undertaking of large and labour intensive projects at short notice. In addition, the commitment of local authorities, enterprises and individuals to collective action has been crucial (Kupferschmidt et al., 2020). The responsibility for epidemic control is not only passed down through the national-local government system, but also directly assigned to each enterprise under local management. Staff health information and supplies must be in place and examined before any work can be resumed. Some large-scale companies and factories have even booked chartered flights and trains to enable their employees to restart work earlier, in some cases, with costs shared

¹ Measured according to the International Labour Organization standard definition of people above 16 without a job who have been actively seeking work within the last three months and are available to start work within the next two weeks.

Figure 3. Policies and measures to support resumption of work amid the outbreak (February - August 2020)

Area	Main Content	Time	Policy	Released by
Places	1. Region-specific, place-targeted and tiered measures to different districts; 2. Refined measures for key locations (indoor recreation and leisure place, public vehicle etc.), organizations (welfare home, prisons and hospital etc.) and population groups (elderly, children, pregnant women, students etc.)	17-Feb	Guidelines on Taking Science-based, Targeted, Region-specific, and Tiered Measures for COVID-19 Prevention and Control	State Council Joint Prevention and Control Mechanism
		21-Feb	Guidelines on COVID-19 Prevention and Control Measures for Resumption of Work	
		6-Apr	Notice on Prevention and Control Measures for Key Locations, Organizations and Population Groups	
		7-Apr	Guidelines on COVID-19 Prevention and Control Measures for Localities at Different Risk Levels to Resume Work	
Business	1. Strengthen financial support 2. Improve government service (skill training, streamline administrative process), 3. Reduce enterprise cost (rent, tax etc.)	18-Mar	Decision on Implementation of Measures to Stabilize Employment by Offsetting the Impact of COVID-19 *More details could be found in UNDP Assessment Report on Impact of COVID-19 Pandemic on Chinese Enterprises.	State Council
Livelihood	Safe spring production and efficient food supply; logistics support and new platforms	12-Feb	Notice on Strengthening Mayor Responsibility System on- 'Vegetable Basket' to Ensure Stable Production and Supply of Agricultural Products	State Council Joint Prevention and Control Mechanism
		18-Mar	Guidelines on Current Spring Production	Central Leading Group for Novel Coronavirus Prevention and Control
Public Health	1. Instantly disclosure information to public;	26-Mar	Announcement on the Temporary Suspension of Entry by Foreign Nationals Holding Valid Chinese Visas or Residence Permits	Ministry of Foreign Affairs, National Immigration Administration
	2. Dynamically adjust risk level;			
	3. Constantly improve emergency plan;	6-Apr	Manual for Management of Asymptomatic Virus Carriers	State Council Joint Prevention and Control Mechanism
	4. Strengthen monitoring among key areas (e.g. boarder area of northeast region, Beijing), key population (asymptomatic virus carriers) and key sites (market).	7-May	Guidelines on Conducting COVID-19 Prevention and Control on an Ongoing Basis	
5. Capacity building of mass Covid testing	31-Aug	Notice on the Issuance of a Work Plan to Further Enhance the Novel Coronavirus Nucleic Acid Detection Capability		
People	1. Ensure welfare of vulnerable groups (elderly, children, pregnant women, poverty population and children without guardianship) 2. Enhance working environment quality, ensure physical and mental health, and provide appropriate subsidies and recognition for the work of key workers (doctors and community workers)	10-Feb	Measures to Improve the Working Condition Physical and Mental Health of Front-line Medical Personnel	National Health Commission, Ministry of Human Resource and Social Security, Ministry of Finance
		3-Mar	Notice on the Implementation of Care Measures for Front-line Urban and Rural Community Workers in Disease Prevention and Control	Central Leading Group for Novel Coronavirus Prevention and Control
		6-Mar	Notice on Further Ensuring the Welfare of Poverty Population During the Disease Prevention and Control Period	
		14-Mar	Working Plan for Protecting Children Without Guardianship Due to COVID-19	State Council Joint Prevention and Control Mechanism

* Joint Prevention and Control Mechanism: A multi-ministerial coordination work mechanism platform at the central government level in response to the outbreak of the COVID-19 in early 2020.

(Source: *The State Council of China, 2020*)

with local authorities eager for a quick recovery. At the community level, community workers, property managers, public servants, and volunteers have been assigned to daily epidemic control and livelihood support.

With cumulative efforts and experience, a maturing set of measures and procedures for tracking, monitoring, reporting and prevention of imported and internal rebound cases of coronavirus have taken shape. This has enabled the effective restriction of several new outbreaks, such as that experienced at a seafood market in Beijing.

4. New Opportunities and Transitions

Public and private sectors in China have also treated the crisis as a turning point for transition towards “high-quality growth”. In the West, a similar debate is being had over how best to build back better, go forward, and emerge stronger from Covid-19. Whilst these debates differ in their origins and trajectory, there is scope to consider both together. How might economic recovery lead to fairer and more sustainable and resilient cities?

It is clear that Covid-19 has precipitated a watershed moment in the unfolding relationship between society and technology, a moment when technological rupture will lead to epochal shifts in the ways in which human beings live and work. There arises an increasingly influential claim that a fourth industrial revolution (also known as a cyber-physical revolution, Industry 4.0 (IR4), and/or Society 5.0) is imminent (if not already here), catalysed by the new 'horizontal' (generic and economy wide) technologies of artificial intelligence, digital connectivity, and big data. A so-called 'big mind' combining machine and human intelligence, is poised to dramatically scale the ability of humanity to solve the grand economic, social and environmental challenges of the twenty first century.

In China, the Covid-19 technological jolt is informing emerging approaches to build new infrastructure, birthing new businesses and brokering new currencies.

New Infrastructure

In formulating the country's strategic development plan for the next five years, growth driven by physical capital investment is expected to be gradually replaced by investment in innovation knowledge and social capital (Hepburn et al., 2020). New forms of digital infrastructure have accelerated to become one of the most prevalent technology trends since the emergence of COVID-19. This new infrastructure has already successfully enabled epidemic prevention and control (e.g. contact tracing, online consultation) (Accenture, 2020); and laid a solid foundation for shaping new urban life and working (e.g. distance learning, online working, digital health, smart urban governance, smart cars, smart homes). By September 2020, almost all Chinese provinces had referenced new infrastructure construction in their Government Work Reports, and 15 have

actively issued action plans (CCID Think Tank, 2020). By the end of 2020, more than 30,000 5G outdoor base stations had been built in Shanghai (Xinhuanet, 2020).

New Business

Empowered by technological advances, digitalisation has been embraced to improve efficiency and costs of production (Hepburn et al., 2020). During the pandemic, live broadcasting on online platforms by celebrities to promote rural agricultural products quickly rose to national prominence. In quarter 1 of 2020, online agricultural product sales grew by as much as 31%, both supporting numerous poverty counties and ensuring food supply during restricted mobility (JD Big Data Research Institute, 2020). Digital business has expanded to various types of goods and services. Around 500 real estate agencies and 23 car brands have broadcast their product sales online; artists held concerts and museums have also made their spring outing activities online (Ali Research 2020). The monthly active user of the top three online platforms (Taobao, TikTok, Snack Video) topped 1.4 billion, representing almost the total population of China. The 2020 'Double Eleven' (Single's Day Festival on 11 November), a carnival for e-commerce platforms, has yielded a total sales revenue of RMB 498.2 billion, up by 85.6% as compared to 2019. Further, the job market has also witnessed significant transitions. Jobs recently released by the Ministry of Human Resources and Social Security have included online learning service providers, live-streaming salesmen and blockchain engineering technicians.

New Currency

Important to E-commerce, E-payment already has gained momentum and a 'digital currency and electronic payment (EC/EP), equivalent to paper notes and

coins in circulation, is being developed by the central bank of China. Adopting blockchain technology, it shows great potential to be used not only in the fight against money laundering, tax evasion and fraud (China Daily, 2020), but also widely in local governance and livelihood projects to further ensure policy effects and accurate use of specific funds. Based on more pilot testing and with continuous improvement in new infrastructure and transformation in new business formation, it is expected that the scenarios and opportunities for using digital currency will continue to expand (China Digital Currency Research Institute, 2020).

5. Conclusions and Lessons

When set into global context, China has managed to suppress Covid-19, through a single comprehensive and strict national lockdown, a multi-level governance regime with deep reach into everyday life, and a high level of public compliance which has enabled the country to reopen without a significant second pandemic wave. Although lockdowns have huge social, economic and political costs, the quick and firm response enacted by the Chinese government did help to prevent the crisis from becoming prolonged. Moreover, China's ability to pour water on the flames of local flare ups through rapid and local containment and vigorous test, track and trace systems, has ensured that life has returned to a degree of normalcy since spring 2020. The actions taken did however rely on high levels of compliance, enforced by the state and underpinned by Chinese cultural norms. It is questionable whether Western liberal states would or could emulate the Chinese approach. Every politico-economic-institutional model must approach pandemic management through the lens of its own structures and values. For liberal democracies, a key challenge to emerge from Covid-19 would appear to be balancing the protection of rights and

freedoms while securing a social license for restrictions and achieving high levels of public compliance. Here we offer the idea of the importance in disaster risk management of pioneering a new emergency and temporary *pandemic social contract*. Beyond this fundamental conclusion, we also point to the wider significance and learning to accrue from China's embrace of the ideas of fast data, technological jolt and quality growth.

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