

## China's Brutal COVID Winter

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CHICAGO – Last month, China ended its zero-COVID policy, bringing a tumultuous end to restrictions after nearly three years. The suddenness of the move surprised nearly everyone. The process could have been much more gradual, with a slower shift from mass forced lockdowns to more flexible policies, such as voluntary self-quarantine and social distancing. Instead, the government has effectively thrown caution to the wind.

As a result, China is now having one of the worst outbreaks seen anywhere since the start of the pandemic. Hundreds of millions of people have been infected in the space of just a few weeks, and many experts now expect the death toll to exceed one million. Chinese social media are being flooded with harrowing accounts of personal loss and images of overwhelmed hospitals. While the exact infection and mortality figures are unclear, the big picture is undeniable: the Chinese people are fighting to survive.

The situation is reminiscent of what many other countries experienced in the first weeks of the pandemic. But, unlike in most developed economies, key features of China's social and economic structure make it especially difficult for ordinary households to grapple with the virus.

Reducing infection rates in high-risk populations, for example, requires self-distancing, which is why the elderly in advanced economies have voluntarily reduced interactions with their children and grandchildren. But China's elderly cannot self-isolate so easily, because many are their grandchildren's primary caregivers.

In 2013, the Shanghai Municipal Population and Family Planning Commission reported that 90% of the city's young children were being cared for by at least one grandparent. The rates are lower in other cities, but still much higher than in the United States. Over 50% of all Chinese grandparents provide care for their grandchildren, whereas only 3.8% of American grandparents do.

This difference is partly a result of tradition. Many Chinese elderly live with their adult children, and retirement homes in the country are still rare. But economic conditions also play an important role. In urban areas, parents increasingly need grandparents to help them with child rearing, owing to the taxing 9-9-6 work schedule (9 a.m. to 9 p.m., six days per week) and a brutally competitive education system.

Moreover, China has experienced a tripling of grandparent-grandchild (skipped-generation) households since 1990. Because the hundreds of millions of Chinese who migrate to cities for work are prohibited from bringing their families with them, some 60 million children remain in rural areas with grandparents and other relatives.

Many urban parents, too, have left their children behind. In cities, children often live with grandparents who own property in city centers, where one finds the best schools and other amenities. Today's urban elderly were grandfathered into these sought-after locations, having been assigned housing by their work units before the reforms of the mid-1990s transferred ownership from the state to the occupants. As urban housing prices have skyrocketed, the beneficiaries' adult children have been forced out to more affordable suburbs. In Shanghai, where real estate prices are the third highest in the world, grandparents are the sole caregivers of 45% of the city's young children.

When Chinese do become infected or fall dangerously ill, they seek emergency care as a last resort. But their access to effective care is much more limited than in higher income countries. As of 2021, China's per capita GDP was just \$12,556 – less than one-fifth that of the US (\$70,248). This large income gap is reflected in the provision of public health care, including in ways that are not always apparent.

For example, although China and the US have a comparable number of hospital beds and physicians per person, such indicators mask a lower quality of care. Most Chinese hospital rooms are shared by many patients, which poses obvious problems in the case of a contagious outbreak. Worse, in 2022, China had only four intensive-care-unit beds per 100,000 people on average, compared to over 30 per 100,000 in the US.

China's limited public resources also are reflected in the high price of treatments. In the US, the government purchased 20 million courses of Paxlovid at \$530 each and provided them to Americans free of charge. In China, patients currently must buy Paxlovid at the market price of \$426.80 per course, which amounts to 8.3% of the average annual disposable income (\$5,092). For comparison, this would be like asking the average American to pay \$4,034.

In the months ahead, these issues are likely to become more problematic as migrant workers spread the virus to the rural population when they return home for the Lunar New Year (January 22). Home to some 500 million people, China's rural areas have even more multi-generational households, and they are generally poorer – with only half the number of beds per hospital, and very few ICU units. As such, many fear that rural China is heading for a “dark COVID winter”.

The COVID-19 pandemic began in China during the 2020 Lunar New Year holidays. Now, for the first time in three years, the Chinese people can see a small light at the end of the tunnel. But the last mile will be grueling. Households must do their best to protect themselves with very limited access to some of the most important tools for fighting the disease. While there is little doubt that returning to normalcy is the right direction for China, the days and weeks ahead are going to be exceedingly difficult and full of sorrows.

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