

CNBC – Worldwide Exchange

Kuhn: Tensions on both sides of the protests in China

Robert Lawrence Kuhn – November 29, 2022



CNBC HOST: This is a scenario custom made for your expertise. Can you take us through? I've heard so many times in the last couple of days this idea that these protests are the biggest thing since Tiananmen Square. And I want to know if this is your opinion, because I remember tanks in Tiananmen Square, and we're nowhere near that right now.



ROBERT LAWRENCE KUHN: No, that's for sure. I think that's an accurate statement in terms of it the largest protests since Tiananmen Square, but it's not anywhere near the same significance. I think we have to look at the protests very differently, and it is directly a result of the frustration, understandably so, of effectively a lockdown now for almost three years in different forms, from invasive testing on a regular basis to actual lockdowns and being shut into one's apartment for long periods of time. So that frustration is entirely understandable. The other kinds of demands, in terms of the government, in terms of freedom of speech, are there, but they're really a small part. They're derivative as opposed to primary. It's an important point.



KUHN: The tension in China for the government is between opening up and freeing the economy — freeing the people from this terrible anxiety that they're under — and the likelihood, which leading officials say, of a very significant outbreak. The variant in Beijing is significantly more transmissible than Omicron, and Omicron was significantly more transmissible than the original COVID-19 virus. Chinese vaccines were not as effective for the original virus, as we know as the Western mRNA vaccines, and the low vaccination rate, which hopefully is increasing.



KUHN: Chinese officials were really worried that there would be tens of millions of cases and millions of deaths if they would open up. So that you have this tension on both sides of this, really a no-win situation.

So, after the 20th Party Congress, they refined the Zero-COVID restrictions. They had 20 different regulations that modified [procedures]; they didn't change it, but modified it.

The best predictions were, and still are, that the minimum time will be after the so-called Two Sessions in March, *liang hui*, the annual government meetings. Then after that, people were hoping for some kind of a significant opening up.



KUHN: That's not clear to me that that will happen. I think we will continue the way things are. I don't think there's going to be a major policy shift. They'll continue with this differential approach to lockdowns, a more nuanced approach with the 20 measures. Maybe a little bit more than that. I think the protests have gotten the attention of senior leaders. There is no question about that, but I'm not sure it's going to influence them that much. They've obviously put massive force on the streets. So I don't expect to see continuation of the protests.



KUHN: But I think the point was made, and it's a pretty powerful point from a wide part of the Chinese population. So, officials will take that into account. But they're not going to just suddenly open up and expose themselves. I think we have to wait for a Chinese mRNA virus vaccine in order to give the officials confidence of a significantly more opening up. And of course, an increase in the vaccination rate, particularly elderly people who have a low vaccination rate so far and are obviously the most vulnerable. So there may be changes in that policy on the edges, but I do not see a significant change for the foreseeable future.



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