

Where is the Chinese Beveridge?

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[Banking reforms only half the solution: global economic imbalance needs to be addressed | !\[\]\(666e09182d4cd268646ea700ea60dcdf_img.jpg\) Business | !\[\]\(1ef1ef0bf9af6c6996401964cf280f2d_img.jpg\) guardian.co.uk](#)

Larry Elliott's pessimistic today:

In theory, the solution [to global trade imbalances] is simple. China should accept a significant upward revaluation of the renminbi, making its exports significantly dearer. It should put in place a more generous social security system so that consumers have to save less for health care and education. Perhaps the new forum for global economic management — the G20 — can find a solution to the problem that stumped Keynes in 1944. If it can't, the debtor nations will be forced with a stark choice — semi-permanent financial upheaval or protectionism, as many far-sighted City analysts now accept.

He may be right.

But isn't it strange that well being is now dependent on the supply of social welfare for the largest nation on earth - which is something they can afford, but which they are reluctant to deliver.

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