

## Where is the Chinese Beveridge?

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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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