

## **“A £60 billion Brexit fund”?**

I awoke to an odd headline yesterday in the Sunday Times. The Chancellor we were told is going to set up a £60bn Brexit fighting fund.

Fortunately the Chancellor's own words in the same newspaper said no such thing. It was a silly headline. The government is scheduled to continue borrowing a bit more each year up to 2020, beyond our likely date of exit. The additional borrowing each year is now well down on the peak rates of the previous decade, and will continue to fall this Parliament. All the time we are adding a bit to state borrowing we cannot create a fund out of tax revenues.

Nor did the Chancellor write that there can be no net increase in spending in the March budget. He acknowledged that growth has come in faster and the revenues higher than forecast in the Autumn Statement. He has pre announced more money for vocational training and hinted at more spending on social care. He of course states his wish to see continued progress this Parliament in cutting the deficit further but has not said he wishes to stop all new borrowing. He will have some options as the Treasury and OBR correct some of their forecasting mistakes from the Autumn.

The headline about a Brexit fund is doubly misleading. The sum involved just happens to be the sum the rest of the EU would like us to pay as an exit payment. That is why we must rush to explain to them there is no such fund, no such money, as well as telling them there is no liability for us to have to pay. Nor does Brexit require a special fund. The future path of the UK economy is going to be mainly influenced by interest rates, the performance of the US and global economy, world commodity prices and their impact on inflation, and by the balance of domestic fiscal and monetary policy. In other words after Brexit as before the main determinants of our performance will have nothing to do with whether we are in or out of the EU, just as our past performance clearly got no visible benefit out of being a member of the EU internal market. Inflation is rising as many have predicted, but so far UK inflation has risen in line with US and German because it is led by world oil prices, not by the fall in sterling.

In the EU we experienced two great crashes. One was caused directly by EU policy when we fell out of the mad and dangerous Exchange Rate Mechanism and plunged into recession. The second, the Great Recession and banking crash of 2008-9 was a common crash in the USA, the Euro area and the UK brought on by similar Central Banking and commercial banking mistakes in all three zones. The EU did not cushion or ameliorate the problems, and then added their own twist of the recessionary knife with the Euro crisis that followed.

Let's hope our authorities have learned from these bitter experiences so we have a good economic performance as we leave the EU. To do so we need interest rates that allow continued expansion without damaging the pound further, as the US hikes her rates. We need some relaxation of credit for good projects, home purchase and other affordable purposes in the private

sector, and we need accelerated rates on investment in infrastructure to catch up with our needs.

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## Law marks reform of Red Cross Society

The revised Red Cross Society Law will serve as a milestone for the reform and development of the Red Cross Society of China and promote the society's participation in humanitarian work, according to Wang Rupeng, vice-president of the RCSC.

The law, which will take effect on May 8, World Red Cross and Red Crescent Day, includes major amendments to the current law, such as expanding the duty of the RCSC by allowing it to participate in and promote body and organ donation, Wang said.

"The amendments serve to ensure the RCSC performs its duty in accordance with the law and improves its credibility among the public," he said.

The law was approved by the Standing Committee of the National People's Congress, China's top legislature, on Feb 24. It is the first revision to the current law since it was adopted in 1993.

Major amendments include setting up a supervision board at the RCSC to improve supervision of the organization; expanding the RCSC's official duties to participating in and promoting voluntary blood donation, and body and organ donation; and intensifying auditing of donations received by the Red Cross, according to Wang.

It also includes a new chapter that specifies legal responsibilities on law violations concerning the work of the RCSC, he added.

China's Red Cross societies or their staff members may face criminal sanctions for violations such as handling donations without donors' permission or failing to give feedback to donors about the use of their donations, according to the new chapter.

Other organizations or individuals may also face criminal sanctions for offenses such as infringement of the symbols or names of the Red Cross, damaging property of Red Cross societies, producing, publishing or spreading false information that damages the reputation of Red Cross societies, or hindering staff members of Red Cross societies from performing rescue and relief duties, according to the chapter.

Employees of government departments at all levels may also face criminal sanctions for abusing their power while supervising or managing China's Red Cross societies, the chapter states.

“The chapter for legal responsibilities is a major achievement for the legislation of the Red Cross Society Law,” Wang said. “It applies to all individuals and organizations, including staff members of China’s Red Cross societies, and will play an important role in protecting the interests of donors and Red Cross societies, including their reputation, brand and property.”

In addition, the law, which authorizes the RCSC’s duties in organ donation, will contribute to better promotion of organ donation in China, Wang said.

China’s Red Cross societies have actively participated in organ donation in recent years following guidelines released by the central government, but a lack of legislation has been a big obstacle, he said.

The revised law will enable Red Cross societies to share their duties with health authorities in organ donation through advocacy, organizing registration for donors, witnessing the acquirement of organs and leading commemoration activities, Wang said.

Health authorities and medical institutions are responsible for issues concerning medical care and techniques such as the acquiring, distribution and transplanting of organs, he said.

The number of registered organ donation volunteers in China had reached nearly 170,000 by the end of last year, up from 66,000 in March last year, according to the China Organ Donation Administrative Center, which is affiliated with the RCSC.

The number of organs donated in China last year reached 11,296, an increase of nearly 50 percent compared with 2015, when organs donated by deceased civilians became the only legal source of organs for transplant surgeries in China, according to the China Organ Transplantation Development Foundation.

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## **Senior service sector in China gets reform boost**

By further streamlining administration and delegating power, strengthening supervision and improving the service level, China will mobilize social forces to participate in the development of elderly care industry, lower the institutional cost for entrepreneurship and create a fair development environment, according to a policy paper released by relevant Chinese authorities recently.

The Notice on Accelerating the Reform on the Entry, Supervision and Service Level of the Senior Service Industry was released by thirteen departments, including Ministry of Civil Affairs, National Development and Reform

Commission, Ministry of Public Security, Ministry of Finance, Ministry of Land and Resources and National Elderly Work Committee Office.

Now entering into an aging society, China has huge demands for the elderly nursing industry. In 2015, the number of senior aged over 60 in China reached 220 million, accounting for 16.1 percent of the total population.

The quality of the industry concerns over 200 million senior citizens, especially the over 40 million incapacitated or semi- incapacitated elderly.

However, the sheer quantity and quality of China's senior service supply still fall short of the increasing demand for the industry. China is now still headache with inaccessibility of urban and rural public facilities, as well as insufficient supply of senior products.

Other than a livelihood project involving the welfare of billions of people, the senior service industry is also a rising business with great potential.

At the end of last year, the Chinese State Council released a guideline on widening the access of the senior service market and improving the quality of senior service, requiring the service to orient towards community, rural areas as well as incapacitated and semi-incapacitated senior citizens.

Nursing care resources should be further expanded and the development of small-sized and professional chain service agencies should be vigorously supported, read the guideline.

To address the short boards in senior service, the guideline also pointed out that for community senior service, China will speed up the construction of a comprehensive service information platform and provide such home service as meal assistance, cleaning assistance, walking aid, bathing assistance and medical assistance.

Small-sized community nursing homes are encouraged to meet the needs of senior citizens within close proximity as well.

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## **Rural poor allowed to delay hospital fee payment**

China's National Health and Family Planning Commission (NHFPC) issued a new guideline on March 2 allowing patients in poor rural areas to receive medical treatment without paying the treatment fees upfront. Provincial health and family planning administrative departments are required to finish the official plan by the end of March, and the program will be implemented before the end of April.

According to the program's description, only poor, rural patients who have basic medical insurance can take advantage of the favorable policy. Patients who do utilize the policy will receive their medical treatment in designated medical institutions around the county.

Hospitalized patients must meet strict requirements. They have to provide documents including a health insurance card, valid ID card and proof of their economic status before being admitted to any hospital. Patients can receive treatment after signing a "pay after treatment" agreement.

The program also offers flexible payment methods. When a patient is discharged from the hospital, the designated medical institution immediately subtracts the portion of the treatment fee covered by insurance from the patient's bill. The patient is only expected to pay for individual expenses, and the medical institution then returns the patient's documents in a timely manner. For those who cannot pay their treatment fees all at once, there is an option to pay in installments.

Another facet of the program requires the establishment of a county-level payment system for impoverished patients, which is intended to gradually promote the development of provincial and cross-provincial settlement systems.

The program will punish malicious debtors through a credit system. A blacklist of offenders will be maintained, and designated medical institutions have the right to stop favorable policy coverage for people on the list. They can also report the offenders to medical insurance departments.

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## [Nutrition program benefits over 36 mln students](#)

More than 36 million students from 134,000 primary and junior high schools in impoverished rural regions have benefited from China's nutrition improvement program since its implementation in 2011, the Ministry of Education (MOE) said recently.

The program was initially launched by the MOE, the Ministry of Finance, and 13 other departments on a pilot basis in a bid to address malnutrition of rural students receiving compulsory education.

It has so far reached 1,590 counties in 29 provinces, according to the progress report released by the MOE. Thanks to five years of efforts, the students have been freed from hunger malnutrition.

The Chinese Center For Disease Control And Prevention, after tracking the

students in piloted areas, found that children who benefited from the program are taller and heavier than the rural average.

Data shows that from 2012 to 2015, male students on average increased in height and weight by 1.2 cm and 0.7 kg respectively while female students increased by 1.4 cm and 0.8 kg.

In the given period, anaemia rates dropped to 7.8 percent from 17 percent. Better nutrition has also aided their efficiency and enthusiasm for their studies.

Since the plan was launched in 2011, nearly 160 billion yuan in subsidies were allocated to support the national plan, reward piloted areas, improve students' meals and subsidize impoverished children.