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EDITORIAL

Introduction to the special issue on lifelong asset building

We are delighted to present the contributions in this special issue, which bears some of the fruit from the conference, 'Lifelong Asset Building: Strategies and Innovations in Asia,' held in November 2012 at Peking University. The conference produced many important papers, and we regret that space limitations prevent us from including all contributions in this special issue.

This exceptional event and the resulting insights would not have been possible without the invaluable participation of many parties. Organized by the Peking University–Hong Kong Polytechnic University China Social Work Research Centre, the Center for Social Development at the George Warren Brown School of Social Work at Washington University in St. Louis, the Department of Sociology at Peking University, the National University of Singapore's Centre for Social Development (Asia) and the China Association for Social Work Education, this conference benefitted greatly from the support provided by the Levi Strauss Foundation, the Keswick Foundation, the Ford Foundation, and the McDonnell International Scholars Academy at Washington University in St. Louis.

Interest continues to grow in the use of asset-building strategies to improve financial security throughout the life-course, and particularly in old age. The rapid pace of change in China and recent economic and political developments make this an optimal time to assess the state of the field with an eye towards the future. The collection of articles in this special issue accomplishes that task well, detailing key initiatives and elaborating insights that may inform research, policy and practice. The editors have arranged the issue thematically in the hope that the juxtaposition of specific contributions will reveal broad contexts and spark further innovation.

The special issue opens with James Lee's contribution, which focuses on the connection between home ownership and social welfare in Singapore, Hong Kong and Japan. In those contexts, housing policy seeks to provide a means by which homeowners can develop economic security by building assets through the equity in their homes. Lee probes the theoretical underpinnings of social welfare in East Asia before examining the evolution of social policy, and especially housing policy, in each of the three cases. Lee finds that success in asset-based social policy, and particularly success in the integration of such policy within East Asian housing systems, is determined by whether institutional features (e.g. regulations) provide protection from speculation and market volatility.

The collaboration by Baorong Guo, Xincai Guo and Li Zou also touches upon efforts to improve financial security by leveraging existing assets. Guo and colleagues provide a useful retrospective on the Hutubi Model, a county-level policy innovation in Xinjiang Uygur Autonomous Region. The model served as the foundation for a programme that enabled farmers in Hutubi County to build assets by using their retirement insurance as collateral for loans. Through the programme, borrowers obtained the capital needed to make investments in their farms. The programme also reinvigorated the county's rural retirement insurance pool and spawned several similar policies in other parts of China.

In 2010, the Hutubi loan programme ended with the government's launch of a new rural retirement insurance programme. Guo and colleagues also examine the 2010 programme, highlighting its features and key innovations.

Charles C. Chan, M. K. Lai, Eddie C. W. Ng and Wendy S. Y. Lau detail another innovative programme, presenting results from an early evaluation of the Hong Kong Child Development Fund's Pioneer Projects. The projects seek to address intergenerational poverty through a broad asset-building intervention with disadvantaged children between the ages of 10 and 16. The projects combine a matched savings component and a mentorship programme with individualized personal development plans. Chan and colleagues report that over 95% of participating youth implement personal development plans related to education, vocational training or skills development. In addition, they find that 90% of youth and their families save in each month of a two-year period, and 81.83% never miss a monthly savings instalment. Chan and colleagues also note non-financial outcomes. The mentoring relationship is positively associated with resilience, future planning, self-efficacy and family relatedness. The programme requires youth to discuss their personal development plans with their parents, and the evaluation finds that participation is associated with parental understanding of the youths' expectations for the future. Results from the Pioneer Projects are promising, and we look forward to additional research on the Child Development Fund.

The proliferation of asset-building policies and programmes raises interesting questions about how such initiatives spread from one place to another. Li Zou and colleagues approach those questions by analysing the diffusion of asset-building policy in Korea and Taiwan. They find that policies within an administrative region or country tend to be more closely related than policies in different regions and countries. Their analysis identifies potential opportunities for new asset-based collaborations among policymakers, researchers and practitioners.

One way to think about the relationship between asset-building opportunities and financial security is to consider current levels of need, and the concept of asset poverty offers a useful indicator of household need. An economic shock can force a household to dip into accumulated assets, and Jin Huang theorizes that asset poverty – the lack of assets sufficient to meet basic household needs for a limited period of time – adversely affects a household's subjective well-being, which he assesses with a measure of happiness. To investigate the relationship between asset poverty and happiness, Huang analyses data from the Chinese Household Income Project, finding that asset poverty is negatively associated with happiness. He notes that the magnitude of the negative relationship is greater for low-income households than for their higher-income counterparts. However, Huang also finds that the association is partially mediated by precautionary savings, household living standard, perceived fairness of the income distribution, and predictions concerning future income. Huang's findings have several implications. They are particularly relevant as national policies emphasize subjective well-being and expand initiatives to facilitate the growth of income from assets.

Financial access is another critical factor that affects individual and household ability to accumulate assets over time. Access to mainstream financial services is particularly important for populations that are vulnerable or typically underserved by financial institutions. The article by Suo Deng and Yu Meng examines levels and determinants of financial access among a group of disabled youth in Beijing. They find that many of the youth have bank accounts and that individual characteristics, such as the nature and severity of disability, are significantly associated with the probability of account holding. Much research examines financial access by measuring whether a subject holds a checking or savings account, but this study distinguishes itself by also investigating the frequency with which the youth access financial services. The results suggest that youth's household registration and the convenience of services provided by their financial institution are significantly related to the frequency with which they use the institution's services. Noting the implications of their findings for efforts to develop financial access among disabled youth, Deng and Meng suggest that financial education initiatives may be effective in augmenting the financial capability of these youth.

As the preceding articles indicate, several initiatives have employed asset-building strategies in China, but few use them in rural areas and fewer still incorporate the strategies in post-disaster relief efforts. Wai-fong Ting traces the evolution of asset-building theory, proposes an expansion of the common theoretical framework and examines the application of that expanded framework in the reconstruction of a rural community following two devastating natural disasters: the 2008 Wenchuan earthquake and a 2010 mudslide. In early 2009, Ting and social workers from Hong Kong Polytechnic University launched a social work station in Qingping County to redevelop the financial, human, social and cultural assets of this rural community in Sichuan province. The social workers invited and then encouraged county residents to lead a variety of initiatives, including an ecotourism microenterprise, an oral history project and several social activities. In detailing these efforts, Ting shows that this devastated community possessed a number of assets and developed several others.

Developments in China's rural communities also motivate the contribution by Deyu Zhao and Minchao Jin, who detail policies concerning rural land use and consider two innovations. For rural inhabitants, land is a crucial asset that produces both income and food. But the law grants rural households the right to use land, not ownership of it, and strictly limits their ability to sell, rent or transfer rights of use. Because of China's economic transformation, many rural workers have left the land to work in cities, and households that formerly worked the land lack the labour to sustain production. Farmland sits idle and some households lose the right of use even as the rapid pace of urbanization creates new demand for rural land. Zhao and Jin examine two models designed to address these issues, find that both can prove useful in efforts to build the assets of rural households, and suggest ways to improve each model's ability to do so.

We hope that the diverse collection of articles in this special issue will inform discussion on strategies and innovations to enhance the financial security of Asian-Pacific households by empowering them to accumulate assets throughout the life-course. The Beijing conference offers many important insights, and discussion will resume with publication of a book that includes several additional papers from the conference. Research continues into several of the innovations discussed in these works, and new efforts are emerging. Much remains to be done. We are enthusiastic about the prospects of this work to inform policy innovations that will improve the financial lives of households in China and the Asia-Pacific region.

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Guest Editors