

**Inclusive Asset-building Policy in Korea, Singapore, and Taiwan:
Trends and Policy Implications**

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Introduction

Over the last two decades, many countries around the world have adopted 'inclusive' asset-building policies (OECD, 2003). 'Inclusive' asset-building policy can be defined as social policy which provides institutional opportunities of saving to not only the haves but also the have-nots. While existing asset-building policy often fails to reduce asset inequality and a growing asset gap between the rich and the poor, advocates for inclusive asset-building policy claim that opportunities for saving and asset accumulation should be universal, progressive, life-long, and adequate (Sherraden, 2002).

The function of income support policies is to maintain people without sufficient income from industrial production, but has not designed for growth and development. Income by itself is often not sufficient to enable people to improve their life chances over the long term. Indeed, it has been a major oversight of the traditional welfare state that building assets of people at the bottom has been largely ignored (Sherraden, 1991).

Asian countries have high saving rates compared to countries in the other regions (Adams & Prazmowski, 2003; Baharumshah, Thanoon, & Rashid, 2003; World Bank, 1999). The possible explanations for the high savings rates in Asian countries may be the combination of culture, demographics, government policies, financial institutions, and high interest rates (Adams & Prazmowski, 2003). Despite the high average saving rates across the income distribution, assets or wealth in Asian countries is also highly skewed to the right, which means

that assets are concentrated to the haves. In addition, a large percentage of people in Asian countries have few assets or negative net worth because total debts exceed total assets. For example, in South Korea (hereafter Korea), the top 10% of households holds about 52% of total net wealth in the society in 2006. In addition, it was estimated that the top 20% of the income distribution hold 7.3 times the amount of financial assets compared to the bottom 20% in Korea (Sherraden & Han, 2007).

Under these circumstances, it is noteworthy that inclusive asset-building policies and programs have been recently adopted in Asian countries such as Korea, Singapore, and Taiwan. In addition, the Hong Kong government earmarked HK\$300 million to support NGO-initiated Child Development Funds projects in 2007 (Sherraden & Zou, 2007). This study aims to examine the current trends of inclusive asset-building policies in Korea, Singapore, and Taiwan and discuss future directions for asset-building policies in Asian countries. The following chapter consists of a description of asset-building as social policy, a brief review of theory and progress of inclusive asset-building policy, and a comparison of the policies in the three countries. The chapter concludes with a discussion of future policy directions.

Asset-building as Social Policy

Asset building matters to individuals, families, and communities for a variety of reasons. Assets buffer economic crises, break the cycle of intergenerational poverty, and promote economic and social development. Asset ownership may increase feelings of financial security and enhance

future orientation that likely results in behavior changes. Michael Sherraden, a proponent of asset-based policy for low-income families, discusses asset effects concisely by saying, “While income feeds people’s stomachs, assets change their heads” (Sherraden, 1991: 6).

Until fairly recently welfare state systems have paid little attention to promoting asset ownership. The welfare state is a conglomeration of programs created over many years, responding to a variety of social risks and political appeals, through a number of different policy channels. Despite the complexity, income support has been the key feature of the welfare state as a response to retirement, unemployment, health, and accident. Income support, on its own, has been an effective policy when the economy offered many long-term and stable jobs. Income support has maintained people when they did not have income from labor market, but was not designed for growth and development. In short, income support is a passive social policy that supports citizens, but not designed to increase their capabilities (Sherraden, 2002, 2003).

Social policy in the 21st century appears to be in the midst of a transformation. The industrial economies that gave birth to welfare states with income-based policies are passing. The welfare state is under increasing pressure from new social risks such as the demographic changes of aging and shrinkage of the working-age population. Furthermore, economic challenges, especially less-stable employment, threaten sustainability of the traditional welfare state. In this new economy, people must be in control of resources and, in effect,

make their own social policy decisions throughout their lifetimes. What is required in this post-industrial economy is an active social policy, one that promotes development and engagement and enables individuals and families to increase their capabilities (Sherraden, 2003).

Theory and Progress of Inclusive Asset-building Policy

Institutional Saving Theory

Sherraden (1991) proposed institutional saving theory to explain asset accumulation of not only middle or higher income households but also the poor. He stated, “When the incentives are right, and the institutional mechanisms are present, at least some people will find a way to save” (Sherraden, 1991: 208). Two basic ideas underlie this work.

First, institutional features of policy and program influence saving and asset accumulation. Several institutional features influencing asset accumulation have been proposed: access, expectations, information, incentives, facilitation, restrictions, and security (Beverly & Sherraden, 1999; Schreiner & Sherraden, 2007). Low-income households with easy *access* to banking institutions can significantly improve savings outcomes by decreasing transaction costs. People with knowledge (*information*) of how to save are inclined to behave differently from those without (Lusardi, 2003). For example, people with knowledge of saving are aware of their financial choices and of the consequences of those choices (Schreiner & Sherraden, 2007). Matching grants, tax-free earnings, and rebates can be types

of *incentives* (Clancy, Han, Mason, & Sherraden, 2006). Positive relationships between matching incentives and saving outcomes are found in retirement pension accounts (Munnell, Sunden, & Taylor, 2001/2002) and 529 savings plans (Clancy et al., 2006). *Facilitation* means assistance encouraging active participation and savings. Schreiner and Sherraden (2007) regard facilitation as a key feature of most contractual saving programs. The goal of savings (*expectations*) can be institutionalized. The match cap is regarded as a target savings amount, which often becomes a goal for participants (Schreiner & Sherraden, 2007). Compared to other institutional factors, restrictions limit certain types of actions or impose limits so that participants are more likely to achieve saving goals.

The second main idea of the theory is that assets may improve household well being in a number of ways, and that these effects are independent of income: (1) asset ownership can improve household stability by cushioning income shocks; (2) assets can create an orientation toward the future because assets represent potential for the future; (3) assets promote development of human capital and other assets. Asset holding helps individuals pay more attention to investment in themselves and other assets; (4) assets may promote focus and specialization of knowledge and skills; (5) assets provide a foundation for risk-taking. Assets ownership “protects against negative consequences of taking a loss, and therefore permits greater freedom for risk taking in the search for larger gains” (Sherraden, 1991: 159); (6) assets increase personal efficacy, since assets allow greater prediction and control; (7)

assets increase social influence; (8) assets may increase political participation; (9) and assets may increase the welfare of offspring (Scanlon, 2001; Zhan & Sherraden, 2003). The hypothesized effects of asset ownership provide a rationale for inclusive asset-based policy.

Progress

Since Sherraden's (1991) proposal, there has been modest progress toward more inclusive asset-based policies in many countries. Two types of asset-building policies have been developed. First, saving programs for working poor have been initiated in the United States since the middle of 1990s. Approximately, 20,000 community-based Individual Development Accounts (IDAs), funded from both the public and the private sectors, have been established around 40 states in the US. Key features of IDAs include match rates that range from 1:1 to 8:1, financial education, match caps, designated saving purposes such as buying a house, investing in education, and starting small business. Influenced by the preliminary success of IDAs in the U.S., IDA-type programs have now been adopted in Canada, Australia, Peru, Uganda, Taiwan, Korea, and other countries.

Second, a more universal asset-building policy for children in general began in the United Kingdom in 2005. After a serious discussion of asset-based policy, in 2001, former Prime Minister Tony Blair proposed the Child Trust Fund for all children, with progressive funding. Variations of the Child Trust Fund based on eligible age and benefits distribution, Canada, Singapore, and Korea have comparable asset-based policies for children (Loke &

Sherraden, 2008). In the U.S., universal and progressive accounts for children at birth are now being tested in a demonstration project, the Saving for Education, Entrepreneurship, and Downpayment (SEED) initiative. Additionally, Child Development Accounts (CDA) legislation is under consideration in the US Congress (Loke & Sherraden, 2008).

[INSERT TABLE 1 ABOUT HERE]

Key features of inclusive asset-building policy

Inclusive asset-based policy can be justified in that asset ownership can lead to the development of individuals, families, and community. Indeed, asset accumulation is the way families improve their well being over time and across generations. There is increasing recognition that social spending for some purposes and/or in some forms can contribute to both economic growth and social development. Reflecting these understandings, the best social policy alternatives will move beyond the idea of consumption as well being, toward what Amartya Sen (1999) identifies as capabilities. Building peoples' assets is one policy pathway to increase capabilities and reduce the trade-off between economic growth and social development.

Four principles guide 'inclusive' asset-based policies. First, opportunities for asset accumulation should be open to all people, regardless of such defining characteristics as income, age, race/ethnicity, gender, etc. In addition to public awareness emphasizing the importance of saving and asset accumulation, social policies should decrease barriers to

saving. In particular, since low-income households are likely to be excluded from the opportunities of saving and asset ownership, more attention should be paid to expand access to saving opportunities for low-income households. Second, asset-building policy should be *progressive* in that greater public/private incentives and benefits should be provided to low-income households and minorities. Progressive mechanisms include matched savings by participants, tax-free earnings, and rebates. Third, saving is a *life-long* process. When saving starts as early as possible, life chances for economic and social development will be brighter. Many studies found that children in households with home and other assets are more likely to have positive child outcomes than asset-poor children. These findings support development of Child Development Accounts (CDAs) in several countries. The life-long process of asset accumulation also suggests that saving continues from birth to death, and that it should be portable across life-course. Last, *adequacy* is more complicated because it is not easy to determine how much of savings are adequate for saving purposes. Rather, saving programs should help people save enough to achieve self-determined goals.

Inclusive Asset-building Policy in Asian Countries

Korea

Since the 1990s, Korean social policy has undergone significant changes. Two phenomena may explain these changes: the response to the 1997 financial crisis and the advent of more politically liberal administration. Social policy cannot escape from changes in underlying

economic, social, and political structures. The post-industrial era requires that policies play appropriate roles in dealing with changing social problems due to aging, unstable job markets, and globalization. Under these circumstances, a noteworthy shift in social policy has been the increasing attention to social investment strategies. In these developments, social policies have expanded, and at the same time, Korean leaders have emphasized that social policy should not hamper economic growth and international competitiveness.

Asset-building policy in Korea has emerged as a pillar of social investment strategy. Despite certain differences in background, asset-building policies share key features with social investment strategies. In particular, both focus on integration of social policy and economic policy, development of human potential, preventive policies, and an employment orientation. With the continued development of the social investment state, policy makers in Korea assume that asset-based policies may play an important role in creating conditions and opportunities for economic and social development (Sherraden & Han, 2007).

Asset-building policies were first discussed at the 56th Korean National Meetings in November 2004. Asset-based policies were introduced by Korean government officials who visited the United States, where they first learned about Michael Sherraden's asset-building policy. Since the introduction, enthusiasm for asset-based policies has grown steadily in Korean government circles.

In particular, Rhyu Si-min, the former Korean Minister of Health and Welfare played an important role in implementing Child Development Accounts (CDAs). Former Minister Rhyu views CDAs not only as a mechanism for encouraging asset accumulation for low-income households, but also as a policy for increasing equal opportunities through development of individual capabilities. While CDAs were introduced as part of broader efforts to tackle asset inequality, polarization in the labor market, and plummeting birth rates in Korea, potential policy effects of CDAs may include human capital investment and an increase in economic participation (Sherraden & Han, 2007; Sherraden et al., 2008).

Child Development Accounts. The Korean government implemented CDAs in April 2007. CDAs started targeting children on welfare, children without parents and children with disabilities. In the long term, the Korean government plans to encompass all children born into low- and middle-income households, approximately 50% of all Korean newborns (Sherraden et al., 2008).

Parents and/or sponsors contribute to the CDA. The maximum matchable deposit into a CDA is approximately US\$30. Contributions are then matched 1:1 by the Korean government. In total, the maximum monthly deposit is \$80. Savings above the match cap earns higher interests. At age 18, children can withdraw their CDA savings for costs associated with postsecondary education, home ownership, or small business ventures.

Two features of Korean CDAs are noteworthy. First, to encourage saving of children in welfare system, Korean CDAs adopted sponsorship programs, which organize pooled contributions and distribute sponsorship into children's CDA accounts (Nam & Han, 2008). Sponsorship was found to significantly influence total savings in CDAs (Kim, Kim, & Hong, 2007). Another feature is strong inter-organizational collaboration. The central government (Ministry of Health and Welfare), local municipalities, a private bank (Shinhan Bank), and a non-profit organization (Korea Federation of Child Welfare) worked together to design and administer CDAs. The strong collaboration is evaluated as contributing to the successful start of CDAs (Nam & Han, 2008).

Evidence suggests that CDAs are expanding access and that individuals are taking advantage of the opportunity. At the end of 2007, 31,828 children opened accounts (Kim et al., 2007). Account monitoring data indicated that almost every eligible child (98.1%) has made at least one deposit into CDA account. Contributions have also been relatively high: the average monthly savings of \$29 has been very close to pre-established match cap (\$30). Furthermore, a large percentage of children saved more than the match cap (21% in December 2007). The preliminary findings suggest that this population of disadvantaged children can save if given institutional opportunities of saving.

Seoul Family Development Accounts. In collaboration with the Seoul City government and private funding companies, Seoul Welfare Foundation started a three-year SFDA

demonstration program in 2007. The SFDA program aims to provide opportunities of asset accumulation for poverty alleviation with financial education to increase behaviors for saving and self-support. In the pilot project, 100 working poor families save for one of three areas: home buying, education, and microenterprise. Each SFDA participant deposits a maximum of 200,000 Korean Won (US\$200) per month for three consecutive years. Savings are then matched 1.5:1 by private funding companies (Sherraden et al., 2008). Mentoring, financial education, and networking among participants are key features of SFDA. Research to evaluate the usage of the SFDA is underway.

Singapore

Singapore is characterized as a nation where asset building institutions and policies have been developed systematically and comprehensively to advance social development and economic growth (OECD, 2003; Sherraden, 2003). According to a report of the Boston Consulting Group (2008), Singapore has the highest density of the richest persons in the world. It was reported that one out of 10 households in Singapore owns more than \$1million. Additionally, the home ownership rate in Singapore is high: 92% of resident households in 2005. Average home equity among Housing Development Board (HDB) households is about S\$154,000, which is three times their annual household income (Chia, 2008).

The Central Provident Fund (CPF) and HDB are two primary policy mechanisms that promote asset accumulation among Singaporeans over the life course. CPF is a compulsory

and defined contribution savings for retirement income. More significantly, CPF savings can be withdrawn for down-payments and mortgage payments for the purchase HDB housing units. Approximately, 95% of persons who withdrew CPF funds in 2006 used the money to buy public housing (Chia, 2008). Since 1980s, governmental policy has been further liberalized so that CPF savings are allowed to finance purchase of private housing (Bardhan, Datta, Edelstein, & Kim, 2003; Phang, 2004).

Since Singapore is a small country where people are its only resource, social policy is oriented toward human capital development. In particular, asset-building policies have been developed targeting children which are regarded as the country's greatest assets and future. There are three types of CDAs in Singapore, depending on different life stage of childhood (Loke & Sherraden, 2008; Ng & Nair, 2008). First, the Child Development Co-Savings Scheme covers children from birth to six years. The Co-Savings Scheme is part of the Baby Bonus Scheme which was introduced in 2001 to encourage marriage and to tackle low birth rates. Parents receive cash gifts of S\$4,000 each for the first and second child and S\$6,000 for the third and fourth child. Further, a CDA account can be opened for each child and deposits into the account by parents are matched by 1:1 up to a cap. In 2001, CDA match caps were applied only to the second (S\$6,000) and third (S\$12,000) child. In 2008, the caps expanded as follows: S\$6,000 for the first and second child; S\$12,000 for third and fourth child; and S\$18,000 for the fifth and beyond. Savings in CDAs can be used for childcare,

health care, early child education, and other medical expenses. Savings left over at the age of six can be rolled over to the Post-Secondary Education Account (PSEA).

The second type of CDA is the EduSave Scheme (ES). Opened in 1993, the ES was the first child development account in the world. The ES targets school-going children aged 6 to 16 and supports enrichment programs such as study trips, sports, school equipment fees and other expenses. Unused savings balances can be transferred to the child's PSEA.

Third, in 2007 the Post-Secondary Education Account (PSEA) was introduced to support investment in continued tertiary education. Balances in CDAs and ES are eligible to be rolled over to PSEA. Parents can contribute to the PSEA up to a child's age of 18. The contribution is matched by government only if previous deposits in CDAs had not reached the match caps of CDAs. Unused PSEA balances are transferred into the child's CPF at the age of 30.

Taiwan

Global economic downturn since the late 1990s has stunned the fast-growing economy of Taiwan. The economy witnessed falling real wages, rising unemployment rates, and rising income and wealth gaps between the rich and the poor. In particular, while income gaps between the rich and the poor have increased from 4.2 in 1980 to 6.4 in 2001, wealth gaps in 2001 has doubled those (16.8) in 1991. While family has been a basic pillar for supporting family members, changes in family structure and functions turned out lesser roles in

protecting family members from poverty and other social risks. Politically, with the development of democracy, policy makers were able to undertake and experiment a series of economic and social policy initiatives responding to the rapidly-changing needs of people (Cheng, 2003).

In particular, after rethinking existing anti-poverty policy in Taiwan, policy makers realized the limitations of anti-poverty systems in enhancing life chances for future development. In addition, the income support system, in some senses, prevents low-income families from achieving economic self-sufficiency because of means tests removing incentives to save (Cheng, 2003).

The first inclusive asset-building policy in Taiwan is the Taipei Family Development Accounts (TFDA). Two key actors, Ying-Cheng Chang (academic) and Chun-Chang Huang (Head Officer of the Public Assistance Division) played significant roles in designing and implementing TFDA (Cheng, 2003). Together they worked to launch the TFDA which helps low-income households in Taipei save for investment in home, microenterprise, or education (Cheng, 2003). Similar to IDAs in the U.S., the program provides matching incentive to encourage savings.

TFDA was designed to target working poor. Participants makes deposits ranging from NT\$2,000 to NT\$4,000 (US\$1=NT\$33), which are matched throughout the 36-month demonstration. All participants are required to attend financial education classes on planning,

budgeting, investment in home or small business. Similarly, the matched savings in the account can be withdrawn at the end of the demonstration. Interestingly, since working poor have high chances of unemployment, TFDA prepared principles for long-term unemployment which often result in drop-out from the program. If participants are unemployed for up to 3 months, then, they are referred to occupational assistance. Only after they are reemployed, savings and matching are designed to resume (Cheng, 2003).

Performance in these programs has been promising. By 2003, 69 out of 100 households completed the three-year program with an average of NT\$286,019 (US\$1=NT\$33) per account. Furthermore, TFDA helped participants accumulate assets: 12 first homebuyers, 22 small business owners, and 31 children's college or graduate school enrollment. Considering that participants are welfare recipients, the saving and investment performance are significant and noteworthy (Cheng, 2007).

Evaluation of Inclusive Asset-building Policies in Korea, Singapore, and Taiwan

Since countries highlighted in this paper are at different stages of inclusive asset-building policies, it is difficult to evaluate their summative effectiveness. However, the evaluation is expected to provide policy directions and implications for the further development of inclusive asset-building policies. This study uses the frameworks of inclusive asset-building policy discussed before.

[INSERT TABLE 2 ABOUT HERE]

First, Singapore is a country which is mostly close to the exemplary model of inclusive asset-building policy (OECD, 2003; Sherraden, 2003). Singaporean asset-building policies are universal and comprehensive in that they cover most children. Also, via the relationship with the CPF, asset-building policies in Singapore have been developed systematically to cover the whole stage of life course from birth to retirement. These key feature means that a person is institutionalized to save and accumulate assets throughout the lifespan. In addition, asset-building policies in Singapore were modeled to promote not only intra-generational, but also intergenerational development of savings and assets (Lee, 2000). One critical issue of Singapore's asset-building policies, however, is the regressive nature of the policies. Single-parent families are not included in CDAs and poor households tend to receive fewer benefits because, by and large, they cannot save up to match caps of CDAs (Ng & Nair, 2008). Policy makers in Singapore have envisioned two different paths of social policy: first, asset-building policies for general population; and social welfare programs for low-income households. Rather, social policy in Singapore favors top-up cash outs to existing saving accounts with larger top-ups for low-income households (Ng & Nair, 2008).

For a progressive asset-based policy structure, the Taiwan FDA program is strong. The policy targets working poor with progressive matching rate, which participants perceived as a key factor influencing savings in TFDA (Cheng, 2007). Private and public funds were used to fund the match. In addition, savings in TFDA were found to be adequate for future

investment. As discussed before, significant proportion of participations achieved saving goals of small business, education, and homeownership (Cheng, 2007). These findings suggest that the seed money in the accounts played significant roles in achieving future investment. Despite the strengths of the Taiwan policy, asset-building policies in Taiwan remain small-scale. Although not yet realized, there is potential for universality since the success of TFDA pilot program in Taipei has emerged as a central social policy theme in Taiwan. Additionally, fifteen municipalities on the island are initiating new TFDA-type programs (Cheng, 2007). Time limits are another weakness. The three-year program may be limited to help working poor accumulate assets in their life course. To reach full potential, current short-term policies could connect asset-building processes in the long-term perspective.

Third, development of asset-building programs in Korea is more dynamic. First, the less universal coverage of inclusive asset-building policy is a priority issue. Korean CDAs were originally proposed to expand to children in low- to middle-income households but no additional budget for expansion of coverage has been allocated. Still, children in the child welfare system are the target population of CDAs (Nam & Han, 2008). KFDA also has limited coverage because only a small proportion of low-income households are covered by the program. However, the Seoul City government recently announced that KFDA will expand to include 2,000 accounts additional by 2010. An important feature of CDAs and

KFDA are their progressiveness. Both provide saving incentives such as match for low-income households. It is premature to evaluate whether Korean asset-building system satisfies the life-long approach. However, if CDAs are connected with the national pension system, Korean asset-building policies have potentials for life-long asset-building system. It is a critical policy goal that participants save regularly and develop sufficient assets to make a home purchase, start a small business, or pursue post-secondary education. In other words, savings should be adequate for future investment which increases the likelihood of self-reliance. Children in CDAs will accumulate about \$39,000 (including contribution, interest, earnings, and matches) if they save the maximum monthly deposit (\$80) for 18 years (Nam & Han, 2008). It is expected this accumulated sum will be adequate for seed money for future investment in housing, education, and small business. However, savings in inclusive asset-building policy are voluntary. It means that adequacy may depend on how much participants actually contribute to in the accounts.

Implications and Discussion

Inclusive asset-building policies primarily aim for development and capacity building which can empower individuals and families, and contribute to economy and society (Loke & Sherraden, 2008). Remarkably, empirical results suggest that the poor can save if they participate in saving programs and they are provided with incentives and information (Cheng,

2007; Nam & Han, 2008; Schreiner & Sherraden, 2007). This chapter concludes by presenting several policy implications.

First, inclusion should be a priority for national asset-building policy. Inclusion can happen in two ways. First, progressive saving plans can target low-income households. Or low-income households can have more incentives in universal saving plans. As another pathway to future inclusiveness, policies can extend access to those currently excluded from existing asset-based policies. For example, workers in underground or informal markets are today unlikely to participate in retirement pension plans. Through providing some combination of incentives and enforcement, the excluded will have increased opportunities to save for retirement income (Sherraden & Han, 2007).

Second, as discussed in the Korean and Taiwanese FDAs, collaboration between private and public sectors are a key factor influencing success of inclusive asset-building policy. Each entity or agent specializes in sponsoring, monitoring, managing and implementing asset-building policy. Without the collaboration, it would not be easy to implement saving programs and policies. Government's role, in particular, is critical in adoption as well as expansion of inclusive asset-building policy. For example, the new Korean government is reluctant to expand CDAs as planned to cover children low- to middle-income households. Regardless of different political ideologies, asset-building policy should

be expanded to provide opportunities of asset building and thereafter economic and social development.

Third, it should be noted that asset-building policy is not to replace income-maintenance policy. Income-maintenance policy serves a number of purposes for social welfare. It can be said that only when the two policies cooperate to cater to diverse needs of the poor, goals of social policy, economic sufficiency and social development, can be achieved. Therefore, implementation of inclusive asset-based policy has the potential to complement existing income support policies to promote development of individuals, families, and communities (Sherraden & Han).

Fourth, further research is needed to examine saving patterns and outcomes of participants in inclusive asset-building policy. However, currently there are a number of barriers to data collection for evaluation and research purposes. Just as inter-organizational cooperation is necessary for the implementation of policies, research and policy stakeholders should cooperate for the development of evidence-based social policy. Evidence collected through research and evaluation can provide valuable information for new initiatives which will be implemented in other countries.

Korea, Singapore, and Taiwan have begun to implemented inclusive asset-building policies. But these policies are in the early stages of definition, specification, implementation, and testing. It is an important time for those countries to discuss long-term plans, which is

more necessary in these days of economic downturns. Specific policies must be carefully designed, and research will be essential. Recent economic downturns across the world have enormous impacts on asset accumulation through declining housing prices, plummeting stocks, and increasing credit card liabilities. Private sectors adjust these crises by reducing consumption or changing consumption patterns. In many countries, governments tend to adopt policies stimulating domestic consumption. In addition to these short-term economic boosting policies, policy makers should endorse long-term initiatives such as inclusive asset-building policies for general population.

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Table 1. Framework of Inclusive Asset-building Policy

Universal	Progressive
<ul style="list-style-type: none"> • Equal opportunities for asset accumulation • Open access (decrease barriers) • Increase scale 	<ul style="list-style-type: none"> • Incentives for low-income households • Matching • Tax exemption or low tax
Life-long	Adequate
<ul style="list-style-type: none"> • From birth to death • Portability • Continuity 	<ul style="list-style-type: none"> • Adequacy for future investment • Adequacy for economic development • Adequacy for social development

Table 2. Comparison of Inclusive Asset-building Policies in Korea, Singapore, and Taiwan

	Korea		Singapore	Taiwan
	CDAs	SFDA	CDAs	TFDA
Universal	△	X	○	X
Progressive	○	○	△	○
Life-long	△	X	○	X
Adequate	△	△	○	△

Note: CDAs: Child Development Accounts; SFDA: Seoul Family Development Accounts; SIDA: Singapore Individual Development Accounts; TFDA: Taipei Family Development Accounts.