Anti-poverty Research from the Perspective of Asset Construction Theory

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Abstract. It is an arduous task for contemporary China to achieve poverty alleviation by 2020. Making the poor have assets is the key to poverty alleviation and wealth. In the Party's report, it has been repeatedly mentioned that "creating conditions for more people to have property income." Attaching importance to "asset construction" and promoting personal asset accounts will help to change the thinking mode and asset structure of the poor so as to realize the self-help and self-rescue of the "working poor", so that families and communities composed of the poor can participate in social and economic development for a long time, and increase the savings rate and investment rate substantially, so as to make the country more competitive in the world economic arena.

1. Current situation of anti-poverty in China

In the new era, poverty alleviation in an all-round way has entered a deep-water period and a critical period. Accurate poverty alleviation has gradually transformed from the pursuit of the quantity of poverty alleviation to the quality of poverty alleviation. The traditional income-based anti-poverty policy can help the poor to get rid of short-term poverty to a certain extent, but it leads to the poor people's feet standing outside the door of asset accumulation forever. In the long run, it will be difficult to change the plight of the poor. The poor develop dependence on poverty alleviation and maintain a low level of consumption. Once poverty alleviation is no longer sustainable, it will be difficult for the rescued to climb out of the "poverty trap". China has a large base of poor people and a large gap between urban and rural areas. It is difficult to achieve a comprehensive poverty alleviation and maintain the effect of poverty alleviation, as shown in Table 1.

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<tbody>
<tr>
<td>The number of urban residents with minimum living security</td>
<td>1008.0</td>
<td>1261.0</td>
<td>1480.2</td>
<td>1701.1</td>
<td>1877.0</td>
</tr>
<tr>
<td>Minimum living security for rural residents</td>
<td>3520.0</td>
<td>4045.2</td>
<td>4586.5</td>
<td>4903.6</td>
<td>5207.0</td>
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Source of data:National Bureau of Statistics website

China's anti-poverty policy system has obvious characteristics of "only providing help to the most self-help people". The anti-poverty "safety net" consisting of social assistance and minimum living security can only help urban and rural areas get rid of absolute poverty and relative poverty in a short period of time. As of 2018, more than 45 million people in our country still accept minimum living security. In the process of anti-poverty aiming at maintaining basic life, the current anti-poverty policy has brought about high costs, and it is difficult to guarantee the sustainability of poverty eradication. There are many problems, such as difficulties in verification of the survey, difficulties in real poverty alleviation of the recipients, and so on.

2. Significance of Anti-poverty in Asset Construction

Faced with the above-mentioned anti-poverty situation, Michael Schroeden's theory of
"asset-building" has certain practical significance and theoretical value for solving the current social problems of poverty. This theory advocates that the poor should own assets and transform the income transfer provided by the government, that is, some exist in the form of income, some in the form of assets, although in a short period of time, the poor should have assets. Only maintain the same low consumption as before, but in the long run, a small amount of assets accumulated, and these assets accumulated in the long run will produce the welfare effect of assets, and ultimately make the poor from the object of social assistance to the creator of wealth.

Therefore, the anti-poverty policy should attach importance to the accumulation of family assets, as Adam Smith said in the Wealth of Nations: "Without assets, a weaver can not fully devote himself to his special industry." Only by attaching importance to "asset construction" can the "working poor" achieve self-help and self-help, can the poor groups stand at the "doorway" of asset accumulation in the system and change their way of thinking. And the way of life, so that they have a "middle class" mentality, to focus on long-term planning, wealth accumulation, in order to achieve the goal of long-term poverty eradication.

To solve the problem of poverty, we must start with increasing income, emphasize the importance of asset accumulation for anti-poverty, and do not deny the importance of increasing income for poverty eradication. However, if the poor have assets, they will have long-term benefits both at the individual level and at the national level.

2.1 Long-term benefits at the individual level

These benefits mainly include: first, promoting family stability and social stability, slowing down income fluctuation and alleviating the problem of insufficient income. Secondly, we should promote future orientation and long-term development and work for long-term goals rather than limited to immediate interests. Thirdly, we should promote the investment of human capital and the change of thinking consciousness. Owning assets, managing assets, seeking information, and making investment decisions are educational processes based on long-term planning. Fourthly, it promotes specialization and specialization. Ownership of assets enables the poor to have access to resources, training and tools for professional work. Fifth, increase social impact and social responsibility. Stimulate people's passion to create wealth and strengthen the legal concept of safeguarding wealth rights and interests. At the same time, assets will increase people's sense of social responsibility and political participation.

2.2 National level

At the national level, property ownership by the poor can reduce the number of poor people in a country. It will greatly strengthen and activate the economy, improve the overall quality of the people, increase the savings rate and investment rate of the country, and make the country more competitive in the world economic arena. As the core of the ruling party's anti-poverty strategy, it is to make the poor have assets. The choice of anti-poverty policy should shift from increasing the income of the poor to helping the poor own assets.

3. The Way of Asset Construction

The so-called "asset construction" is an institutionalized process, a long-term poverty alleviation plan that encourages the poor to participate in the government's asset accumulation policy and through the subsidy mechanism. More than 40 states in the United States choose the personal development account to help the poor as a possible asset policy tool. It is an optional, value-added and tax-preferential account, which is set up in the name of individuals and started from birth. The federal government allocates funds and subsidies to the deposits of the poor, and promotes the future orientation, long-term plans and personal selection of the poor through various activities of the government. Choose and achieve life goals. [1] First, the personal development account system can promote the long-term development of individuals.

Educational choices and personal development between birth and entry into society will be positively affected. After entering society, they can also acquire knowledge of financial assets that
were difficult to learn in poor families in the past, and realize the integration of poverty alleviation and intellectual support. So the charm of personal accounts is that people can benefit from them periodically in their lifetime. Secondly, the individual account can realize the intergenerational inheritance of assets, and the holder can transfer any amount of funds in the development account to future generations. Therefore, the existence of personal accounts may realize some original ideas in many poor families in the long run, and ultimately achieve the ultimate goal of poverty alleviation.

China's anti-poverty work through asset construction needs to solve three problems. Firstly, in the process of institutionalization, social and economic policies should be inclusive and integrated. Some resources of transfer payments should be applied to the asset accumulation of the poor, such as the implementation of personal development accounts. Secondly, we should pay attention to specific policy design, avoid loophole risks and prevent moral crisis. This account is a savings and investment account that can not be used for consumption. The ultimate goal is to encourage and guide poor families to accumulate assets for development. Finally, we should carry out gradual reform and pilot work, rationally guide and publicize in depth, so that asset construction can gradually reach the hearts of the poor groups.

References


