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Research Centre



Asset Inheritance

and the intergenerational transmission of poverty

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Introduction

- Asset holdings are strongly unequal
- Within and between group differences
- Between group differences
 - embeds social difference, long-term implications of class, feudal or colonial systems
 - address through land reform / dynamic redistribution
- Within group differentiation
 - associated with returns to differential education, effort, investment and luck – compounded by inheritance norms and practices
- We will focus on inheritance norms and practices because
 - importance for ‘the initial conditions’ of the household
 - make it much easier for asset-rich households to save, invest and accumulate
 - implications for the intergenerational transmission of poverty



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Inheritance matters (1)

- Asset inheritance or non-inheritance of assets linked to a person's poverty trajectory and their likelihood to remain in or move out of chronic poverty
 - source of social mobility when combined with capabilities and agency
 - provide collateral for formal sector borrowing
 - enable investment - including in human capital of next generation
 - reduce vulnerability to shocks, boosting resilience and limiting adverse coping strategies
- Land is major asset in low income developing countries
 - primary source of wealth, social status, and power
 - provides the basis for shelter, food, and economic activities
 - linked to access to water and services (sanitation and electricity)
 - Linked to ability to make long-term investments in land and housing



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Inheritance matters (2)

- Lack of assets can contribute to poverty being transmitted intergenerationally
- Gender = major dimension of differentiation in asset holdings
- Women are centrally involved in agriculture and producing food but own only 1-2% of individually titled land
- Improvements for women in some areas of their lives not matched in access to land – their security of tenure has declined
- Women commonly access land only through their husbands, fathers, brothers or sons
 - Difficult for women in polygamous marriages, widowed, orphaned, unmarried, separated, divorced or infertile
- Does this matter? H'h or extended family will provide for women and children
- Not always - male h'h head may not allocate resources to maximise the well-being of all household members



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Processes linking inheritance and the IGT of poverty

- Discrimination in land ownership and inheritance increases women's vulnerability to downward mobility on separation, divorce or widowhood
- It also limits women's
 - power within their household and in wider society
 - ability to make independent decisions within the household –food security, investments in health and education
 - status
 - ability to leverage credit to invest in agriculture or other livelihood activities
- The implications for child poverty and the intergenerational transmission of poverty explains the Chronic Poverty Research Centre's interest in this area

Inheritance and marriage

- Women's lack of land rights influences the conjugal contract (& backstop position) and women's ability to exercise agency
- Dowry, brideprice and transfers to newly married couple – in vivos transfers
- Customary/ polygamous marriages – women may have no statutory rights on divorce (including for assets accumulated together)
- Separated and divorced women commonly lose housing and productive assets
 - bridewealth may have to be returned
 - children may be separated from their mothers and raised the husband and his kin
- Locks together with more limited livelihood options
 - limits to women's freedom
 - limits ability to invest in the next generation – particularly for widows & divorced women
- Asset grabbing from widows and orphaned children is increasing



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Changing policy and practice in a pro-poor way

- Unwanted effects of legal reform
 - Reform does not always help
 - Land titling can lead to women becoming worse off (examples from Vietnam, Laos, Indonesia, India, Kenya)
- Legislation around inheritance and marriage/ divorce need to be reformed together
- Anti-discrimination legislation commonly have loopholes allowing application of patriarchal customary practice
- Co-registration of land
- Combined action to improve statutory law and cultural practice
- Complementary improvements needed
 - gender sensitive legislation and frameworks
 - the judicial capacity to uphold the delivery of women's rights
 - building public awareness and understanding
 - Integrated implementation



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Commissioned research on inheritance and the IGT of poverty

- Chronic Poverty Research Centre has commissioned
 - Annotated bibliographies on inheritance and the IGT of poverty in Africa and Asia, and on property grabbing in SSA
 - Analysis of inheritance and human capital investments in Bangladesh and Guatemala
 - Empirical studies of inheritance and the IGT of poverty (India, Ethiopia, Kenya, Uganda, Tanzania, 15 SSA countries)
- Dissemination of findings
 - Today's Roundtable – all papers and powerpoints in web, plus rapporteur's report
 - ODI public meeting (tomorrow)
 - Series of CPRC working papers
 - Journal special issue
 - Policy briefs/ briefing papers



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