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# Inheritance, Legal Reform, and Gender Differences in Poverty and Well-Being in Rural Ethiopia

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# Inheritance, Legal Reform and Gender Differences

- Inheritance systems are ways in which wealth is transferred from one generation to the next. This can happen at various points in one's life.
- Underlying these systems are systems of property rights and the legal framework which are often weak and even biased against not only the poor but also against women (Quisumbing and Meinzen-Dick 2001, Gopal 2001).
- Gender issues in asset inheritance are important, apart from equity considerations, because they have important implications for transfer of wealth to the next generation.
  - Assets controlled by women result in increased investments in next generation's health, nutrition and schooling (Quisumbing and Maluccio 2003; Smith et al 2003)
- Women's ability to inherit wealth positively affects their own wellbeing. (Cooper 2010)

# Country context



# Gender issues in Ethiopia

- Ethiopia: poor country, substantial ethnic and religious diversity
- Diverse gender norms related to property ownership, inheritance, and the division of assets after divorce, mostly favor men (Fafchamps and Quisumbing 2005).
- Gender disparities have important welfare consequences: poor women in the Southern Ethiopia, where customary laws on settlement at divorce are biased against women, fare worse when illness shocks occur. (Dercon and Krishnan 2000).
- Relative nutrition of spouses is associated with correlates of bargaining power, such as cognitive ability, independent sources of income, and devolution of assets upon divorce (Fafchamps, Kebede, Quisumbing 2009); several dimensions of female empowerment benefit the nutrition and education level of children.

# Policy reform: An opportunity for increased gender equality?

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- Gender sensitive reforms may improve well-being outcomes for women. Example: In Canada, suicide rates of married women are lower in states with divorce laws that are more beneficial to women (Hoddinott and Adam).
- In Ethiopia, the recent Land Registration process (~ 2003 onwards) led to joint certification of husbands and wives, giving stronger land rights to women
- The revised Family Law, passed in 2000, gave equal rights to women and men in terms of marriage, inheritance and property.

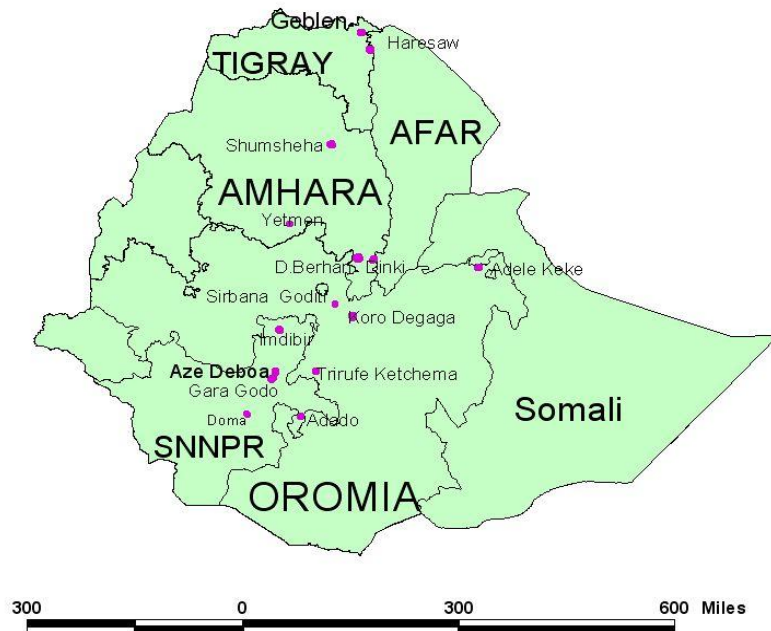
# Objectives of this paper

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- Examines the role of inheritance and legal reform on the well-being of women and their families using panel data from rural Ethiopia
- More specifically,
  - Are there significant differences in poverty and well-being between male- and female-headed households, as well as female spouses in male-headed households, taking into account individual and household characteristics, including individually inherited assets?
  - What is the *long term* impact of gender differentials in inheritance on household consumption, poverty and food security?
  - Do the perceptions of allocation of assets upon divorce and *changes* in these perceptions, resulting from changes in legislation, affect the above mentioned outcomes?

# Data

## Ethiopian Rural Household Survey Villages



- **Ethiopian Rural Household Survey (ERHS)** coordinated by the Economics Department at Addis Ababa University in collaboration with the Centre for the Study of African Economies at Oxford University and the International Food Policy Research Institute
- Panel data with **7 rounds** covering **1300 households** across **15 villages**
- Not nationally representative but covers the main agroecological, ethnic and religious groups.
- Use data from rounds 1997, 2004 and 2009



# Method

- Outcomes-
  - Food gap: number of food insecure months in the last 1 year
  - Self Reported Poverty
  - Inadequate expenditure on consumption, housing and health care
  - Measures of wellbeing and Happiness
- Using data on actual inheritance receipts by male heads, spouses of male heads and female heads in 1997, we estimate the impact of
  - Whether or not women received any inheritance (using a dummy variable)
  - Amount of inheritance received (using a continuous variable indicating value of inherited assets and total land inherited).
- Estimate impact of perceptions of division of assets upon a divorce where neither the husband nor the wife were at fault.
- Estimate whether move in perceptions towards an equal division of assets on divorce has any impact.



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# Descriptive Results

# Differences in key resources of FHHs and MHHs

	FHH	MHH	P-value
Age of head	54.3	52.5	**
Highest grade obtained	4.76	6.28	***
Household size	4.39	6.38	***
Total land owned (hectares)	1.73	2.20	***
Total livestock owned (TLUs)	8.82	9.39	***
Per capita consumption in 2004 (birr)	94	91	
Prop household belonging to iddir	0.76	0.89	***
Network size	8.61	11.41	***
Number of sources from which hh can borrow	1.32	1.57	***

\*\*\* significant at 1%, \*\* at 5%, \* at 10%

# Inheritance Patterns among Male Heads, Female heads and Spouses of Male Heads

	Female-headed HH	Male-headed HH	p-value
Dummy indicating head received assets as inheritance or gifts from parents	0.33	0.48	***
Dummy indicating spouse of male head received assets as inheritance or gifts from parents		0.15	
Value of inherited/gifted assets from parents by the head, in Ethiopian Birr ( US\$1=8.6 Ethiopian Birr, 2004)	1300.14	961.86	*
Total land inherited/gifted from parents to the head, hectare	0.36	0.42	
Value of inherited/gifted assets from parents by the spouse of male head, in Ethiopian Birr		190.22	
Total land inherited/gifted from parents to the spouse of male head, hectare		0.07	

# Perceptions about Division of Assets upon Divorce, 1997

## Changes in these Perceptions, 2009

	FHH (Female Head)	MHH (Spouse of Male head)	p-value
Custody of land given to husband in case of no fault divorce	0.44	0.59	***
Custody of livestock owned by husband given to husband in case of no fault divorce	0.46	0.53	*
Custody of livestock owned by wife given to husband in case of no fault divorce	0.11	0.15	
Custody of livestock acquired after marriage given to husband in case of no fault divorce	0.23	0.29	**
Custody of house given to husband in case of no fault divorce	0.48	0.62	***
CHANGES, 1997-2009			
Perceptions moved to equal division of land upon divorce	0.40	0.46	***
Perceptions moved to equal division of livestock upon divorce	0.34	0.36	

## Outcomes related to food security and poverty

Outcome	FHH (female head)	MHH (spouse of male head)	p-value
Food gap in months	3.81	2.63	***
Self reported as poor	0.25	0.18	*
Food consumption less than adequate in the last months	0.42	0.34	*
Housing less than adequate in the last months	0.27	0.29	
Health care less than adequate in the last months	0.34	0.31	

## Satisfaction with and control over one's life

Outcome	FHH (female heads)	MHH (spouse of male head)	p-value
My life is determined by my own actions	0.50	0.48	
I have power to make decisions that change the course of my life	0.51	0.45	*
I am usually able to protect my personal interests	0.43	0.38	*
In most ways my life is close to my ideal	0.21	0.26	**
The conditions of my life are excellent	0.17	0.27	***
I am satisfied with my life	0.24	0.32	***
So far I have gotten the important things I want in life	0.19	0.24	**
If I could live my life over, I would change almost nothing	0.19	0.20	

# Summary- Descriptive Results

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- Female heads are more likely to inherit and larger amounts compared to spouses of male heads.
- Spouses of males heads more likely to perceive that all assets would be given to the husband in case of the divorce.
- FHH have worse outcomes- higher food gap, more likely to self-report as poor and inadequate food consumption.
- Female heads- more likely to report having more power to make important decisions but they are also more likely to be less satisfied with their life.



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# Regression Results

# Impact of Inheritance

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- Mere receipt of inheritance by the spouse of male head or the female head has **no impact** on food gap, self-reported poverty, inadequacy of food consumption, housing or health care; and the wellbeing and happiness measures.
- The total land inherited reduces the probability of self-reported poverty and inadequacy in food consumption, housing or health care.
- Total land inherited by the spouse of male head increases her satisfaction with life and power to make important decisions in her life

# Impact of Perceptions of Asset Division upon Divorce

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- When women perceive that all land or livestock must be given to the husband in case of a divorce they
  - are more likely to report that their households have less than adequate expenditure on housing and health care and
  - are less likely to report that their life is determined by their own actions.
- Regressions that measure the **effect of change of perceptions** towards equal division of assets upon divorce show that there is practically **no effect** on outcomes even when perceptions concerning division of assets upon divorce changed towards equal division.

# Conclusions

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- The amounts of inheritance received have profound impacts on long term well-being of women
  - Our regressions suggest that whether or not a woman received inheritance has an insignificant impact on consumption and food security outcomes, but that the *value* of assets inherited and the *area* of land inherited were significant.
  - In particular, land is an important factor in determining the long term wellbeing among women.
- Perceptions of division of assets upon divorce have important long term implications which are not easily changed by changes in these perceptions over time.

# Policy Implications

- These findings are significant from a policy perspective. It is not enough to guarantee that women can inherit property, but that they have rights to inherit *equally* with men.
- The implementation of a gender sensitive reform led to changes in perceptions of asset division upon divorce, but these changes have no impact on food security, poverty, happiness or wellbeing among women.
- This finding emphasizes the fact that, at least in rural Ethiopia, it is the initial conditions or perceptions that matter for long term wellbeing. Perhaps it takes time for changes in legislation to make their way to changes not only in perceptions about equal division of assets upon divorce but also to improved well-being, possibly because these changes need to be internalized.

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# THANK YOU