Introduction

- We study an important cause of poverty: traditional institutions (i.e., norms) and how affect family decisions → here, inheritance rules
- In most of SSA, household decisions (some critical to breaking cycle of poverty) revolve around extended families → economic outcomes
- But these decisions are often constrained by “social norms”
- Why important?
  - Women often marginalized by, and bear the brunt of, norms
  - By the UN’s own estimate, difficult to achieve MDGs without success in Goal #3: Gender equality/empowering women
- Do traditional inheritance rules in Ghana affect economic outcomes? Can these norms be legislated away?
Background

- Extended family ties are common across sub-Saharan Africa
  - Positive: serves as a bastion of emotional and financial support (e.g., provides a safety net in times of negative income shock)
  - Negative: Moral hazard behavior; “a tax” on wealthier members of family
- But most extended family ties encompass “inheritance rules”
  - Often controversial because most die intestate, and division of estate determined by customary laws
  - As a result: widows are left poor, even when they may be equal contributors of family assets
- Two major legal instruments: The (then military) govt introduced the Intestate Succession Law (in 1985); and the Children’s Act; to recognize “growing importance of the nuclear family”. Impact?
Lineage and Inheritance Rules in Ghana

- “Family” typically refers to a group of people related by blood, not by marriage
- Inheritance rules are divided roughly in 2 lineage systems:
  - Matrilineal: where lineage is through a common female ancestor (e.g., Akan tribe - approx 46% of pop)
  - Patrilineal: lineage members descend from a common male ancestor (e.g., Ewe and Ga tribes in south; and most of northern tribes)
- Matrilineal groups: children belong to mother’s family (includes, a woman, her mom, her brothers and sisters, maternal aunts/uncles, her daughter’s children, etc)
- Patrilineal family: consists of a man, his father, his brothers, paternal aunts/uncles, his own children, etc; including his sister, but not the sister’s nor daughters’ children.
Lineage and Inheritance Rules (contd)

- Whether matri- or patrilineal lineage, the economic implications can be large

- When a member dies, self-acquired property transfers to the lineage:
  - in patrilineal: children, preferably sons, inherit the estate
  - in matrilineal: the deceased brother, or sister’s son, or mom inherits (An Akan saying: *wofa wo ho, enti me nye edjuma*: i.e., Why work when I can inherit from an uncle?)

- But often, such property is seen as a husband’s (even when widow was equal contributor), so widows are adversely affected
  - In matrilineal societies, the successor may have a moral responsibility, but not an obligation, to care for widow and children
  - Widows slightly better off in patrilineal families, since children inherit estate
What about a living will?

- In almost all cases, a *personal living will* supersedes customary system of inheritance rules.

- But, majority of Ghanaians do not make express wishes in any legal form:
  - A personal will invites death.
  - Details of a will may be leaked out before own’s death, creating tensions within family.

- Surveys (Federation of Women Lawyers (FIDA), Women in Law and Devt in Africa (WiLDAF), etc), reveal stories by wives fearful of prodding spouses to make a will – may be accused of “plot to kill”
Related work

- FiDA, WiLDAF, etc: Periodic reports from legal aid cases – shed light on state of “inheritance”

- Fenrich and Higgins (2001); “Promise Unfulfilled: Law, Culture and Women’s Inheritance Rights in Ghana”

- La Ferrara (2007) is closest in spirit
  - children in matrilineal households in Ghana strategically increase transfers to parents, when alive, to induce land donation
  - Else, upon parent’s death, land passes on to a nephew

- Extended family links not limited to sub-Saharan Africa:
  - Relatively wealthier members of black families face pressure to make transfers to poorer relatives (as opposed to white families), preventing them from achieving middle-income status
Legislative Instruments to Protect Nuclear Family

- The Provincial National Defence Council (military junta) seized power on Dec 31, 1981

- Wife of Jerry Rawlings (head of state) forms the *Dec 31st Women’s Movement* to “empower women”

- Other groups: Federation of women Lawyers (FIDA), Women in Law and Devt in Africa (WiLDAF), etc

- Together, lobbied for Intestate Succession Law (PNDC Law111)
  - Though gender-neutral, was widely hailed by women’s groups
  - Section 3 devolves household chattels to surviving spouse and children
  - Section 4 provides same with the primary residence (or right of selection, if more than one house)
  - Residual estate distributed according to Table 1
## The Intestate Succession Law

### Table 1: Distribution of Residual Estate under Law 111

<table>
<thead>
<tr>
<th>Family structure</th>
<th>spouse</th>
<th>children</th>
<th>parent(s)</th>
<th>Extended family customary law</th>
</tr>
</thead>
<tbody>
<tr>
<td>All alive</td>
<td>$\frac{3}{16}$</td>
<td>$\frac{9}{16}$</td>
<td>$\frac{1}{8}$</td>
<td>$\frac{1}{8}$</td>
</tr>
<tr>
<td>No child</td>
<td>$\frac{1}{2}$</td>
<td>n/a</td>
<td>$\frac{1}{4}$</td>
<td>$\frac{1}{4}$</td>
</tr>
<tr>
<td>No spouse</td>
<td>n/a</td>
<td>$\frac{3}{4}$</td>
<td>$\frac{1}{8}$</td>
<td>$\frac{1}{8}$</td>
</tr>
<tr>
<td>Single and no child</td>
<td>n/a</td>
<td>n/a</td>
<td>$\frac{3}{4}$</td>
<td>$\frac{1}{4}$</td>
</tr>
<tr>
<td>Single, no child and parents deceased</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>1</td>
</tr>
<tr>
<td>If no relatives</td>
<td></td>
<td></td>
<td></td>
<td>All to the state</td>
</tr>
</tbody>
</table>

If no relatives, All to the state.
Children’s Act 560

- Children Act 560 was promulgated in 1998 to protect rights of kids, and strengthen families
- Act 560 encompasses major rights: to education, to opinion, refusal of marriage, child labor, disclosure of information on a minor, right to property on intestacy, ...
- Most discernible: survivor benefits of individual social security (i.e., pensions)
  - Individual elect beneficiaries to receive pension payments
  - If dies before age 72, remaining payments up to age 72 goes to elected beneficiaries, upon claim, in a lump sum
  - From 1994, Act 560 empowers Social Security & National Insurance Trust (SSNIT) to give 60% to children 18yrs or below
    * – SSNIT investigates claims to determine if Act560 applies
Assessing impact of Law 111 and Act 560

- Anecdotal evidence suggests some benefits of Law 111, but may be limited:
  - limited information about Law 111; inability to access the law (e.g., uneducated); reprisals from in-laws; etc

- Plausible impacts:
  - Reducing poverty levels in widow-led households
  - Alters asset accumulation decisions (e.g., jointly)
  - Act 560: How often does it apply? And if so, are there significant differences in outcomes?

- Empirical strategy is two-fold:
  - a survey (not RCT) to determine the impact of Law 111 on families
  - Access data from individual Social Security files for Act 560
Survey

- In progress: a survey of adults (married & widowed)
- Coverage: 6 towns/villages; @ approx 120 individuals:
  - 2 of: pre-dominantly matrilineal, patrilineal and mixed tribes
  - 1 in each set above drawn from rural, and other urban area
- Recent voters’ register; consult town elders & council members
- Questionnaire (IRB approved; comments welcome):
  - family and individual profile; type of lineage; knowledge of Law 111; accessibility/usefulness, and if not, why?; asset ownership & distribution; etc
  - Welfare indicators (to assess household poverty level immediate years after bereavement)
  - For married couples, how this impacts asset accumulation decisions
Data on SSNIT Decisions

- We collected information from individual (hardcopy) files at SSNIT records
- Permission: Only data on deceased participants whose beneficiaries have received monies (no names, no SINs, etc)
- Decision on beneficiaries private, and can be thought of as a proxy to a will
- NOTE:
  - In all cases, bereaved families submit claims of deceased to SSNIT
  - Who files claims may not be a beneficiary; may choose not to inform actual beneficiaries (possibly, lots of benefits unclaimed)
- Total of 1005 individuals (after deleting data-entry errors)
  - Benefits non-trivial: in 2006/07, SSNIT paid average of $3,745 per claim; Median: $2,062 (per capita income ≈ $550)
Table 2: Summary Stats

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>min</th>
<th>max</th>
<th>mean</th>
<th>std. dev.</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age at death (years)</strong></td>
<td>1005</td>
<td>21</td>
<td>84</td>
<td>51.77</td>
<td>11.06</td>
<td>44</td>
<td><strong>53</strong></td>
<td>60</td>
</tr>
<tr>
<td><strong>Payment lag (years)</strong></td>
<td>1005</td>
<td>0</td>
<td>23</td>
<td>1.86</td>
<td>2.70</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>- pre-2000</td>
<td>490</td>
<td>0</td>
<td>23</td>
<td>2.51</td>
<td>3.53</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>- post-2000</td>
<td>515</td>
<td>0</td>
<td>6</td>
<td>1.25</td>
<td>1.25</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>No. of beneficiaries</strong></td>
<td>1005</td>
<td>1</td>
<td>14</td>
<td>3.20</td>
<td>2.25</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>- patrilineal</td>
<td>538</td>
<td>1</td>
<td>13</td>
<td>2.91</td>
<td>2.02</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>- matrilineal</td>
<td>467</td>
<td>1</td>
<td>14</td>
<td>3.52</td>
<td>2.44</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>- women</td>
<td>104</td>
<td>1</td>
<td>7</td>
<td>2.64</td>
<td>1.52</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>- men</td>
<td>901</td>
<td>1</td>
<td>14</td>
<td>3.27</td>
<td>2.31</td>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>- married</td>
<td>717</td>
<td>1</td>
<td>14</td>
<td>3.48</td>
<td>2.35</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>- single</td>
<td>267</td>
<td>1</td>
<td>8</td>
<td>2.41</td>
<td>1.70</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>- <strong>Act560 applied</strong></td>
<td>336</td>
<td>1</td>
<td>14</td>
<td>4.66</td>
<td>2.29</td>
<td>1</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>- <strong>Act560 n/a</strong></td>
<td>542</td>
<td>1</td>
<td>10</td>
<td>2.61</td>
<td>1.90</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total benefits (cedis)</strong></td>
<td>319</td>
<td>112</td>
<td>34,493</td>
<td>3,745</td>
<td>4,366</td>
<td>1,255</td>
<td>2,062</td>
<td>4,375</td>
</tr>
</tbody>
</table>

*a* - Length of time (in years) from death to survivor benefits paid  
*Act560* - For post-1994 when benefits subjected to Act560  
*Act560 n/a* - Exchange rate in 2006/2007 approx. par: 1 cedi = US$1
Some notes on stats

- Our sample closely matches the population’s patri-/matrilineal distribution: 46% matrilineal
- But women are significantly under-represented: approx 10%
  - All of SSNIT participants are in the formal sector; and less women (than men) in the formal sector
  - Relatives have to file claims and receive benefits; perhaps, relatives of women less likely to file
- An average of 3.2 beneficiaries per person; with those from matrilineal groups electing slightly more
- Total benefits paid out depends on years participated, income level last year, and years of eligibility (i.e., up to 72)
  - but can be large relatively to per capita incomes
# Social Security Bequeath Decisions

## Table 3: Pct (%) of pension bequeathed to relatives

<table>
<thead>
<tr>
<th>R’ship</th>
<th>Men By lineage</th>
<th>Women By lineage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All (N=901)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>patri- (N=499)</td>
<td>matri- (N=402)</td>
</tr>
<tr>
<td>Daughter*</td>
<td>18.84</td>
<td>17.11</td>
</tr>
<tr>
<td>Son*</td>
<td><strong>32.79</strong></td>
<td>34.26</td>
</tr>
<tr>
<td>Wife*</td>
<td>6.15</td>
<td>5.00</td>
</tr>
<tr>
<td>Husband*</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Mother</td>
<td>3.65</td>
<td>3.60</td>
</tr>
<tr>
<td>Father</td>
<td>1.63</td>
<td>2.40</td>
</tr>
<tr>
<td>Brother</td>
<td><strong>24.51</strong></td>
<td>27.51</td>
</tr>
<tr>
<td>Sister</td>
<td><strong>6.56</strong></td>
<td>5.78</td>
</tr>
<tr>
<td>Niece/nephew</td>
<td>4.43</td>
<td>2.61</td>
</tr>
<tr>
<td>Aunt/uncle/cousin</td>
<td>0.99</td>
<td>1.25</td>
</tr>
<tr>
<td>Other (SSNIT search)</td>
<td>0.47</td>
<td>0.44</td>
</tr>
<tr>
<td>or complaint, etc</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* - Member of nuclear family
# Effect of Act 560

**Table 4: Pct (%) when Act560 applicable: N=338**

<table>
<thead>
<tr>
<th>R'ship</th>
<th>pct bequeathed</th>
<th>pct paid</th>
<th>difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daughter</td>
<td>16.17</td>
<td>29.91</td>
<td>13.74***</td>
</tr>
<tr>
<td>Son</td>
<td>25.47</td>
<td>36.46</td>
<td>10.99***</td>
</tr>
<tr>
<td>Spouse</td>
<td>6.05</td>
<td>6.75</td>
<td>0.70</td>
</tr>
<tr>
<td>Mother</td>
<td>5.87</td>
<td>2.31</td>
<td>-3.56***</td>
</tr>
<tr>
<td>Father</td>
<td>2.83</td>
<td>0.80</td>
<td>-2.83***</td>
</tr>
<tr>
<td>Brother</td>
<td>25.65</td>
<td>9.13</td>
<td>-16.52***</td>
</tr>
<tr>
<td>Sister</td>
<td>10.13</td>
<td>4.50</td>
<td>-5.63***</td>
</tr>
<tr>
<td>Niece/nephew</td>
<td>4.50</td>
<td>1.94</td>
<td>-2.56***</td>
</tr>
<tr>
<td>Aunt/uncle/cousin</td>
<td>2.10</td>
<td>0.60</td>
<td>-1.50**</td>
</tr>
<tr>
<td>Other (SSNIT search</td>
<td>1.21</td>
<td>7.03</td>
<td>5.82***</td>
</tr>
<tr>
<td>or complaint, etc)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*** - significant at 1%; ** - significant at 5%
Prelim Summary of SSNIT Data

- Sons are much more favored, in particular in patrilineal groups
- Patrilineal groups inclined to bequeath to brothers;
- Women are more likely to elect “daughters” and “sisters” as beneficiaries regardless of lineage, but more so in matrilineal societies
- Child Act 560 has a large impact on allocation to nuclear family
  - 60% goes to children of “school-going age,” (i.e., 18 or below?) rest distributed on pro-rata basis
  - whenever is applied, intended beneficiaries recieve more than otherwise
Work ahead ...

- Regressions: to tease out determinants of pension bequests to extended vs nuclear family

- Complete survey; and provide comprehensive assessment of impact of Law 111
  - Impact on poverty levels of individuals (esp. widows) and their children; impact of marital relationships
  - Policy implications: What drives the successes, and can it be replicated elsewhere?
  - Can similar institutions be used to alter other age-old adverse cultural practices?