

Family Ties, Inheritance Rights and Successful Poverty
Alleviation

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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:
 - Chiteji and Hamilton (2002) studies transfers within US families using 1994 PSID
 - 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

Family structure	spouse	children	parent(s)	Extended family customary law
All alive	$\frac{3}{16}$	$\frac{9}{16}$	$\frac{1}{8}$	$\frac{1}{8}$
No child	$\frac{1}{2}$	n/a	$\frac{1}{4}$	$\frac{1}{4}$
No spouse	n/a	$\frac{3}{4}$	$\frac{1}{8}$	$\frac{1}{8}$
Single and no child	n/a	n/a	$\frac{3}{4}$	$\frac{1}{4}$
Single, no child and parents deceased	n/a	n/a	n/a	1
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 Law111, 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 applies? And if so, are there significant differences in outcomes?
- Empirical strategy is two-fold:
 - a survey (not RCT) to determine the impact of Law111 on families
 - Access data from individual Social Security files for Act560

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 \approx \$550)

Table 2: Summary Stats

	N	min	max	mean	std. dev.	Percentiles		
						25%	50%	75%
Age at death (years)	1005	21	84	51.77	11.06	44	53	60
Payment lag (years) ^a	1005	0	23	1.86	2.70	1	1	2
– pre-2000	490	0	23	2.51	3.53	1	1	3
– post-2000	515	0	6	1.25	1.25	0	1	2
No. of beneficiaries	1005	1	14	3.20	2.25	1	3	4
– patrilineal	538	1	13	2.91	2.02	1	2	4
– matrilineal	467	1	14	3.52	2.44	2	3	5
– women	104	1	7	2.64	1.52	1	2	3
– men	901	1	14	3.27	2.31	1	3	5
– married	717	1	14	3.48	2.35	2	3	5
– single	267	1	8	2.41	1.70	1	2	3
– Act560 applied ^b	336	1	14	4.66	2.29	1	4	6
– Act560 n/a ^b	542	1	10	2.61	1.90	1	2	4
Total benefits (cedis) ^c per claim in 2006/2007	319	112	34,493	3,745	4,366	1,255	2,062	4,375

^a - Length of time (in years) from death to survivor benefits paid

^b - For post-1994 when benefits subjected to Act560

^c - 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

R'ship	Men			Women		
	All	By lineage		All	By lineage	
	(N=901)	patri- (N=499)	matri- (N=402)	(N=104)	patri (N=40)	matri (N=64)
Daughter*	18.84	17.11	20.98	26.84	24.15	28.52
Son*	32.79	34.26	30.97	30.86	39.48	25.47
Wife*	6.15	5.00	7.54	n/a	n/a	n/a
Husband*	n/a	n/a	n/a	2.01	2.50	1.72
Mother	3.65	3.60	3.70	8.22	6.25	9.45
Father	1.63	2.40	0.68	2.21	1.25	2.81
Brother	24.51	27.51	20.79	9.57	11.12	8.59
Sister	6.56	5.78	7.58	16.73	9.13	21.48
Niece/nephew	4.43	2.61	6.67	1.44	2.50	0.78
Aunt/uncle/cousin	0.99	1.25	0.67	0.72	0	1.17
Other (SSNIT search or complaint, etc)	0.47	0.44	0.39	1.39	3.62	0

* - Member of nuclear family

Effect of Act 560

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

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

*** - 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 receive more than otherwise

Work ahead ...

- Regresions: 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?