

Asset Accumulation and Vulnerability to Poverty: Insights using the Life History Approach

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Introduction

- This study will use a sub-sample of life history accounts that were collected from 90 individuals resident in 6 administrative regions of Ghana in 2009 and 2010. 9 life histories have been selected for this paper.
- The diversity in the experience of the 9 women is rich enough to provide insights into understanding the asset accumulation process.

Objectives

- Gain insights into how assets are accumulated and lost over the life-cycle.
- Understand how assets are employed in livelihood strategies.

The Sample

Region	Location	Name of Respondent	Age	Current Marital Status	Previous Marital Status	Ever Attended School	Current Assets	Current Employment
Volta	Urban	Akosua	45	Not married	Consensual Union	Yes	Gas Cooker, Utensils	Cooks food for sale, seasonal labourer
Volta	Rural	Adwoa	67	Divorced	Widowed	No	Charcoal Business	Trader
Volta	Urban	Abena	75	Widow	Polygamous Marriage	No	Land, Lantern, Torch, House	Farmer
Volta	Rural	Akua	67	Widow	Polygamous Marriage	Yes	Radio, Torch, Land, Goats, Chickens, Savings	Farmer
Eastern	Rural	Gertrude	42	Divorced	Married	Yes	Land, Treasury Bills, Room in Family House	Runs a local restaurant
Eastern	Rural	Aba	29	Married	Married	Yes	Chickens, Sewing shop, Savings account	Self-employed seamstress, wage employed, farms groundnuts
Ashanti	Rural	Yaa	32	Married	Consensual union, Divorced	Yes	Land, Business	Farmer, Trader, seasonal labourer
Ashanti	Rural	Ama	48	Married	Widowed	Yes	Sheep, Land	Farmer and Trader, Picks cola (seasonal)
Northern	Rural	Afia	50	Polygamous Marriage	Single	No	Cooking utensils	Farmer, Processor

Measured and Perceived Welfare Status

Name of Respondent	Current Welfare Quintile	Perceived Welfare Quintile	Reason for current poverty status
Akosua	Middle	Second	She has enough to manage on
Adwoa	Second	Fourth	She has ended an abusive marriage. She can carry herself well, feed herself and look after her father
Abena	Highest	First	If her husband and children were alive she would have been much better
Akua	Highest	Third	Things would have been better, but remittance from son has declined because of debt he incurred during illness of his brother
Gertrude	Fourth	Third	She is not earning as much as she was from the chop bar business
Aba	Highest	Fourth	Her business has helped her improve. She has money for food and to pay health bills
Yaa	Middle	Second	She has been in difficulties since the death of her grandmother
Ama	Highest	Second	She has not recovered from the death of her first husband and has recently incurred a debt.
Afia	Highest	Third	She is earning an income and her children provide for her when she needs anything

Childhood – 15 years

- All but two spent part of their childhood outside their parental home
- Education and Skills Training
 - All but two completed basic education, i.e. 9 years.
 - Only two of them had any form of skills training beyond agricultural work
- Work
 - They all helped their parents/guardians in their work
 - Some of them had to work for money to supplement the household income.
 - During the lean season
 - In all cases the income earned was handed over to their parents/guardians.
- In their childhood years, the women were an integral part of the household's strategy to cope with shocks. They earn income but do not have complete control over it.

Young Adulthood – Before Marriage

- Opportunity to accumulate assets:
 - Began to retain the income they earned. Still provided labour on parent's farms or business.
- Access to parents' assets to generate own income:
 - Land given by father to farm
 - Land given by mother to farm
- In some cases made use of assets of the extended family because:
 - Death of father and loss of his assets to his family
 - Parents did not own land

Assets Acquired Before First Marriage/Consensual Union

Mode of Acquisition

- Purchase:
 - Sewing Machine
 - Treasury bills
 - Cloth
 - Beads, Jewellery
- Gift
 - Land from mother
 - Sewing Machine from father
 - Cooking Utensils from mother
- Inherited
 - Land from mother
- Other
 - Drinks Store

Accumulation of Assets Since Marriage/Consensual Union

- The marital regime is that of separation of property.
 - Gifts from husband:
 - Capital to start a business
 - Land
 - House
- Gifts – sheep
- Purchase – Land, Sewing Shop
- Loan- to start a business
- Difficult to accumulate assets if:
 - Husband is not able to provide for family
 - Do not have control over income

Loss or Disposal of Assets

- Loss of assets occurred because of:
 - Death of spouse
 - Litigation
 - Theft
 - Disease (in the case of livestock)
- Disposal of Assets
 - Sale

Management of Assets

- Transformation of physical capital into human capital
 - Sale of sheep to pay for apprenticeship training of children
 - Saving in the form of physical capital that is used to pay for children's school fees.
- Transformation of one form of physical asset to another
 - Sale of land to establish business
 - Decline of one business and establishment of another

Constraints to Asset Use

- Inadequate skills
 - Akosua did not complete her apprenticeship training. Sewing business was not successful.
 - Aba did complete her apprenticeship training. Sewing business is successful
- Insufficient cooperating inputs
 - No money to purchase inputs
- Multiple ownership
 - Limits use of the asset to generate income
 - Risk of litigation

What do these Life Histories tell us about Asset Accumulation

- Ability to acquire assets through purchase depends on how much control one has over one's income.
- Death can result in asset loss when the family of the late husband claims ownership of the asset
- Joint ownership of assets can undermine effective use of the asset

Policy Implications

- Child grants
- Skills training for women
- More education on registration of assets.
- Reform of the Intestate Succession Law