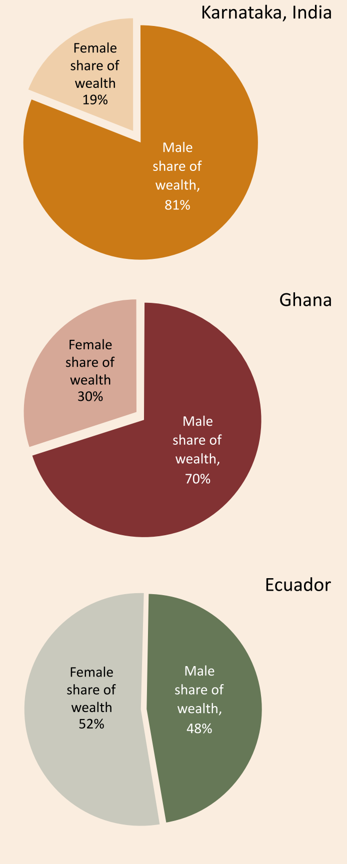
Summary and Policy Implications

The gender gaps in assets and wealth differ from country to country, depending on the type of asset examined. The findings suggest that joint ownership of assets reduce these gaps while individual ownership has the opposite effect. Where it is reported that everyone in the household owns the asset, the gender asset gap is small. For example, in Ecuador, where joint ownership predominates for all forms of real estate, the gap in home and land ownership between men and women is relatively small. Where individual ownership is dominant, such as for businesses and savings, the gender wealth gap favours men.

Overall, in Karnataka and Ghana, the gender wealth gap is very large (**Figure 6**). In Ghana, women own 30% of total household wealth, and in Karnataka, only 19%. This is because not only are women less likely to own assets, but they generally own assets that are less valuable. In Ecuador by contrast, there is gender equality in the ownership of household wealth, with women owning 52.5% of the total, equivalent to their representation within the population.

The findings of significant gender gaps in both asset ownership and wealth indicate that efforts to promote gender equality would benefit from more egalitarian ownership of property within marriage - either through joint ownership or through women's increased individual asset ownership.

Figure 6. Share of Household Gross Physical Wealth, by sex



The fact that norms and laws governing property within marriage and inheritance have such a major impact on the gender asset and wealth gaps suggests that policymakers should review how these operate in each country. Until women's disadvantages in the labour market are eliminated and women are no longer responsible for the bulk of household work, women will benefit from laws and practices that provide them with an equal share of property acquired in marriage.

Adopting and implementing legal changes clearly takes time. In the interim, there are a number of measures that policymakers can take.

First, government-financed programmes can require couples to register property acquired during marriage jointly. This is currently done in India, where some state-run housing programmes for poor households mandate that houses be registered either jointly or individually in the woman's name. In general, formal recording of joint ownership is facilitated when registration forms, deeds, and other documents include space to record multiple names.

Second, governments can provide incentives to encourage women to acquire property in their own names. Examples of such incentives include lowering registration fees for women or tax breaks for property owned by women.

Third, policymakers should tailor support for small businesses so as to reach both female and male owners, finding ways to ensure women have equal access to property and/or other productive assets necessary for these to expand and become sustainable.

Fourth, by factoring in individual asset data, policymakers could also determine how best to fashion social protection policies to ensure protection for all members of society against economic shocks - a concept that has been promoted by the International Labour Organization and other UN agencies and is getting increasing attention from governments. This is especially important for women, who are not only less likely to have accumulated employment-based earnings but also can lose access to assets following the dissolution of a marriage or consensual union.

A key step in efforts to monitor and reduce intra-household poverty and inequality is the collection of individual level data - particularly on assets. These data are needed to monitor the implementation and impacts of these efforts. This study has shown that disaggregated data collection is possible. It would be relatively straightforward to make this a core practice in all household surveys.

Development Cooperation
Ministry of Foreign Affairs

Notes

1 Michael Carter and Christopher Barrett, The economics of poverty traps and persistent poverty: an asset-based approach,' *Journal of Development Studies* 42 (2), 2006.

2 Summarized in The World Bank, *2012 World Development Report: Gender Equality and Development*, Washington, DC, 2011.

3 Also summarized in ibid.

4 The full report, on which this policy brief is based is: Cheryl Doss, Carmen Diana Deere, Abena D. Oduro, Hema Swaminathan, Suchitra J. Y., Rahul Lahoti, W. Baah-Boateng,L. Boakye-Yiadom, Jackeline Contreras, Jennifer Twyman, Zachary Catanzarite, Caren Grown, Marya Hillesland. *The Gender Asset and Wealth Gaps: Evidence from Ecuador, Ghana, and Karnataka, India*, Bangalore: Indian Institute of Management Bangalore, 2011.

5 The data on land ownership in Ghana does not include 'family land', which is land owned by the kinship group; individuals within households may have rights to farm the land, but typically cannot sell it.

6 Of course, many adults live in rental housing or in the home of non-resident family members.

7 The data presented here is based on ownership as reported by the survey respondents; it does not consider whether the ownership is documented. Wealth measures are based on gross wealth rather than net wealth.

Centre for Public Policy
Indian Institute of Management Bangalore
Bannerghatta Road, Bangalore - 560076, Karnataka, India
Ph: 91 80 26993323. Fax: 91 80 26994050
Email: genderassetgap@iimb.ernet.in
Project website: http://genderassetgap.iimb.ernet.in
Website: www.iimb.ernet.in

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IIMB
तेजस्वि नावधीतमस्तु
भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT BANGALORE

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The Gender Asset Gap in Ecuador, Ghana and Karnataka, India

Cheryl Doss, Carmen Diana Deere, Abena D. Oduro, Hema Swaminathan

Women's economic empowerment is widely recognized as essential to national development, both to advance gender equality and to reduce poverty levels. While efforts to achieve these goals have focused largely on earnings and income, it is increasingly recognized that a vital part of economic security for households and individuals is ownership of productive assets. Asset poverty is now seen as both more persistent and less fluid than income poverty, making it a more reliable measure of poverty status over time. By providing a means to store wealth, generate income and gain access to credit, assets can cushion households against economic shocks and enable poor households to move out of poverty.[1]

However, research over the last decade has shown that individual and household income and poverty do not necessarily move together, with strong differences along gender lines.[2] Asset ownership is therefore particularly important for women, who typically earn less than men, have greater responsibility for unpaid household and care work, and fewer possibilities of accumulating assets based on their own efforts. Evidence suggests that women's access to and control over income and assets enhances their ability to influence household expenditure decisions, leading to improved health and well-being for families and children.[3] Thus, efforts to reduce poverty and achieve gender equality must include an analysis of asset ownership for both women and men.

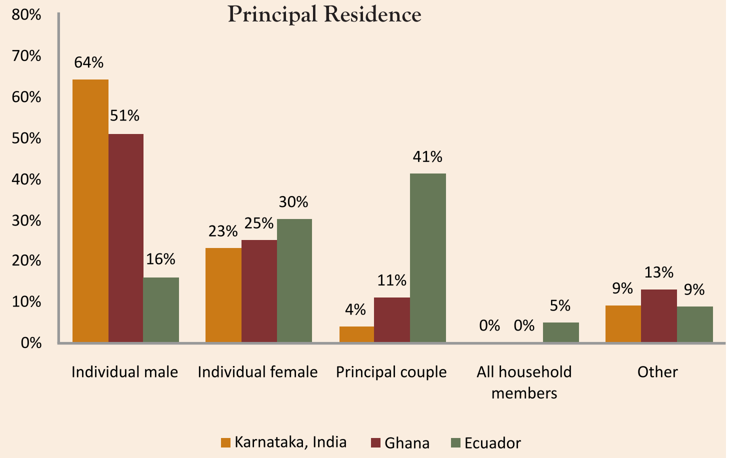
Until recently, however, an evaluation of gender differences in asset ownership has been hindered by the fact that asset data is generally collected at the level of the household, not the individual, despite the fact that most assets are owned by individuals. To overcome this obstacle, which is often cited as a reason for a lack of policy interventions, the Gender Asset Gap Project pioneered an initiative to assess patterns of individual and joint ownership in developing countries. Supported by the MDG3 Fund of the Dutch Foreign Ministry, the Project collected individual level asset ownership data from Ecuador, Ghana and Karnataka, India.[4]

Initial findings show significant gender gaps in all three countries, despite variations across countries and types of assets. The gaps in the incidence of asset ownership understate the wealth gaps, especially with regard to high value items, such as homes and businesses. Understanding these patterns is critical in order to effectively target poverty reduction measures as well as to advance gender equality. Thus, governments need to collect individual data on key assets as well as on income and/or consumption.

Ownership Distribution: Principal Residence, Agricultural Land, Livestock and Savings

A critical factor determining ownership patterns within a country is the set of norms and laws governing property ownership within marriage and across generations. Under Ecuador's partial community property marital regime, all property acquired by either spouse during marriage belongs to them jointly; property acquired prior to marriage remains individual property. In contrast, in Ghana and India, separation of property marital regimes means that assets brought to or acquired during marriage remain individual property. Inheritances remain individual property in all three countries. In Ecuador, sons and daughters should inherit equally under the law, as should the large majority in Karnataka who are governed by the Hindu Succession Amendment Act, 2005 and the Indian Succession Act, 1925. However, only in Ecuador is equal inheritance among siblings the norm in practice.

Figure 1. Distribution of the Form of Ownership, Principal Residence



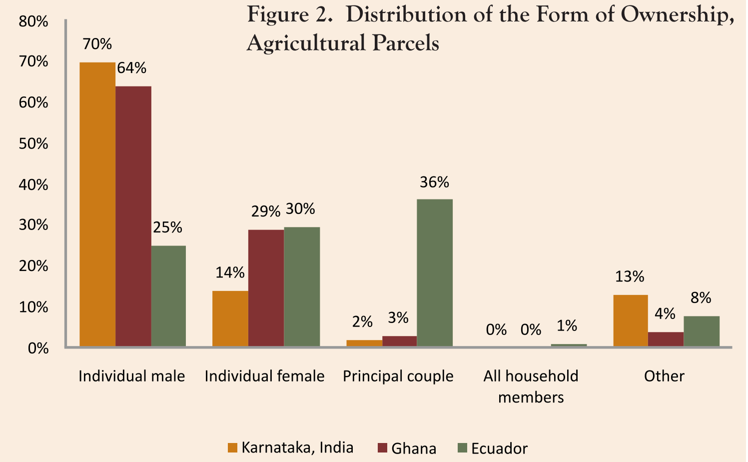
One of the most important assets is the principal residence, which forms a major share of total physical (non-financial) wealth. Owning a home provides a sense of security and can also be a base for income-generating activities. In Ecuador, home ownership by the principal couple is the most common arrangement. But in Karnataka and Ghana, residences are most frequently owned by an individual male. The share owned by individual females varies from a low of 23% in Karnataka to a high of 30% in Ecuador (**Figure 1**).

The distribution of ownership of agricultural land parcels is even more striking (**Figure 2**). In Ecuador, the most common form of ownership is by the principal couple, while only 2% in Karnataka and 3% in Ghana are reported as owned by the principal couple.[5] In Ecuador, more parcels are owned by individual females than by individual males. This is in stark contrast to Karnataka and Ghana where 70% and 64% of the parcels are owned by individual males.

The distribution of livestock ownership is quite different. Most livestock in Karnataka are reported as owned by all household members. In Ghana, the majority are owned by individual men, while women own 29% of small stock and 34% of poultry. In Ecuador, over a quarter of each category is owned by the principal couple. Of livestock individually owned, the majority of large stock is owned by men, while the majority of small stock and poultry are owned by women.

With regard to savings, most financial assets are held individually, even in Ecuador, where joint ownership of many assets is the norm. In general, men tend to have formal savings accounts, in a bank or credit union for example, while women tend to have informal savings, such as in a rotating savings group, but these differences are not large in any of the three countries.

Figure 2. Distribution of the Form of Ownership, Agricultural Parcels



> **Gender Gaps in Assets and Wealth**
>
> The gender asset gap is measured by comparing the incidence of asset ownership by men and women, first calculating the number of women and men (age 18 and older) who are owners of each type of asset and dividing it by the total number of adult women and men.
>
> The gender wealth gap is demonstrated by women's share of the total value of physical assets. Respondents were asked for the current market value of each asset, that is, the amount that they thought they would receive if they sold it that day. For joint ownership, the value is split equally among owners.

The Gender Asset Gap

In all three countries, there are no categories of assets that are owned only by men or only by women, even when large gender gaps exist. In Ecuador, the gap across all assets is much smaller than in the other two countries, and is often in favour of women, largely due to the partial community property regime.[6]

Figure 3 shows the gender asset gap for housing ownership. In Karnataka and Ghana, men are much more likely than women to be home owners, while in Ecuador women are marginally more likely to be home owners. The situation is similar for agricultural land, where in Ecuador men and women are equally likely to be land owners, while in Karnataka and Ghana, men are more likely than women to be land owners. However, in Ecuador as a whole, only 7% of adults owned agricultural land, reflecting the greater urbanization of that country and the growing importance of assets other than land.[7]

A gender gap can also be seen with regard to productive assets for agriculture, although this is smaller than that for residences and land. Again, this gap is widest in Karnataka and Ghana where a much higher proportion of the population is involved in agriculture. In both countries, most agricultural households own small equipment only (tools, hoes, wheelbarrows, etc). For livestock there is no single pattern: Ghana shows a significant gender gap for all types of livestock, while there is a much smaller gap in Karnataka, where livestock is reported as belonging to everyone in the household. In Ecuador, few people own agricultural equipment or livestock; the largest gender gap is in terms of poultry ownership, which favors women.

The ownership of consumer durables often reflects the gendered division of labour. Refrigerators, which not only reduce food preparation time but also can be used to chill items for sale, are far more likely to be owned by women than men in Ecuador. In Karnataka and Ghana, however, the predominance of men in owning high value items outweighs the fact that these are items used by women (**Figure 4**). Mobile phones are also more often owned by men than by women, particularly in Ghana. Motorized vehicles, including cars, trucks, motorcycles, and scooters, which are owned by relatively few people but typically associated with male roles, are more often owned by men. The one asset for which there is any significant gender gap in favour of women in Karnataka and Ghana is jewellery. Although jewellery is not a productive asset, it is an indicator of social status and serves as a store of wealth that can be easily transported and sold or pawned.

Figure 3: Incidence of Ownership of Real Estate, by sex

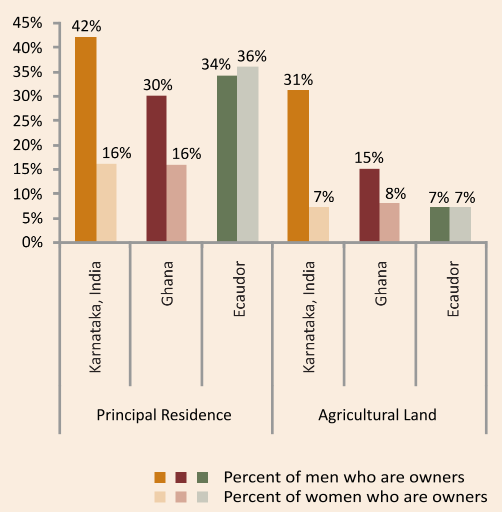
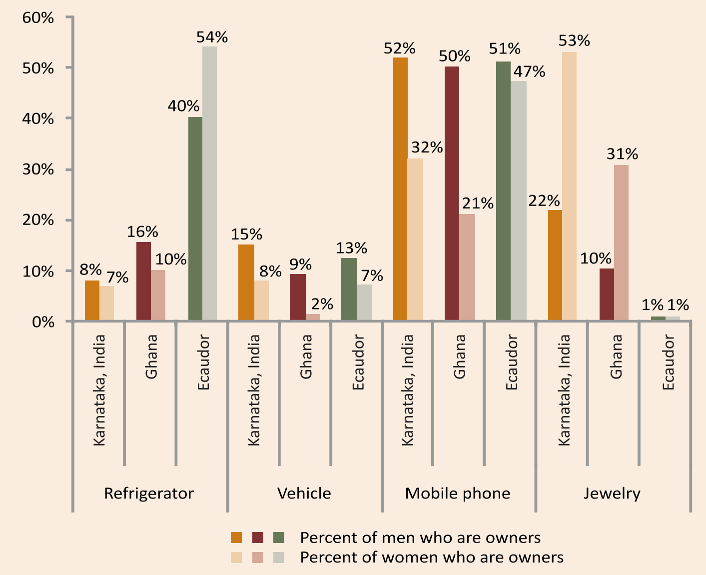


Figure 4. Incidence of Ownership of Select Consumer Durables, by sex



The Gender Wealth Gap

The gender gap in wealth varies considerably across both assets and countries. With regard to home ownership, for example, the gap is quite small in Ecuador, and slightly in favour of women, who make up 54% of owners, and own 55% of the housing wealth. In both Karnataka and Ghana, the proportion of home owners who are women is higher than the women's share of housing wealth, indicating that even when women do own homes, the value of their homes is less than that of men's (**Figure 5**).

For agricultural land, the patterns are similar. However, for Karnataka and Ghana, the difference between women's share of agricultural land wealth and the proportion of owners who are women is even more pronounced (**Figure 5**). Although 20% of the agricultural land owners in Karnataka are women, women own only 12% of the value of agricultural land. In Ghana, women are 38% of the land owners but own only 24% of the value of land. In Ecuador, women's share of agricultural land wealth is just slightly less than their representation among land owners.

Business Ownership

The ownership of small businesses tells a somewhat different story. In both Ghana and Ecuador, women are more likely than men to own a small business, while in Karnataka, the overall incidence of business ownership is lower and women are less likely to be owners of a business of any size.

Women's entrepreneurial ownership is widely promoted in many developing countries, both as a pathway out of poverty and a source of empowerment, particularly for women who are unable to obtain paid work outside the home. In most cases, however, women entrepreneurs are clustered in small and micro enterprises, lacking access to training, networks and financial services needed to grow and become sustainable. Mainstream financial institutions are slow to meet the needs of these entrepreneurs, in part due to their lack of property or any other form of collateral.

This is reflected in **Figure 5**, which shows that in all three countries, the proportion of business owners who are women is much higher than their share of business wealth. In Ecuador, where there is a relatively small gender gap in business ownership, there is a 26 percentage point difference between the proportion of owners who are women and the share of the value of businesses owned by women, similar to the difference in Karnataka. In Ghana, this difference is 32 percentage points.

Figure 5. Female Share of Owners and Wealth: Housing, Agricultural Land, Businesses