



Asset Building in Sub-Saharan Africa: Toward Sustainable Economic Development for Rural Farmers

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***Summary.** The Center for Social Development (CSD) at Washington University in St Louis, in collaboration with International Care Relief (ICR), Uganda, has piloted an asset-building model in Masindi, Uganda, for the last three years (2004-2006). With a longitudinal quasi-experiment, the project has the following initial results: compared to their counterparts in the comparison group, participants in the project hold greater assets, have higher expectations on their children's future education and financial stability, have a stronger desire for economic development and well-being, and save more as individuals, groups, and families.*

As a result of the initial success of the pilot project, ICR has contracted with World Food Program (WFP) to facilitate scaling up the project. Based on the best practices learned from the asset-building project, the project will be expanded with greater emphasis on commercial sales and linked to markets. The new "Agribusiness" project will roll out in 2007.

Several other countries and organizations have taken notice of the pilot project in Uganda and have expressed interest in learning more about it.

Pilot project. The pilot asset-building project in Uganda has been in operation for the last three years. Participants in the project have higher asset holdings, expectations, aspirations, and social outcomes compared to their counterparts in the comparison group. Findings from this project are being used to guide asset-based policy and implement other asset-building projects in Sub-Saharan African (SSA) countries.

Role of research. Research has played a vital role in the effort of initiating the first systematic study of asset-building strategies in SSA. Research contributes to the body of knowledge of asset building in the African context and helps policy makers and program directors to plan effective policy and management strategies. Research methods and results from the American Dream Demonstration project in the United States have been a valuable starting point in guiding research for this project; all methods and instruments were adapted for the cultural conditions in rural Uganda.

Designed as a longitudinal study with a comparison group, this project uses a quasi-experiment to measure project impact. The quasi-experiment is supplemented with in-depth interviews and community studies.

Publications. The pilot project contributes to a growing body of research on asset-building strategies globally. Initial findings from the first wave of surveys with pilot project participants are generally positive. Forthcoming articles will examine the pilot project longitudinally upon the completion of the second wave of surveys. Publications have been targeted at both national and international journals and conferences. A recent publication is:

Chowa, G. (2006). Saving performance among rural households in Sub-Saharan Africa: The effect of gender. *Social Development Issues*, 28(2), 106-116.

Discussion. Gina Chowa, project manager at CSD, has continued the discussion of asset building in Africa with representatives from several different countries, including Ghana, Kenya, Senegal, and Zambia. Based on the best practices learned from the pilot project, additional projects in different countries are likely to be implemented.

Context. SSA is lagging in development compared to other regions of the world. Many development challenges are unique to SSA. These include inadequate employment, inadequate income for families, weak access to education for impoverished families, public health challenges, HIV/AIDS pandemic, shortage of medical care, and lack of financial services. These challenges together hinder families from accumulating assets as a means to achieving economic independence. Moving forward, investing in families in SSA will be vital in the effort of poverty reduction, which includes the redistribution of income, assets, and opportunities.

Caveats, concerns, challenges. (1) Discussions on expansion of the Uganda pilot project are in their initial phase. Although the potential seems promising, it is not possible to predict how this will develop. (2) Additional research is necessary to examine whether asset building can reach the poorest in Africa (current project participants had some form of small income prior to the project). (3) Although many SSA countries share common concerns, each project and policy must be tailored to meet cultural and circumstantial conditions in each particular country. A guide produced by CSD for policy makers and program managers should be applied with cultural understanding.

Continuing discussion. CSD will remain involved in policy discussions, demonstration projects, and research collaboration with numerous SSA countries and organizations. The project manager will continue to travel to Uganda to oversee the completion of the pilot project and facilitate implementation of new projects in neighboring countries.

Funding. CSD has provided funding out of general and reserve funds to support this pilot project. We are grateful to the Ford Foundation for making general funds possible so that pilots can be tested.

To move forward, external sources of funding will be necessary. These funds would sustain project development and expansion, support design and implementation of asset-building projects in other SSA countries, and secure effective research for upcoming projects.