

Poverty & Equity Brief

Sub-Saharan Africa

Ghana

April 2020

After the return to democracy, Ghana achieved significant economic growth and poverty reduction, but the rate of poverty reduction has progressively slowed in recent years and has become insignificant after 2012. Between 1991 and 2012, Ghana halved the incidence of poverty with little increase in income inequality. In 1991 Ghana's poverty rate at 2011 PPP \$1.90 per person per day was 47.4 percent. By 2012, it had dropped to 12.0 percent, which is not only lower than the mean poverty rate for Sub-Saharan Africa but also below the mean poverty rate of lower-middle income countries. However, the poverty rate slightly increased to 13.3 percent in 2016. The recent spread of COVID-19 may contribute to rising poverty.

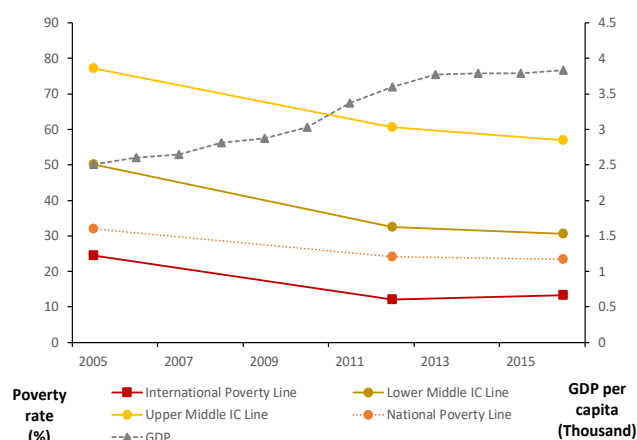
Behind the decline in the poverty elasticity was a widening of inequality across regions and, in poor regions, also within regions. There was large variation in poverty reduction across regions between 2012 and 2016. In the wealthiest four regions (Greater Accra, Ashanti, Central and Eastern regions), poverty largely declined while it increased in the poorest four regions (Upper West, Upper East, Northern and Volta regions). Poor regions also experienced increased inequality within region. In 2012, inequality was already higher in the poorest four regions (Volta, Upper East, Northern, and Upper West regions) than in the wealthiest four regions (Greater Accra, Ashanti, Eastern, Central, and Western regions) and it has increased since, while it has declined in the wealthiest four regions.

The regions where poverty reduction has been the highest have experienced a labor shift from agriculture to private sector wage employment and non-agricultural self-employment. In Greater Accra, Ashanti and Central regions, a large percentage of workers moved into non-agricultural self-employment and wage employment in the private sector. On the other hand, more than 70 are still engaged in agriculture in the northern three regions.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	6.6	23.4	2016
International Poverty Line 2.5 in Ghanaian cedi (2016) or US\$1.90 (2011 PPP) per day per capita	3.8	13.3	2016
Lower Middle Income Class Poverty Line 4.2 in Ghanaian cedi (2016) or US\$3.20 (2011 PPP) per day per capita	8.7	30.5	2016
Upper Middle Income Class Poverty Line 7.3 in Ghanaian cedi (2016) or US\$5.50 (2011 PPP) per day per capita	16.2	56.9	2016
Multidimensional Poverty Measure		23.7	2016
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-0.20	2012-2016
INEQUALITY			
Gini Index		43.5	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.47	2012-2016
GROWTH			
Annualized GDP per capita growth		1.59	2012-2016
Annualized Consumption Growth per capita from Household Survey		1.27	2012-2016
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		1.48	2012-2016

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

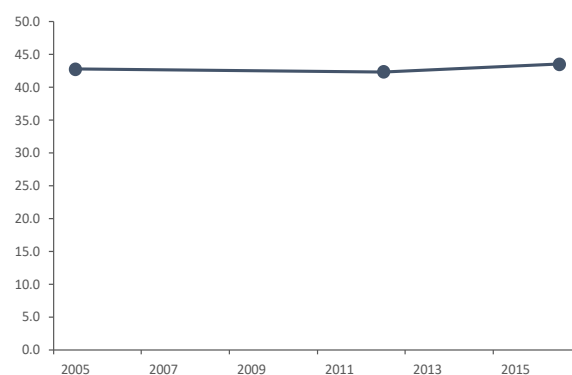
POVERTY HEADCOUNT RATE, 2005-2016



Source: World Bank using GLSS-VII/SSAPOV/GMD

INEQUALITY TRENDS, 2005-2016

Gini Index



Source: World Bank using GLSS-VII/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2016
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population	97	3	20	80	Monetary poverty (Consumption)	
Rural population	76	24	61	39	Daily consumption less than US\$1.90 per person	13.3
Males	87	13	40	60	Education	
Females	87	13	40	60	At least one school-aged child is not enrolled in school	9.0
0 to 14 years old	83	17	48	52	No adult has completed primary education	15.1
15 to 64 years old	89	11	34	66	Access to basic infrastructure	
65 and older	86	14	41	59	No access to limited-standard drinking water	40.8
Without education (16+)	73	27	61	39	No access to limited-standard sanitation	79.9
Primary education (16+)	85	15	46	54	No access to electricity	19.5
Secondary education (16+)	95	5	27	73		
Tertiary/post-secondary education (16+)	99	1	8	92		

Source: World Bank using GLSS-VII/SSAPOV/GMD

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Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

The Ghana Living Standard Survey (GLSS) has been implemented in 1987, 1988, 1991, 1998, 2005, 2012, and 2016. The Ghana Statistical Service (GSS) completed the estimation of a new national poverty rate using data from the most recent round, GLSS7, and announced the new national poverty rate in September 2018.

GSS produced the first poverty map using the GLSS4 and the 2000 Population and Housing Census in 2005. It created the second poverty map using the data from GLSS 6 and 2010 Population and Housing Census. GSS is planning to conduct the next Population and Housing Census in 2020 and GLSS8 in 2021, and produce a new poverty map.

Poverty reports and the poverty maps are all publicly available on the GSS website. There is a data access policy developed by GSS allowing users free access to microdata.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.