

Poverty & Equity Brief

Africa Western & Central

Ghana

October 2020

Prior to the global COVID-19 shock, Ghana had achieved significant poverty reduction though the rate of poverty reduction has progressively slowed in recent years. Between 2005 and 2012, Ghana halved the incidence of poverty with little increase in income inequality. By 2012, poverty (as measured by the international poverty line of \$1.9, PPP 2011) dropped to 11.6 percent, which is below the mean poverty rate of lower-middle income countries. However, the poverty rate increased to 13.0 percent in 2016. Inequality also rose from 0.42 to 0.44 in this period.

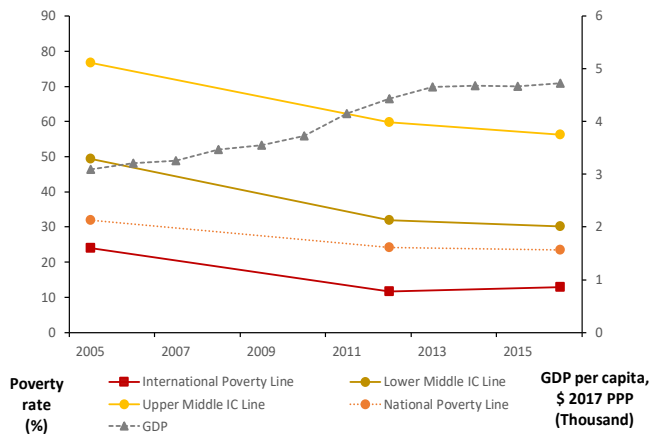
The onset of the pandemic and subsequent lockdown adversely impacted the population's welfare. According to the COVID-19 Household and Jobs Tracker Survey, 77 percent of households reported a decline in income between March - June 2020. Half of all households reported reducing food consumption as a coping mechanism. A consequence of the decline in income and consumption is projected to lead to an uptick in poverty in 2020 to 11.2 percent.

The decline in the growth elasticity of poverty can be partially explained by growing spatial disparities. 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). Moreover, poor regions also experienced increased inequality while the wealthiest four regions saw a decline. Rural areas continue to have the highest concentration of poverty with one in four living below the poverty line. Poverty reduction has been the highest where labor has shifted out of agriculture. The regions which have seen a large proportion of workers move into non-agricultural self-employment and wage employment in the private sector are Greater Accra, Ashanti, and Central. The northern three regions continue to see a high proportion of their labor force (70 percent) engaged in agriculture.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	6.7	23.4	2016
International Poverty Line 2.5 in Ghanaian cedi (2016) or US\$1.90 (2011 PPP) per day per capita	3.7	13.0	2016
Lower Middle Income Class Poverty Line 4.2 in Ghanaian cedi (2016) or US\$3.20 (2011 PPP) per day per capita	8.6	30.1	2016
Upper Middle Income Class Poverty Line 7.3 in Ghanaian cedi (2016) or US\$5.50 (2011 PPP) per day per capita	16.0	56.3	2016
Multidimensional Poverty Measure		23.5	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

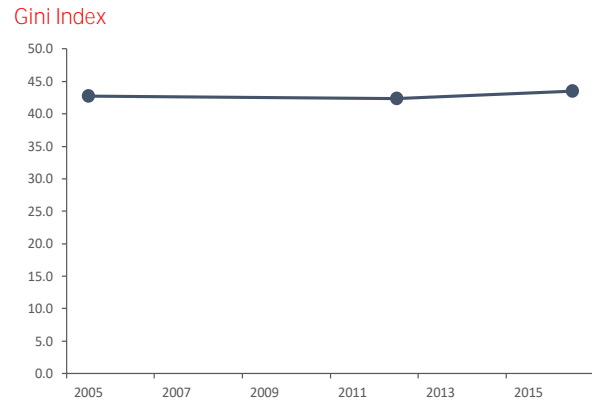
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2005-2016



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

INEQUALITY TRENDS, 2005-2016



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

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line (%)		Relative group (%)		Multidimensional Poverty Measures: 2016 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	98	2	20	80	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 13.0
Rural population	76	24	61	39	
Males	87	13	40	60	Education At least one school-aged child is not enrolled in school 9.0 No adult has completed primary education 15.1
Females	87	13	40	60	
0 to 14 years old	83	17	48	52	Access to basic infrastructure No access to limited-standard drinking water 40.8 No access to limited-standard sanitation 79.9 No access to electricity 19.5
15 to 64 years old	90	10	34	66	
65 and older	86	14	41	59	
Without education (16+)	74	26	61	39	
Primary education (16+)	86	14	46	54	
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

During 1987-2016, the Ghana Statistical Service (GSS) implemented seven rounds of the Ghana Living Standard Survey (GLSS). The three most recent rounds of the GLSS were carried out in 2005, 2012 and 2016. These surveys are used by the Government to measure the population's welfare and changes over time. The latest national poverty rate is based on the GLSS7 (2016). In addition, GSS has prepared two poverty maps using population censuses and household survey data for the years 2000 and 2010. An updated poverty map will be prepared after the Population and Housing Census in 2020 and GLSS8 in 2021 are completed. The GSS gives users free access to microdata and publishes its poverty reports and poverty maps online.

The Government has embarked on developing its statistics system with the assistance of the World Bank's statistical support project (2020-2024). Under this project, the GSS will focus on the production and dissemination of a core package of social and economic statistics.

GSS is closely monitoring the impact of the global pandemic on the population by carrying out a high-frequency survey, COVID-19 Household and Jobs Tracker Survey. It publishes its results on its website

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.