Ghana experienced considerable poverty reduction before the COVID-19 pandemic. Between 2005 and 2012, poverty fell from 32 to 24 percent. Between 2012 and 2016, poverty reduction stalled and fell by less than a percentage point to 23.4 percent. International poverty rates under the 2017 PPP show a similar trend as the national rate: a considerable drop between 2005 and 2012 and a marginal decline thereafter up to 2016. Despite the stagnation in poverty reduction, more prosperous regions continued to see a decline in poverty between 2012 and 2016, while the less well-off regions experienced an uptick in poverty. Accordingly, between 2012 and 2016, between-region inequality increased considerably from 17 to 26 percent, with poverty becoming more concentrated in the North of the country.
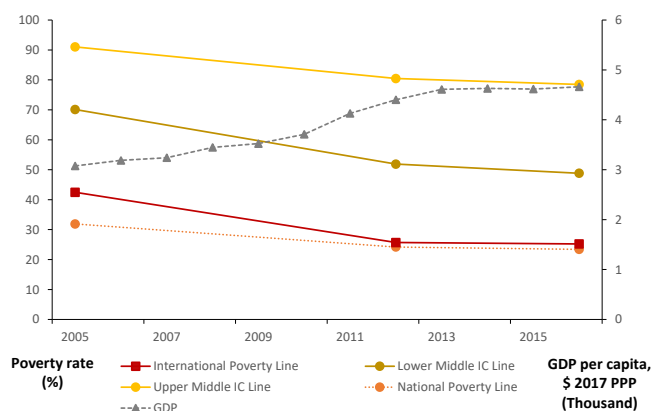
Fiscal vulnerabilities stemming from the pandemic and other shocks, such as Russia's invasion of Ukraine, exacted a heavy toll on Ghana's economy. With fiscal deficits rising and underperforming revenue collection as well as rising public debt, the Government negotiated a three-year agreement with the IMF for roughly $3 billion USD, which was approved by the IMF board in May 2023. In the meantime, Ghanaian households have been under pressure from inflation which has been compounded by the depreciation of the Cedi vis-à-vis the US dollar. Annual inflation for 2022 was close to 32 percent and for 2023 it has been close to 40 percent, implying a considerable loss in purchasing power for Ghanaians.

The poor are expected to have fared worse during the recent inflation bouts. Food inflation has thus far outpaced non-food inflation, which suggests that the poor were more afflicted since they devote a larger share of their budget to food. Since September 2022, electricity prices have increased by over 100 percent. In addition, an increase in the VAT rate of 2.5 percentage points since the start of 2023 added to the struggle of Ghanaian households. The Government has revised its main cash transfer program by increasing the value of transfers and indexing to inflation in an effort to ameliorate the situation. Poverty is expected to increase in the short term and new data being collected later this year (GLSS-8) will help provide a picture of just how bad things have been.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	6.7	23.4	2016
International Poverty Line 3.7 in Ghanaian cedi (2016) or US$2.15 (2017 PPP) per day per capita	7.5	25.2	2016
Lower Middle Income Class Poverty Line 6.2 in Ghanaian cedi (2016) or US$3.65 (2017 PPP) per day per capita	14.4	48.8	2016
Upper Middle Income Class Poverty Line 11.7 in Ghanaian cedi (2016) or US$6.85 (2017 PPP) per day per capita	23.2	78.5	2016
Multidimensional Poverty Measure		32.8	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		1.44	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, PIP as of October 2023, and Global Monitoring Database for the rest.
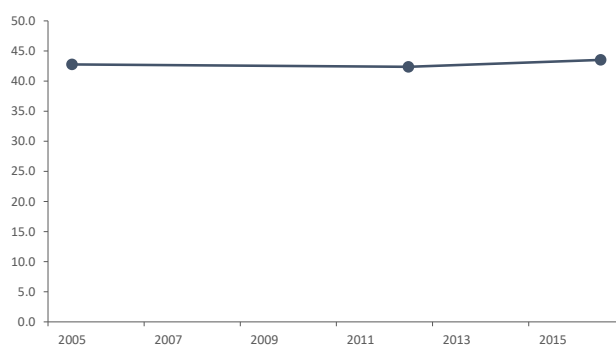
POVERTY HEADCOUNT RATE, 2005-2016

Poverty rate (%)			
■ International Poverty Line	● Lower Middle IC Line	**GDP per capita, $ 2017 PPP (Thousand)**	
● Upper Middle IC Line	○ National Poverty Line		
▲ GDP			

INEQUALITY TRENDS, 2005-2016
Gini Index

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	91	9	20	80
Rural population	58	42	61	39
Males	75	25	40	60
Females	75	25	40	60
0 to 14 years old	68	32	48	52
15 to 64 years old	79	21	34	66
65 and older	74	26	41	59
Without education (16+)	56	44	61	39
Primary education (16+)	71	29	46	54
Secondary education (16+)	87	13	27	73
Tertiary/post-secondary education (16+)	97	3	8	92

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

Multidimensional Poverty Measures: 2016	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$2.15 per person	25.2
Education	
At least one school-aged child is not enrolled in school	9.0
No adult has completed primary education	15.1
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

POVERTY DATA AND METHODOLOGY

Between 1987 to 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, and one poverty map using area level models for 2017. GSS gives users free access to microdata and publishes its poverty reports and poverty maps online. The country's poverty line is based on the nutritional requirements of the household as well as essential non-food consumption (https://www2.statsghana.gov.gh/docfiles/publications/GLSS7/Poverty%20Profile%20Report_2005%20-%202017.pdf).

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, GSS will focus on the production and dissemination of a core package of social and economic statistics.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of $2.15, $3.65, and $6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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 three 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.