BUILDING A MORE EQUAL GHANA

A five-point action plan to close the gap between the rich and the rest

A report by Oxfam, SEND Ghana and Ghana Anti-Corruption Coalition
Oxfam estimates that just one of the richest men in Ghana earns from his wealth more in a month than one of the poorest women could earn in 1,000 years. Inequality is slowing down poverty reduction, hampering economic growth and threatening social cohesion. Nearly 300,000 more men, women and children could have been lifted out of poverty between 2006 and 2013 had inequality not increased during this period.

Inequality is not inevitable and can be addressed.

In 2017, servicing public debt cost Ghana more than the annual amount the government would need to pay for free quality health care for all Ghanaians and to deliver on its globally agreed health goals by 2030. Meeting these goals could have saved the lives of more than 7,000 new-born babies and 1,000 mothers in one year alone.

The government must: improve public financial management; use public spending to reduce inequality; create decent work with good wages; put women’s economic empowerment at the heart of policy making; and make governance work for everyone.
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Poor public financial management is undermining efforts to tackle inequality
The availability and affordability of public services is reinforcing inequalities in Ghana
Work and wages are not raising incomes for most people
Gender inequality systematically excludes women
Political capture and corruption drive inequality
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EXTREME INEQUALITY IN GHANA MUST BE TACKLED

Economic growth in Ghana in the past 20 years has been impressive. Growth has been especially remarkable since the return to democracy in the 1990s, although it has become more volatile in recent years. On average, the Ghanaian economy grew annually by 5.8% in 13 of the 22 years between 1991 and 2013,\(^1\) reaching a rate of nearly 8% after 2006.\(^2\) A particularly notable sustained period of growth from the start of the millennium came to a halt in 2009, with the lowest growth in nine years (4%) at the height of the global economic crisis. However, growth bounced back to hit a peak of 15% in 2011, as commercial oil production started.\(^3\) The oil-related boom continued until 2013, while in 2014 growth started to decelerate and dropped to 3.5% in 2016, the lowest level since 1990.\(^4\) It has since picked up again and it is expected to reach 6.1% in 2017.\(^5\)

Ghana’s growth was matched by a significant reduction in poverty levels – which more than halved between 1992 and 2013. Extreme poverty declined by about 25 percentage points over the same period.\(^6\) At the same time, the country has made sustained political and social progress. Ghana today is a functioning democracy that has made remarkable strides across a number of human development indicators, such as education.

However, despite the continued economic growth and significant poverty reduction, income inequality has been growing steadily for a number of years in Ghana. This is a serious threat to poverty reduction efforts and must be tackled. Inequality creates obstacles to overcoming poverty and exclusion, and to building prosperous, cohesive societies. Nearly 300,000 more men, women and children could have been lifted out of poverty in Ghana between 2006 and 2013 had inequality not increased during this period. Ghana must fight inequality to lift more people out of poverty, sustain economic growth, and maintain social cohesion.

Recent trends suggest that the rich are capturing a greater share of the benefits of growth in Ghana:

- Oxfam estimates that just one of the richest men in Ghana earns from his wealth more in a month than one of the poorest women could earn in 1,000 years.\(^9\)
- Ghana’s Gini coefficient (a measure of inequality) grew by 3.3 percentage points between 1992 and 2013.\(^10\)
- The bottom 60% of Ghanaians had a 35% share of total national income in 1988, but this declined to 30% in 2012.\(^11\)
- Meanwhile, 1,000 more $ millionaires were created between 2006 and 2016.\(^12\)
- The wealthiest 10% of Ghanaians now share 32% of the Ghana’s total consumption – more than is consumed by the bottom 60% of the population combined, while the very poorest 10% of the population consume only 2%.\(^13\)
- Nearly a third of the poorest children in the Northern Region have never been to school, compared with just 5% of the wealthiest.\(^14\)
- Only an estimated 6% of the richest people in Ghana are women.\(^15\)

Fight Inequality. Beat Poverty.\(^7\)

Research by Oxfam recently revealed that the top 1% have now accumulated more wealth than the rest of the world put together.\(^8\) Such extreme inequality makes no moral or economic sense, and it is hampering efforts to end extreme poverty. Decades of experience in the world’s poorest communities have taught Oxfam that poverty and inequality are not inevitable or accidental, but the result of deliberate policy choices. Inequality can be reversed. There is a groundswell of voices calling for action. These include the diverse voices of faith leaders, individual billionaires and the heads of institutions such as the IMF and the World Bank, as well as trade unions, social movements, women’s organizations and millions of ordinary people across the globe.

As an organization that exists to tackle poverty, Oxfam is unequivocal in welcoming the fantastic progress that helped to halve the number of people living below the extreme poverty line between 1990 and 2010. Yet if inequality within countries had not grown during that same period, an extra 200 million people would have escaped poverty. That could have risen to 700 million had poor people benefited more than the rich from economic growth. We cannot end extreme poverty unless we tackle extreme inequality.
Gender inequality remains a pervasive issue. Women are more likely to be poorer and to have fewer assets; for instance, they are half as likely as men to own land. Geographical inequality is also stark, with clear north/south and rural/urban divides. Rural poverty is now almost four times as high as urban poverty.

Ghana must tackle inequality if it wants to ensure a more prosperous future for all Ghanaians and meet the Sustainable Development Goals (SDGs). It must do so for three key reasons:

• To lift more people out of poverty. Rising inequality in Ghana reduced the impact of economic growth on poverty reduction by 1.1 percentage points between 2006 and 2013. Instead of falling by 7.7 percentage points, the incidence of poverty would have fallen by 8.8 percentage points if inequality had not increased, and 289,822 more men, women and children could have been lifted out of poverty.

• To sustain economic growth. The IMF finds that inequality harms growth when it increases above a Gini of 27. Ghana’s Gini is well above this threshold. Furthermore, the IMF has calculated that if countries in sub-Saharan Africa reduced their inequality levels to those seen in ASEAN countries, it would add almost 1% to GDP growth – equivalent to the impact of closing the infrastructure gap between the two regions.

• To maintain social cohesion. Research shows that countries with higher levels of inequality suffer from higher crime and insecurity levels, among other social ills.

Ghana’s story is one of partial success. Overall poverty has been reduced, but economic inequality is on the rise, and poverty reduction has not been spread evenly. Oxfam has identified five key drivers of increasing inequality in Ghana, as set out below.

POOR PUBLIC FINANCIAL MANAGEMENT IS UNDERMINING EFFORTS TO TACKLE INEQUALITY

Despite having had significant amounts of debt cancelled over a decade ago, Ghana is now back in a debt crisis. In 2015, Ghana contracted a loan with the IMF. Initially due to end in 2018, it was recently extended to 2019, despite the public debt stock having reached 46% of GDP in 2017. This is placing a significant burden on Ghana’s economy and society, and with the economy stagnating, the country is falling back into a debt trap. The combination of a slowing economy and ongoing debt servicing meant that in 2017, 42% of government revenue was being allocated to debt repayments. This leaves less money available to spend on vital inequality-reducing public services. In 2017 servicing public debt cost Ghana more than the annual amount the government would need to pay for free quality healthcare for all Ghanaians and to deliver on its globally agreed health goals by 2030. Meeting these goals could have saved the lives of more than 7,000 new-born babies and 1,000 mothers in one year alone.

Foreign aid is declining, especially for social sectors. In 2010, Ghana attained the status of a lower middle-income country (LMIC), which has had implications for both the type and level of foreign aid it receives. Net official development assistance (ODA) decreased from 4.5% of GDP in 2012 to 3% in 2014. This has coincided with a broad global shift of donor focus away from providing budget and sector support for areas such as health and education. In the longer term, the government itself has been pushing for a strong vision of post-aid Ghana. In doing so, the president has stated a positive vision of increased reliance on domestic resources for delivering development, while also tackling corruption. However, an increase in debt and decline in aid means that Ghana is increasingly dependent on domestic tax resources to fund essential inequality-reducing public services.

Ghana is failing to mobilize enough tax revenue progressively. Tax systems play a vital role in fighting inequality. By making the rich pay more than the poor, a progressive taxation system redistributes wealth and income from the ‘haves’ to the ‘have-nots’. Further, tax revenues can fund the provision of free, good-quality public health and education services to all, which is critical to reduce economic and social inequalities.

There are many reasons why Ghana’s tax system is failing. First, annual collection from direct taxes has been consistently below budgeted figures over the years. Low rates applied to various forms of direct taxation also restrict their revenue-raising ability. Second, there are multiple administrative challenges with tax collection in Ghana and the largely cash-based informal nature of the economy makes it difficult to collect taxes. Third, companies are dodging paying their fair share of tax. In addition, the Ghanaian tax system is characterized by large tax exemptions, deductions and incentives.

THE AVAILABILITY AND AFFORDABILITY OF PUBLIC SERVICES IS REINFORCING INEQUALITIES IN GHANA

International evidence shows that investment in public services plays a key role in reducing economic inequality. Recent evidence from developing countries which have reduced inequality finds that 69% of the reduction in inequality was because of government spending on health and education. However, while public spending as a whole tends to redistribute, spending can be more or less...
progressive depending on how policies are designed. In Ghana, government spending on public services – and the fiscal system more broadly – is not working as hard as it could to redistribute resources from the richer to the poorer. This explains Ghana’s very low status in Oxfam’s Commitment to Reducing Inequality Index, which ranks government efforts to use public spending policies as a tool to address inequality: the Ghanaian government ranks 124 out of 152 countries on spending on health, education and social protection.

Progress on healthcare is at risk. Ghana’s key health indicators improved steadily over the Millennium Development Goal (MDG) period and were hailed as a success by many commentators. However, large inequalities in health persist, and strong overall performance masks significant disparities between income groups and regions. The impact of government health spending on inequality in Ghana is less progressive than in many countries, accounting for only around one-third of the reduction in Gini.

Government healthcare spending remains low overall compared with other lower middle-income countries, both in per capita terms and as a share of GDP. Moreover, government health spending is currently decreasing – from 10% of the total government budget in 2010 to 7% in 2017 – and is moving away from rather than towards the commitment made by the Government of Ghana in the Abuja Declaration to spend 15% of the total government budget on health.

Progress towards universal health coverage has stalled. Ghana’s National Health Insurance Scheme (NHIS) was introduced in 2003 in recognition of the detrimental impact of Ghana’s notoriously high user fees on the poorest, and the fundamental role of public financing in healthcare. However, despite universal population coverage and equity being a stated policy goal, over a decade and a half later only about four in every ten Ghanaians are covered by the NHIS scheme. The overwhelming majority of people are still paying out-of-pocket for their healthcare. The rural and working poor are the least likely to be enrolled. It is estimated that less than 2% of poor people are covered. The World Health Organization has been clear that voluntary insurance will not work to achieve universal health coverage, but this is exactly what the NHIS is for the majority of people in Ghana. Insurance premiums for the informally employed are also regressive and largely unaffordable.
In spite of admirable commitments on free health services for certain vulnerable groups, many poor people still struggle to access health services. In some facilities, fees are charged for services that are supposed to be free. There have been concerning cases of mothers who are too poor to pay for emergency healthcare being detained in facilities.

Poor levels of financial protection for health for the majority of people in Ghana combine with unacceptably slow progress on improving and extending the reach of quality services, including qualified health workers, especially in the poorest regions of the country. Long distances to health facilities, which are under-staffed and under-resourced effectively exclude many of the poorest people from healthcare, especially in rural areas. The financial sustainability of the NHIS is also in serious doubt. In 2014, the NHIS turned to borrowing to finance an ongoing deficit. Despite ambitious aims, the scheme is neither sustainable nor meeting the necessary aim of providing affordable care to all Ghanaians.

**Despite impressive gains, significant education inequalities remain, and girls are losing out.** Ghana stands out for impressive achievements in increasing access to education at kindergarten, primary and secondary levels. Government spending on education in Ghana has been shown to account for around two-thirds of the reduction of inequality (as measured by the impact on the Gini). Ghana has shown a particularly strong leadership role on investment in kindergarten education, which is vital to improving social mobility and the chances of poor children. In 2007, the government made kindergarten education free and compulsory for at least two years. In 2014, enrolment reached 99%, increasing from just 28% in 2000. The expansion of access to education has been supported by formal user fees being dropped at successive levels. Fees at primary school level were abolished in 2005, and enrolment in primary schooling expanded from 66% in 2000 to 89% in 2014.

After fees for senior high school were dropped in September 2017, 90,000 more students flooded through the school doors at the start of the academic year. The government is now investing resources towards ensuring that all secondary education (junior and senior) is free for all. However, despite these initiatives, persistent education inequalities remain. Primary school attendance rates of both girls and boys living in households in the poorest quintiles (62% for both) are much lower than the attendance rates of children living in the wealthiest quintiles (82% for girls and 84% for boys). Nearly a third of the poorest children in the Northern Region have never been to school, compared with just 5% of the wealthiest. Girls in particular are losing out on the chance of a better life, with the poorest girls from the most marginalized regions facing the greatest challenges. For instance, only 26% of the poorest girls from the Northern Region finish primary school, compared with 90% of boys from the richest quintile in Accra.

**The quality of education needs to be improved, and privatization is threatening gains.** Schooling is not the same as learning, and despite progress in recent years, the quality of education in Ghana needs to improve to ensure that it can have an equalizing impact. Forty-eight percent of the richest urban males in Ghana leave junior secondary school having learned the basics in mathematics, compared with only 7% of the poorest rural girls. Free schooling has been crucial to ensuring greater equity in access, but public education systems have struggled to keep up with the magnitude of demand created by expansion. A long-term feature of the Ghanaian education system is that children from the richest families tend to ‘opt out’ of public education and go to fee-paying elite private schools. However, more recently, there has been a proliferation of so-called ‘low-fee private schools’ (LFPSs), including chains of international schools, marketed at poor families. This is leading to further stratification, where the relatively wealthier (or, at least not the poorest) are going to LFPSs, the wealthiest to high-quality elite schools, and the poorest to largely rural, understaffed and underfunded schools. As the 2018 World Development Report says, there is no consistent evidence that private schools deliver better quality of education. Furthermore, the fees of these so-called low-fee private schools still constitute a huge proportion of income for the poorest families in Ghana. For example, one major chain targeting the poor charges fees that are equivalent to 40% of the poorest families’ income, for each child. This means parents may have to choose which of their children get to go to school – and all too often it is girls who lose out.

**What is taught and how it is taught matters** if you want to truly unlock full potential of education in terms of combatting inequality. Access, completion rates and whether children have learned mathematics and reading is not enough. Education has the power to either compound and reinforce existing power structures in society or help citizens challenge them. Therefore, it matters both if children learn, what they learn and how they learn. Children (and particularly girls) should learn that their voices, histories, culture and language matters and that they can make a difference.

**The potential of social protection is untapped, despite being an essential weapon in the fight against inequality.** The implementation of social protection systems for all, including the poorest and the vulnerable, is one of the objectives of the SDGs (SDG 1.3). However, social protection coverage is low, and its impact on poverty and...
inequality are constrained by the size of the transfers and insufficient linkages with other programmes and services. Ghana has adopted a comprehensive National Social Protection Policy, but government expenditure on social protection is low in comparison with international and regional standards. The National Policy prioritizes five programmes, including the flagships Livelihood Empowerment Against Poverty (LEAP) programme, a cash transfer programme targeted at poor households with orphans or vulnerable children, elderly people, people with extreme disabilities, pregnant women and children under one. The Commitment to Equity project has found that the programme is very progressive, but it is too small to have a significant impact on overall inequality or poverty reduction.42

WORK AND WAGES ARE NOT RAISING INCOMES FOR MOST PEOPLE

Across sub-Saharan Africa, there is increasing concern that economic growth has not been leading to improvements in labour-market outcomes for all. Ghana is ranked 104 out of 152 countries on work and wages in Oxfam’s Commitment to Reducing Inequality Index. While Ghana scores reasonably well in its treatment of trade unions and respect for some workers’ rights, it scores badly on its treatment of women in the workplace and on the very low level of its minimum wage.44 Employment growth in Ghana has been slower than economic growth in recent years,45 and the jobs that have been created are mostly vulnerable and in the informal sector. Inadequate job creation, together with an inadequate policy framework, are contributing to deepening inequalities among the Ghanaian population.

Workers are not getting a fair share of prosperity in Ghana for a few key reasons. First, the labour market is dominated by low-earning self-employment in the informal sector. The most recent data suggest that 90% of the currently employed population are in the informal sector, 45.1% of whom are men and 54.9% are women.46 With such a high proportion working in the informal sector, it is little surprise that seven out of ten jobs are estimated to be ‘vulnerable’, and only one in five jobs could be considered to meet the standard of ‘decent work’. Women predominate in these jobs. Second, while the rate of unemployment is low, youth unemployment is high. A recent report by the World Bank suggests that as many as 48% of young people aged 24–35 in Ghana are jobless.47 Third, the increment of wages in the formal sector has not kept pace with the cost of living, pushing many poor households further into poverty. The Living Wage Alliance estimated that a real living wage in Ghana would need to be four times the current minimum wage. Consequently, at least one in every five working Ghanaians is poor.50

However, not everyone has seen their wages stagnate. The wage gap between political elites and higher-income groups on one hand, and the rest of the population on the other, keeps widening. For example, the basic salary and allowances of a minister of state is about 103 times the monthly minimum wage set by the government in 2017.51 Wage inequality has been increasing – both between the formal and the informal sector, and within the formal sector. Finally, the agriculture sector is not realizing its potential for job creation and inequality reduction. The agriculture sector remains a key pillar of Ghana’s economy. However, a lack of market understanding among farmers, poor infrastructure and value chain management, and insufficient farming inputs and extension services have contributed to the sector’s decline in performance. Another cause of the sector’s underperformance has been the low level of public expenditure. By 2014, the Government of Ghana’s agriculture spending was as low as 1.3%52 of the total budget – far below the rates of regional comparators, and well under the 10% level Ghana committed to in the African Union’s Maputo Declaration of 2003.53

GENDER INEQUALITY SYSTEMATICALLY EXCLUDES WOMEN

Gender inequality drives economic inequality in Ghana, where women are more likely to be excluded from politics and engaged in lower paid and vulnerable work. Women’s unequal position in society means that they have less power, money, land and other assets, and protection from violence. They also have less access to education, healthcare and political spaces.

Representation of women in politics remains low. Women are significantly underrepresented in major political positions and policy making processes at both local and national levels in Ghana. Women account for only 11% of the 275 seats in Parliament and comprise only 8.2% of District Chief Executives at the local government level. The situation is far worse in the Northern Region, where women’s representation is just over 3%.54

Wealth and asset ownership is highly skewed in favour of men. Evidence shows that the gender distribution of wealth in both urban and rural areas of Ghana is biased towards men. Only an estimated 6% of the richest people in Ghana are women.55 Land and housing constitute the largest proportion of household asset portfolios, but women are half as likely as men to own land, and almost twice as many men are owners of their place of residence.
Political capture and corruption drive inequality

Ghana has experienced a remarkable transition over the last 25 years, from an authoritarian and repressive military dictatorship to a democratic system. While political voice can be challenging to measure, it has been seen to increase significantly over recent decades. Voter turnout, at 69% in 2016, is also remarkably high in comparison with that of neighbouring countries (Nigeria had a 43% turnout in 2015 for example). However, political capture and corruption persist. Democracy and democratic decision making must tackle the entrenched power bases – particularly at local level – which lead to the skewed allocation of resources.

**Political capture excludes people from decision making.**
In Ghana, a small but growing number of the economic and political elite is capturing public policy processes and excluding large sections of the population from governance. Much of this centres around political parties, which continue to expand their influence, particularly over local decision making bodies. Ownership of the media also allows elites to shape public debates. Significant barriers exist to inclusive policy making.

Women are poorly paid and in vulnerable employment.
Women’s labour-force participation increased by 10.2 percentage points between 2006 and 2013. However, the gap between women’s and men’s participation rates widened during this period. Women are also more likely to be found in the informal sector, where they are concentrated in vulnerable employment. The share of employed men working in the formal sector is twice that of women. Because women are concentrated in vulnerable employment in the informal sector, they are less likely than men to be entitled to medical care, paid parental, holiday or sick leave, or a retirement pension. The gender wage gap also persists. Among paid employees, women’s average hourly earnings were equivalent to approximately 67% of men’s in 2013. In Ghana, as elsewhere, women also face a higher burden of unpaid care work than men, which restricts their ability to engage in income-generating activities. A 2017 study in Ghana by ActionAid found that women do approximately 10 times more care work than men.

Wealth and asset ownership also varies geographically – women’s share of wealth ranges from 39.2% in the Central Region to as little as 3.8% in the Upper West Region.

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Decentralization hasn’t worked as well as it could have to strengthen the capacity of local government to take decisions, manage resources and provide meaningful spaces for people to participate. Large sections of the population, including women and people with disabilities, are not able to engage meaningfully in governance processes.

Mismanagement of public funds and corruption are rife. Inefficient management of public resources through wastage and corrupt practices drive inequality by limiting investments in the critical resources needed to bridge the income gap between the rich and the poor, and raising barriers to lower socio-economic groups accessing opportunities. An IMANI report highlighted that GHS 5.9 billion ($1.5 billion) had officially reported missing or misused between 18 ministries, departments and agencies, 19 Public Boards and institutions, 10 Polytechnics and Pre-University Educational institutions in 10 regions of Ghana between 2012 and 2014.42

Currently, the main national response to reducing corruption is the National Anti-Corruption Action Plan. The establishment of the Office of Special Prosecutor (OSP) has also been hailed as a major initiative towards fighting corruption. However, the political will to reduce corruption in its various forms is perceived by citizens to be low. Furthermore, investigative and prosecuting agencies like the OSP will have to be adequately resourced in order to make them effective.

A FIVE-POINT PLAN IS NEEDED TO CLOSE THE GAP BETWEEN THE RICH AND THE REST

The disparities in income, consumption and wealth described in this report have not come about by accident. They are driven by fiscal and socio-economic policies pursued over the years that structurally disadvantage low-income populations and deprived socio-economic groups. Existing policies of Special prosecutor (OSP) has been hailed as major initiative towards fighting corruption. However, political will to reduce corruption its various forms is perceived by citizens to be low. Furthermore, investigative and prosecuting agencies like the OSP will have to be adequately resourced in order to make them effective.

A FIVE-POINT ACTION PLAN TO CLOSE THE GAP BETWEEN THE RICH AND THE REST

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1. IMPROVE PUBLIC FINANCIAL MANAGEMENT

Escape the debt trap

Ghana needs to tackle its new debt crisis, which compromises the country’s ability to achieve fiscal justice and inclusive growth. Urgent action is needed to prevent the situation from spiralling further and to ensure that the costs of irresponsible borrowing and lending, and of falling commodity prices, are borne by lenders as well as by the government, and do not fall on the people of Ghana.

To escape the debt trap, it is necessary to:

• Establish an independent debt audit commission to review information released by the government and all lenders on how much is owed to whom, on what terms, and how the money was meant to be used.
• Make lending and borrowing more productive and accountable on the part of the Government of Ghana and of lenders, starting with fully implementing the Public Financial Management Act 2016.
• Ensure serious efforts from government and donors to support a reorientation of the Ghanaian economy away from reliance on primary commodities, to reduce vulnerability to external shocks and prevent a debt crisis in the future.
• Call a debt conference with all creditors, with the aim of agreeing burden sharing to get debt payments down to a sustainable level.
• Make adjustments fair, and ensure that any renegotiated debt payments protect spending on essential services.
**Improve aid**

Ghana is no longer dependent on development aid to the same extent as it was previously, with other external flows becoming increasingly important and domestic financing playing a much larger role. However, Oxfam believes there is a clear role for aid to play in scaling up the government’s efforts to tackle inequality. Development cooperation can be a powerful tool to increase domestic resources – by enhancing the capacity of national tax administrations and promoting technically and politically progressive tax reforms.

Oxfam sees three priority areas for aid spending in Ghana:

- Aid needs to be targeted at strengthening governance of public institutions so they are accountable to all citizens.
- Aid needs to support civil society and citizens’ efforts – particularly those of women’s and marginalized communities’ groups – to actively engage in public (including budgetary) decision making, to advocate for progressive revenue raising and spending, and to monitor government performance and hold it to account.
- Aid and technical assistance needs to flow in support of the Ghanaian government’s promise to move the economy beyond aid towards greater domestic resource mobilization and to fight corruption.

**Raise more tax revenues progressively**

Now more than ever – with decreasing revenues and fiscal space – it is vital that Ghana does much more to reverse declining public spending by expanding progressive revenue generation. Any widening of the revenue base must be done with a focus on a progressive approach to taxation if it is to help fight extreme inequality in Ghana. Priority must be given to ensuring that taxes fall on those most able to pay in Ghana – large companies and wealthy individuals. Direct taxation rates need to be reformed to ensure that they are collecting sufficient revenues in a progressive manner. Tax avoidance and evasion is a pervasive issue in Ghana, and action must be taken to ensure that the wealthiest individuals and largest companies are paying the tax they owe. Ghana must also take action to limit harmful tax exemptions, which undermine its ability to raise revenue.

The Government of Ghana should:

- Aim to steadily increase its tax-to-GDP ratio towards its full potential.
- Make tax collection more progressive by increasing the share of tax revenues coming from direct taxation as opposed to indirect taxation.
- Reform the personal income tax code by adding further bands for top earners at higher rates. Consider increasing the threshold at which individuals start paying tax, if this can be done progressively.
- Increase general corporate income tax rates in line with regional averages, and follow IMF advice to increase the corporate income tax rate for companies in the petroleum sector to 50%.
- Launch a review of wealth taxation, with the aim of introducing an inheritance tax, introducing a net wealth tax and increasing property taxes for the highest-value properties. Ensure that property taxation is based on the value of the property and not charged at a flat rate.
- Cease offering discretionary tax incentives and exemptions, and subject all new tax incentives to rigorous economic, equity and risk assessments (including their contribution to global and regional ‘races to the bottom’). All incentives should be regularly reviewed to limit private long-term benefits and public harm, and all tax exemptions should be phased out where there is no clear evidence that they are effective. A public record should be kept of all incentives and exemptions.
- Work at the regional level to develop a cooperation framework to combat base erosion and profit shifting. Ghana should join other governments in the West Africa region to push for a second generation of international tax reforms, to be coordinated in a representative global process, ideally at the UN.65
- Support national, regional and global efforts to promote tax transparency at all levels, including by requiring multinational companies to publish where they make their profits and where they pay taxes (through mandatory country-by-country reporting that is publicly available), as well as who really owns companies, trusts and foundations (through disclosure of beneficial ownership), to combat illicit financial flows.

2. **Make public spending more equity-enhancing**

**Make public spending work harder to tackle multiple disadvantages and inequalities**

Ghana needs to design public spending policies that work harder to tackle inequality. Access to high-quality universal public health and education, financed through progressive taxation, will help to make substantial headway in this regard. However, the Ghanaian government could do much more to design equitable fiscal policies that significantly factor in inequalities in access, opportunities and outcomes. The government should ensure that public spending is working harder to tackle economic inequality, to include marginalized groups and address severe geographical disadvantage. This will include:

- Combating geographical inequality by allocating more to areas which are making the least progress, using equitable spending formulas and employing gender-responsive budgeting to target gender inequality.
• Successfully rolling out more equitable spending policies, including anti-inequality allocation formulas. This requires leadership by central government and local stakeholders, and close national-level monitoring of implementation to ensure that spending isn’t diverted towards more powerful groups.
• Increasing transparency of budget information and public engagement in the budget process, including at decentralized levels.

Achieve universal health coverage though more and better health spending

For Ghana to move towards universal health coverage, the Ghanaian government needs to accept that, despite the good intentions behind the NHIS, it is woefully off-target in ensuring universal coverage. National Civil Society and Global Network for Health Equity (GNHE) have argued, given that insurance premiums block access and their relative financial contribution is small, progressive tax-based funding is the obvious source to replace premiums. Apart from strengthening financing, it is vital to expand access to healthcare services and to raise the quality of care. By increasing funds, spending more on public health and prevention, focusing on neglected districts and, in the immediate term, making at least primary healthcare entirely fee-free (with no requirements for NHIS registration in the shorter term), Ghana can deliver on its long-held promise of universal healthcare for all.

The Government of Ghana should:
• Invest more in primary healthcare and ensure that facilities are staffed and equipped with a reliable supply of essential medicines, close to where people live and work.
• Give all Ghanaians an NHS card free of charge, that gives them automatic and free entitlement to a comprehensive package of primary healthcare services, including all maternal and child-related healthcare.
• Extend entitlement through the NHIS card without voluntary premium payments to a full package of comprehensive healthcare services from primary to tertiary level, with prioritization given to geographic equity in terms of the level of provision and quality across the country.
• Increase spending on health to a minimum of 15% of budget to help pay for universal health coverage. Further increase spending by looking to progressive taxation and improved public financial management rather than making the poor and less well-off pay premiums and fees.
• Ensure that rationing of any kind is done by type of services and treatments available to all residents (whether informally or formally employed, and whether rich and poor), and no longer by ability to pay a premium contribution or user fee.
• Improve transparency across the healthcare sector and ensure that all citizens are aware of their entitlement to healthcare so that they can demand their rights from service providers and hold duty bearers to account.

Strengthen the quality of public schools and level the playing field in education

To ensure equality of opportunity, and boost education’s wider societal equalizing impacts, Ghana must radically improve the quality of public education while continuing to focus on equity and leaving no one behind. The challenge for Ghana will be to expand fee-free public education, maintaining the current equity-enhancing spending within education as whole while also drastically improving the quality of education such that its equalizing opportunities can be felt by all.

The Government of Ghana should:
• Increase funding of education to at least 20% of budget and 6% of GDP, from revenue raised through progressive taxation.
• Ensure education spending stays progressive while scaling up quality and equity, so that no child is left behind.
• Develop fully costed plans to improve the quality of public education, including in poor rural areas. This will require: new and additional investment to ensure there are sufficient fully qualified teachers, relevant and non-discriminatory curricula and materials, appropriate assessments, and culturally sensitive/mother-tongue teaching and materials.
• Provide the funds required to deliver the commitment to fee-free secondary education, while ensuring that equity and quality does not suffer across the public education system. A fully costed plan is required that carefully manages the senior high school roll-out (and to ensure the roll-out is not funded by taking from pre-existing budgets). This will require proper planning to avoid the risk of getting more young people into schools without the facilities, materials and, crucially, the teachers to provide them a decent education.
• Commit to improving equitable educational outcomes across all geographical areas and socio-economic groups. This will require: investing new resources in public education, planning more coherently and comprehensively to identify inequities in education, and developing strategies to support those who are behind. Of critical importance is working collaboratively across sectors to develop strategies which target children with multiple disadvantages, for example, disability, ill-health and poor nutrition.
Scale up social protection schemes

Social protection schemes can have a substantial impact on poverty and inequality because they redistribute income from the wealthiest to those more in need. In 2016, the LEAP programme’s coverage was expanded to reach 213,000 households in all 216 districts of Ghana. This is a very significant step towards providing basic social protection floors for deprived households. However, LEAP still only reaches 50% of the extreme poor and inflation has eroded the value of the grant back to its 2012 level. There is also a danger that the deteriorating fiscal situation will undermine social expenditure and therefore reduce the budget available for social protection. What is needed is an expansion of the programme to tackle extreme poverty and address the most extreme disparities.

The Government of Ghana should:

• Scale up social protection transfers to put more cash in the pockets of the poorest and improve redistribution.
• Expand social protection schemes such as the LEAP programme, both in terms of the value of each cash grant and the number of people covered.
• Develop a medium-term expenditure framework for social protection, including incremental increases in national budget allocation, in order to ensure sustainable national financing for LEAP and other social protection programmes.

3 . CREATE DECENT WORK WITH GOOD WAGES

Increase the minimum wage, invest in skills and support workers’ rights

There is strong evidence that higher wages and stronger labour rights for ordinary workers, especially for women, are key to reducing inequality. Emerging evidence across developing countries suggests that an inclusive and relatively high minimum wage narrows the distribution of labour income, while arrangements that strengthen trade unions tend to reduce income disparity as workers gain bargaining power. At the same time, job protection reforms that make temporary contracts permanent can help to lower income inequality through smaller wage dispersion. Reducing gender inequality requires more serious efforts to improve legal protection for women workers.

The Government of Ghana should:

• Set a minimum wage that is commensurate with rising living costs and ensure this minimum wage is automatically linked to inflation.
• Support the expansion of trade unions and collective organizing, especially for women and the informal sector.
• Increase efforts to implement the 2014 National Employment Policy to create relevant skills for sustainable job growth. In particular, initiatives such as the National Youth Employment Programme must go well beyond providing temporary employment to deliver proven sustainable skills development and training that is matched to commercial needs.
• Enhance quality investment in education and skills – including ensuring equal access for those from lower-income households.
• Reinforce and expand the policy, legal and regulatory framework on maternity protection, starting with raising awareness among workers and employers of the existing regulatory framework.

Transform the agricultural sector to boost productivity and deliver decent incomes

Ghana’s economy is still insufficiently diversified, and despite the increasing importance of industry and service sectors, agriculture still holds significant economic potential. Agriculture could be a powerful contributor to inclusive and equitable growth, reducing poverty and rural–urban inequality. The country’s growing middle class, whose demand for high-quality and safe food products is rapidly increasing, provides further opportunities for expansion of the sector. The Ministry of Food and Agriculture (MoFA) recently launched the Planting for Food and Jobs programme, which aims to rapidly increase food production to achieve food self-sufficiency and create jobs. The programme is a welcome development, but its ability to reach and benefit the poorest farmers and workers in the agricultural sector remains to be seen, especially given its heavy reliance on the private sector.

Leveraging these opportunities requires the Government of Ghana to:

• Diversify Ghana’s growth strategy to encompass a strong focus on agriculture, aquaculture and livestock, thereby ensuring that growth is not led only by the extractives industry and service sector.
• Focus support to food crop production and processing that can serve the domestic market (not just for export).
• Increase support to small-scale agriculture and eliminate production, marketing and distribution bottlenecks faced by the sector.
• Scale up major investments in irrigation. In particular, provide support to small and medium-scale multipurpose/irrigation initiatives to help the Northern Savannah Ecological Zone to move from one crop per year to two-crop agriculture. This would have dramatic benefits for large numbers of poor people and facilitate transformation in the region.
• Establish effective initiatives to create more collaboration and information-sharing opportunities within value chains between all types of farmers, service providers, the state and the private sector.
4. PUT WOMEN’S ECONOMIC EMPOWERMENT AT THE HEART OF POLICY MAKING

The Government of Ghana needs to do far more to tackle gender inequality. Efforts should focus on strengthening access to public services, access to decent and equally paid work, and participation in productive sectors such as agriculture. Economic policies must tackle economic and gender inequalities together. Fiscal systems need to be gender-sensitive, ensure that tax and spending policies respond to women’s needs, and create incentives and revenue for women and girls. Policies and legislation need be implemented more effectively to promote equal pay, decent work, access to credit, equal inheritance and land rights, and to recognize, reduce and redistribute the unpaid care workload that is shouldered primarily by women and girls, limiting their opportunities to engage in livelihoods, education, politics and leisure. Increasing women’s voice and representation must be central to efforts to promote truly transformative change.

- Invest in public agricultural research and promotion to test new and appropriate seeds, fertilizers and technologies that can be taken up by small-scale farmers with limited education, especially women farmers. Also ensure their effective uptake through strengthened public extension services, especially outreach to women farmers. Ensure that agricultural strategies are responsive to the needs of both large and small commercial farmers in terms of programmes, research and budgets.
- Support smallholders by encouraging them to commercialize activities, matching them with markets for their crops, and facilitating the trade and processing value chains.
- Leverage the Planting for Food and Jobs programme to support smallholders, particularly women, young people and people with disabilities.
- Invest more in professional and technical methods to increase agricultural output to a level capable of feeding the population. This needs to be done in a way that does not increase rural inequality.
The Government of Ghana should:

• Make significant efforts to increase women’s political voice and representation in public spaces.
• Promote women’s economic empowerment to increase participation of women in the labour market.
• Put in place policies that close the gender gap in ownership and control over assets.
• Invest in care services and healthcare, infrastructure and time- and labour-saving equipment to reduce the unpaid care work falling on women and girls and redistribute it more equitably.

5. MAKE GOVERNANCE WORK FOR EVERYONE

Overcoming political capture of policy making by a small elite – and the inequitable distribution of government resources it leads to – requires more accountable governance and inclusive institutions. Civil society mobilization has a role in this, and has proven critical in raising awareness of corruption in Ghana and increasing pressure on government to be more accountable. Ensuring effective scrutiny and oversight by communities is also crucial, especially to ensure the efficient use of budgets. Mechanisms are also required to ensure the meaningful participation of all groups in decision making processes, with a focus on including the voices of those who are often less heard, in particular women, young people and people with disabilities.

The Government of Ghana should commit to:

• Duly and promptly investigating potential corruption and mismanagement of funds, and administering appropriate sanctions in a fair, timely and transparent manner, in accordance with existing regulations.
• Promoting national reward systems to reward public institutions and individuals that demonstrate effective practices in fighting corruption.
• Enhancing opportunities for inclusive policy making in Ghana through strengthening the local government system and citizens’ participation.
• Enacting and implementing affirmative action policies to ensure inclusion of women, people with disabilities and other marginalized groups in public policy-making processes.
• Empowering citizens and social movements to hold decision makers to account, through sensitization, capacity building, the creation of appropriate platforms and the provision of adequate information, financing and other resources.
• Expediting action on processes for promoting local-level democracy and accountability to citizens, including the election of Metropolitan, Municipal and District Chief Executives.
• Fully implementing the Local Governance Act (Act 936) to ensure that authority and resources are devolved to local levels.
1. Introduction
1.1 IS GHANA BECOMING MORE UNEQUAL?

A growing global inequality crisis

Globally, the gap between rich and poor people is reaching new extremes. Oxfam has calculated that 42 of the world’s richest people now possess as much wealth as the poorest half of the world. What’s more, the inequality crisis is worsening. Between 2016 and 2017, 82% of the wealth generated went to the richest 1% of the global population, while the poorest half saw no increase. The same year saw the biggest increase in billionaires in history.

The Sustainable Development Goals (SDGs), launched in September 2015, were a critical moment for establishing the link between development, poverty reduction and the need to limit rising inequality, calling for all nations to work “to reduce inequality within and among countries.”

There is much work to do. The World Bank argues that the goal of eliminating extreme poverty by 2030 will not happen unless growth accelerates or within-country inequality declines. It is now broadly agreed among policy makers that widening and persistent inequality is harmful to countries.

Ghana has seen sustained growth and poverty reduction

There has been significant progress in terms of economic growth and ending extreme poverty in Ghana over the last 20 years. Growth has been especially remarkable since the return to democracy in the 1990s, although it has become more volatile in recent years. On average, the Ghanaian economy grew annually by 5.3% in 13 of the 22 years between 1991 and 2013, almost always faster than that of other sub-Saharan African economies, and reaching a rate of nearly 8% after 2006. A particularly notable sustained period of growth from the start of the millennium came to a halt in 2009, with the lowest growth in nine years (4.0%) at the height of the global economic crisis. However, growth bounced back to 10% of the wealth generated in just over seven years, between 2006 and 2013. Poverty reduction was made possible by a combination of socio-economic transformations and key policies, including the diversification of the economy beyond agriculture and improved access to basic services such as education, health and electricity. Structural transformation was accompanied by rapid urbanization and an increase in the skill-set and educational attainment of the labour force, which is increasingly employed in services.

At the same time, the country has made sustained political and social progress. Ghana today is a functioning democracy that has made remarkable strides across a number of human development indicators such as education (discussed in a later section).

Inequality is on the rise in Ghana

However, despite the continued economic growth and significant poverty reduction, income inequality has been growing steadily for a number of years in Ghana. The country’s Gini coefficient grew by 3.3 percentage points between 1992 and 2013 (from 37 in 1992 to 41 in 2013). Recent trends suggest that the very richest are capturing an ever-larger share of the growth:

• The bottom 60% of Ghanaians had a 35% share of the total national income earned in 1988, but this declined to 30% in 2012.
• 1,000 more millionaires were created between 2006 and 2016.
• Just one of the richest men in Ghana earns from his wealth more in a month than one of the poorest women could earn in 1,000 years.
• In recent years, growth has been faster for the wealthiest 10% of the population, whose consumption grew by 27% between 2006 and 2003, than for the poorest 10%, whose consumption grew by 19% over the same period.
• The wealthiest 10% of Ghanaians now account for 32% of Ghana’s total consumption – more than is consumed by the bottom 60% of the population combined; the very poorest 10% of the population consume only 2%.
• Women are more likely to be poorer and to have fewer assets; for instance, they are half as likely as men to own land. They are also significantly less likely than men to be wealthy – only 6% of the richest people in Ghana are women.
A FIVE-POINT ACTION PLAN TO CLOSE THE GAP BETWEEN THE RICH AND THE REST

Geographical inequality: a tale of two Ghanas
Progress towards poverty reduction in Ghana is regionalized in character, leading to rising levels of inequality across and within regions.90 This has led to increasing division along distinct geographical and spatial lines, with clear north/south and urban/rural splits.

Rural poverty levels are now almost four times as high as urban poverty levels, as urban poverty has fallen faster than rural poverty (they were only twice as high in the 1990s).93 The northern regions, which have seen the smallest progress in poverty reduction, are of particular concern: the poverty rate has barely shifted, reducing from 56% in 2006 to 50% in 2013. This has led the World Bank to declare that Ghana’s ‘success story’ in poverty reduction is one that only applies to southern and urban areas.94 Among the rural localities where poverty is highly endemic in the Northern regions with an extreme poverty incidence of 28% in 2013.95 Levels of inequality are also regionalized. Urban inequality was slightly higher than rural inequality in 1992. However, rural inequality worsened between 1992 and 1999, while there was little change in urban inequality measures during that period. Between 2006 and 2013, urban inequality remained unchanged, at 37.3 as measured by the Gini coefficient, while rural inequality rose from 36.8 to 38.9.96 There is also significant inequality within some regions – Upper West Region, for example, has the highest level of inequality, and the fastest growth of inequality since the 1990s. This applies not just to income or wealth inequality, but also to key social indicators.97

1.2 WHY INEQUALITY MATTERS
Inequality creates serious obstacles to overcoming poverty and exclusion, and to building prosperous, cohesive societies. Internationally, it is now broadly agreed among policy makers that widening and persistent inequality is harmful to countries98 as well as individuals – and is avoidable by government action.

Inequality undermines poverty reduction
Inequality and poverty are closely interlinked.99 Inequality prevents the benefits of growth from reaching the poorest and the most vulnerable, thereby undermining the potential of growth to lift people out of poverty.100

In Ghana, a more inclusive growth path could have pulled more people out of poverty. However, rising inequality reduced the impact of economic growth on poverty reduction by 1.1 percentage points between 2006 and 2013. This means that if inequality had not increased, the incidence of poverty would have fallen by 8.8 percentage points, instead of 7.7 percentage points. If inequality had not increased, 289,822 more people could have been lifted out of poverty during this period.101 What is more, poverty reduction is now stalling.102 and is not keeping pace with population growth.103

The regional inequality described above undermines the country’s growth potential. The Northern Savanna Ecological Zone (NSEZ) (comprising the Upper East, Upper West and the Northern Region as well as the northern districts of Brong-Ahafo and Volta Regions) is considered to have great potential for the commercial production of cereals/grains, sugar cane, cassava, cotton, shea and livestock. Thanks to its vast size, low population density and availability of water resources, it is estimated that it could attract between $1.9bn and $2.3bn of private investment in agriculture and create more than 400,000 permanent jobs along the targeted value chains.104 Yet the NSEZ remains the poorest area in the country: the three northern regions alone are home to more than one-third of all poor households in the country.105 The volatile growth experienced in recent years and severe fiscal constraints mean the future looks ever more challenging for reducing poverty and realigning the trajectory of inequality in Ghana.

Inequality is a risk for sustained economic growth
In 2014, research by the IMF concluded that high levels of inequality slow economic growth.106 A 2017 IMF paper found that inequality harms growth when it increases above a Gini of 27.107 Ghana’s Gini of 40.9 is well above this threshold.
Studies show that closing the gap between the rich and the poor produces a significant positive impact on the economy. For instance, a 2015 IMF study finds that reducing inequality can boost growth in sub-Saharan African countries. A 2014 OECD study indicates that reducing inequality by 1 Gini point would translate to an increase in a country’s cumulative growth of 0.8 percentage points in the following five years. Furthermore, the IMF has calculated that if countries in sub-Saharan Africa reduced their inequality levels to those seen in ASEAN countries, it would add almost 1% to GDP growth, which is equivalent to the impact of closing the infrastructure gap between the two regions.

Reducing inequality is not only beneficial for reducing poverty, but can also help achieve more inclusive growth in Ghana.

**Inequality damages social cohesion**

Extreme inequality can undermine social cohesion and threaten a stable democratic system. An unbalanced distribution of income and wealth impedes the realization of equal opportunities for all citizens. The growth of a wealthy elite, who then use their economic position to influence policy to their advantage, results in a system that ignores the needs and preferences of many in society. This fuels resentment, and in the long term plays a significant role in the erosion of democratic institutions and systems.

Research shows that many countries with higher levels of inequality tend to suffer from higher crime and insecurity levels, among other social ills. It is no coincidence that South Africa, a highly unequal country, suffers from runaway crime rates. While more research needs to be done to clarify the connection between inequality and social cohesion in Ghana, it is likely that high levels of inequality will undermine the country’s efforts to combat crime, insecurity and myriad socio-political challenges.

**Box 2: Fight inequality. Beat Poverty**

Research by Oxfam recently revealed that the top 1% have now accumulated more wealth than the rest of the world put together. Such extreme inequality makes no moral or economic sense, and it is hampering efforts to end extreme poverty. Decades of experience in the world’s poorest communities have taught Oxfam that poverty and inequality are not inevitable or accidental, but the result of deliberate policy choices. Inequality can be reversed. When Oxfam launched its Even It Up campaign in 2014, calling for action on taxation, investment in public services and decent jobs and wages for all to tackle the rising tide of extreme inequality, it joined a groundswell of voices calling for action. These include the diverse voices of faith leaders, individual billionaires and the heads of institutions such as the IMF and the World Bank, as well as trade unions, social movements, women’s organizations and millions of ordinary people across the globe. These voices are all calling for world leaders to take action to end extreme inequality.

As an organization that exists to tackle poverty, Oxfam is unequivocal in welcoming the fantastic progress that helped to halve the number of people living below the extreme poverty line between 1990 and 2010. Yet if inequality within countries had not grown during that same period, an extra 200 million people would have escaped poverty. That could have risen to 700 million had poor people benefited more than the rich from economic growth. We cannot end extreme poverty unless we tackle extreme inequality.
2. Drivers of inequality in Ghana
Ghana’s story is one of partial success. Overall poverty has been reduced but poverty reduction has not been spread evenly, particularly between men and women and the north and the south, and economic inequality is on the rise. The key structural transformations which contributed to reducing poverty – including urbanization, a more educated workforce and diversification beyond agriculture – are still incomplete. The economy has not diversified enough away from primary commodities, agricultural growth is still slow in the north, and most of the new jobs created are in the informal sector. These constraints limit the ability of growth to reach the people at the bottom of the distribution, and thereby to reduce poverty and inequality. Furthermore, Ghana’s policy framework over successive years has not been able to meet the challenge of inclusive growth.

This section of the report sheds light on five key drivers that influence the shape and scale of economic inequality in Ghana. It focuses on those policy areas which are failing to reduce existing inequalities and injustices: public financial management, which is characterized by shrinking fiscal space and failure to collect revenue progressively; public spending on health and education, which is not equitable; employment and wage policies, which are neither inclusive nor pro-poor; failure to address gender inequality; and political capture and corruption, which are hampering public financial management and preventing inclusive governance.

### 2.1 Poor Public Financial Management is Undermining Efforts to Tackle Inequality

In recent years, Ghana has experienced severely restricted government budgets for essential services; this is due to large debt servicing combined with reductions in aid (as the country graduated to LMIC status), and a lack of domestic resources to fill the gaps. This significantly impacts the government’s ability to address inequality through redistribution.

**Ghana’s new debt crisis: implications for poverty and inequality**

Despite having had significant amounts of debt cancelled over a decade ago, Ghana is now back in a debt crisis (see Box 3 below). This is the result of a gradual increase in lending and borrowing on the back of the discovery of oil and as a result of high commodity prices. Since 2013, more money has been borrowed to try to deal with the impact of a commodity price crash, while the relative size of the debt has also grown because of the fall in the value of the GH¢ against the dollar. Ghana’s over-reliance on raw commodities with their associated price volatility makes its economy vulnerable to commodity price crashes and its revenue inflows less predictable.

In 2015, Ghana contracted a loan with the IMF under the Extended Credit Facility programme. Initially due to end in 2018, it was recently extended to 2019; this was despite the public debt stock having reached 73% of GDP in 2017, higher than was projected at the outset of the IMF loan.

This is placing a significant burden on Ghana’s economy and society, threatening to push the country back into a debt trap. Ghana is struggling with huge debt bills and fiscal deficits, while growth driven by exports of gold, oil and cocoa are not as high as expected, leading to lower than expected government revenues from commodities. Ghana’s low tax performance (discussed later) compels the country further to either borrow or rely on donors in order to meet its budgetary and financial obligations.

The combination of a slowing economy and ongoing debt servicing meant that in 2017, 42% of government revenue was allocated to debt repayments. It is likely that this will to continue to have a huge impact on government policy commitments. In 2017 servicing public debt cost Ghana more than the annual amount the government would need to pay for free quality healthcare for all Ghanaians and to deliver on its globally agreed health goals by 2030. Meeting these goals could have saved the lives of more than 7,000 new-born babies and 1,000 mothers in one year alone.

As part of its programme’s conditions, the IMF required several measures to achieve fiscal consolidation, including cuts in essential services and a freeze on public sector wages. At the beginning of 2018, the IMF put pressure on Ghana to increase its revenue collection, recognizing that no further cuts to public spending are possible. However, to avoid falling into a debt trap, Ghana needs to secure a reduction in the high-interest debt paid to external private creditors. Instead, the IMF has supported the government’s plans to issue $1bn of Eurobonds to help the authorities refinance more costly domestic debt – this is fundamentally to ensure that creditors get their money back, while the burden falls on Ghanaian citizens.

With the IMF predicting that growth will fail to materialize and debt servicing will continue to grow, public finances are likely to be further constrained in the years to come. As the Jubilee Debt Campaign has noted: ‘In this context, it will be difficult for the rate of improvements in social services such as in health and education, and therefore in social outcomes, to be maintained.’ The IMF’s response to Ghana’s worsening debt situation has been to call for more ‘fiscal consolidation’ – in other words, more government spending cuts.

This all raises serious concerns about the likely impact on poverty and inequality. Of particular concern is the impact
on the government commitment to scale up free secondary schooling—a welcome, but currently unfunded, policy. There is also the urgent need to fix the Ghanaian health system and deliver on the long-held promise of universal health provision.

**Box 3: History repeating itself? Debt in Ghana**

Since receiving $7.4bn in cancellation of its external debt between 2000 and 2005 due to the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiatives (MDRI), Ghana has borrowed extensively, both externally and domestically, such that debt has risen from 25% to 73% of GDP.

The external debt has increasingly been owed to commercial creditors; this has risen to 25% of the total, due to Ghana issuing $5bn of Eurobonds. In addition, domestic debt—servicing costs have risen sharply, due to high deficit financing needs and inflation levels, pushing interest rates up to 20–30% and making domestic debt responsible for 54% of debt service.

About 85% of the borrowing has been for budget financing, due to large budget deficits (especially from election periods) as well as the need to borrow to repay earlier loans. The price of gold collapsed in 2013 and Ghanaian exports lost significant value. With the terms of trade deteriorating quickly, the fiscal deficit also worsened as government coffers lost revenues from export tariffs on gold. The debt burden has also been exacerbated by falling oil prices since 2015, which has led to other spending cuts and increased the share of debt service in total spending. The fall in the Ghanaian cedi also increased external debt costs in cedis and exacerbated inflation through import price rises, pushing up domestic debt interest rates.

Dependence on commodities was the central underlying driver of the debt crisis in Ghana in the 1980s and 1990s. Global commodity prices fell at the start of the 1980s, rapidly increasing the size of foreign debt payments which could only be paid out of foreign earnings such as exports. On the advice of the IMF, massive austerity cuts were put in place.

What is currently happening in Ghana looks dangerously like history repeating itself.

**Source:** Jubilee Debt Campaign et al. (2016). The Fall and Rise of Ghana’s Debt: How a New Debt Trap has Been Set.

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**Foreign aid is declining, especially for social sectors**

On 5 November 2010, Ghana attained the status of a lower middle-income country (LMIC) after the rebasing of Gross Domestic Product (GDP) by 69%. Ghana’s attainment of LMIC status had implications for both the type and level of foreign aid it receives. The expectation is that Ghana no longer needs official development assistance (ODA) to support poverty reduction. As a result, net ODA decreased from 4.5% of GDP in 2012 to 3% in 2014. ODA relative to other development flows has declined over the years.

Ghana’s attainment of LMIC status coincided with a broad global shift of donor focus away from providing budget and sector support for areas such as health and education, with several donors phasing out their general budget support and switching to more targeted, project-based approaches and greater cooperation with private-sector companies. For example, in October 2016, the UK joined the EU in announcing its withdrawal of budgetary and programme support for Ghana. Denmark (which has supported Ghana’s health sector since 1994) has been scaling down development funding while increasing commercial cooperation since 2010, and will stop all ODA by 2020. As the UK, Denmark and many other development partners withdraw their funding, Ghana’s health sector is being deprived of much-needed funds.

While this is an admirable vision, it is not clear that in the current fiscal situation that Ghana can do without aid, and indeed the reduction in the quantity and quality of aid has hit the poorest in Ghana hard, especially in the health sector.

The President has also outlined a positive vision of increased reliance on domestic resources for delivering development as well as plans to tackle corruption. Ghanaian commentators are divided on whether this amounts to empty rhetoric, or is visionary Pan-African thinking. The ‘Beyond Aid’ agenda and Ghana’s decreasing dependence on aid poses questions about the role of aid in a future Ghana, and the need to continue to support the kind of policies which fight inequality.

**Ghana is failing to mobilize enough tax revenue progressively**

Tax systems play a vital role in fighting inequality. First, by making the rich pay more than the poor, a progressive taxation system redistributes wealth and income from the ‘haves’ to the ‘have-nots’, thereby directly reducing income and wealth inequality. Second, taxation strengthens the social contract between citizens and state, encouraging citizens to hold their governments to account. Third, tax revenues can fund the provision of free, good-quality public health and education services to all, which is critical to reduce economic and social inequalities.
However, despite pressing needs, Ghana is not collecting as much revenue as it should and could. There are several reasons why Ghana is not meeting its tax revenue-raising potential, as outlined below; these are due to the structure of the economy as well as its policy and institutional framework.

First, annual revenue from direct taxes – including corporate, property, capital gains and personal income tax – has been consistently below budgeted figures over the years. This is partly due to collection issues, some of which are outlined below. However, low rates applied to different forms of direct taxation also severely limit their revenue-raising ability. Ghana’s top personal income tax (PIT) rate of 25% is below the LMIC average. Other important African economies such as South Africa and Senegal, for example, have PITs of 41% and 50% respectively. This low rate prevents Ghana from ensuring that the highest earning Ghanaians contribute according to their means.

Ghana’s corporate income tax (CIT) rate is also too low. Like many developing countries, Ghana relies more heavily on corporate tax revenue than developed countries. However, the government has gradually cut its standard CIT rate, from 32.5% in 2001 to 25% in 2006, where it has remained since. This puts Ghana’s CIT rate in the bottom third in West Africa – only Cape Verde has a lower rate. Recently, other countries such as Côte d’Ivoire have justified similar CIT cuts on the grounds of maintaining competitiveness with Ghana, suggesting a harmful race to the bottom in corporate taxation.

Rates on other forms of direct taxation are also low, for example with taxes on dividends and interest at only 8%. Property taxes are particularly important in developing countries, as a high proportion of inequality is due to unequal holdings of property and real estate, and taxes on income from property are hard to evade. However, Ghana’s property taxes are very low: rental income is taxed at between 8% (residential) and 15% (non-residential), and property value at between 0.5% and 3% (varying by region). Furthermore, property tax is administered by local governments, where there is a lack of capacity for property valuation. This means that in many cases, all properties are charged at a flat rate instead of a percentage according to the property’s value, severely undermining the tax’s progressivity. Ghana’s wealth taxes – insofar as they exist at all – are similarly low: taxes on gifts range from 5% to 15%, and there is no
inheritance tax.146 There is a real need for Ghana to tax income and wealth progressively, so that Ghanaians pay according to their means.

Second, there are multiple administrative problems with tax collection in Ghana, including poor government tax-collection systems and insufficient tools to identify taxpayers. Compliance is also a major challenge. The IMF has identified non-compliance at all stages of the self-assessment process in Ghana – including failure to register, failure to file, filing inaccurately and non-payment.147 While the government has taken some steps to address administrative issues, such as setting up a national database of buildings (homes and work premises) of a certain size, more needs to be done.

Third, corporate tax avoidance and evasion is a pervasive issue in Ghana, although total revenue losses are hard to quantify. Methods used to avoid or evade tax include: failing to disclose income; falsifying documents; under-invoicing or over-stating costs; and aggressive tax planning schemes by multinational companies, for example the manipulation of transfer prices.148 149

Fourth, Ghana’s economy is largely cash-based and informal, which makes it difficult to tax both individuals and companies. In an attempt to collect revenues from the informal sector the government introduced the tax stamp in 2005, which applies to businesses in the informal sector based on their size and business type. However, as tax payable is not linked to income, this can be regressive. For example, research by Christian Aid found that high-earning women in Ghana’s informal sector pay about 8% of their monthly income in taxes, while those who are earning less pay about 37% of their monthly income in taxes.150

Fifth, the Ghanaian tax system is characterized by large tax exemptions, deductions and incentives targeted to large multinational companies – severely limiting the country’s tax-raising potential. Tax incentives include tax waivers, tax relief, tax holidays and other incentives for ‘free zone’ operations. The government has also negotiated a wide range of ad hoc deals giving companies lower tax rates. On the personal income tax side, there are a large number of deductions which mainly benefit wealthier taxpayers, including for health insurance, education fees and pension contributions.151 In almost all cases, parliamentary approval is required in the granting of tax incentives, but this is sometimes bypassed, resulting in excessive and unregulated granting of tax incentives and opportunities for connivance between companies and state officials.152 Not only do corporate tax incentives result in revenue losses, they also give unfair advantages to big firms and multinationals at the expense of smaller and domestic industries. In a positive step, the Ghanaian government has recently begun to streamline exemptions, for example ending those on tourism in 2015, and further efforts are underway to reduce the granting of excessive tax incentives. However, much more needs to be done.

Thabo Mbeki’s Commission that looked at the illicit flows of capital out of Africa, has estimated that for every year, in the last 10 years, $50bn goes out of Africa through illicit means… Can you imagine what those monies, if we had our eyes open, and we were not complicit in that illicit outflow, would mean for the capacity of our nations? The challenge, therefore, confronting Africa is how we can organize ourselves to make sure that the wealth, the huge wealth of this great continent, at least, in the first time in modern history, is used on behalf of the peoples of the continent, and not those outside.

President Nana Akufo-Addo, speaking at the Global Partnership for Education Conference, February 2018. (See full speech at: https://youtu.be/_PNJjpw-Qb4)

Additionally, Ghana has signed tax treaties with 12 countries (Belgium, Denmark, France, Gambia, Germany, Italy, Netherlands, Nigeria, South Africa, Sweden and the UK). These set low rates for ‘withholding taxes’, i.e. the taxes that Ghana can deduct from companies headquartered in these countries up-front before profits leave Ghana, thereby reducing Ghana’s tax revenue. However, they have had less effect on reducing tax revenue in Ghana than in other countries, because Ghana has set very low withholding tax rates (between 8% and 20%), which are generally similar to the ceilings in the treaties.153 While the practice is therefore not as damaging as it is in some other countries, it still represents a vital loss of revenue and needs to be tackled by the government.
The availability and affordability of public services is reinforcing inequalities in Ghana

Access to good-quality, free education and healthcare increases an individual’s potential, which in turn creates new opportunities that enable the poorest families to escape poverty. Public services can also mitigate the impact of skewed income distribution by putting ‘virtual income’ – i.e. the amount of money saved by not having to pay the full cost of health and education services – into the pockets of the poorest women and men. International evidence shows that investment in public services (particularly health, education and social protection) is a central policy tool for governments to reduce economic inequality. For instance, recent evidence from developing countries that have successfully reduced inequality found that 69% of the reduction was because of government spending on health and education. Spending on free public services benefits everyone but provides greater benefits to the poorest, as they tend to use a higher proportion of their meagre incomes on public services.

The combined impact of expanding social and economic opportunity and redistributing ‘virtual income’ can have a huge equalizing effect. However, while public spending as a whole tends to redistribute, especially public spending on health and education, spending can be more or less progressive depending on how policies are designed. Public services that are unaffordable, inaccessible or of very low quality can actually reinforce inequality. In Ghana, government spending on public services and the fiscal system more broadly are not working as hard as they could to redistribute resources from the richer to the poorer. As the Commitment to Equity project noted: ‘[public services] do relatively little to redistribute income and reduce poverty... What [positive] impact there is comes almost entirely from in-kind benefits of public schooling and, to a lesser extent, health services.’

Furthermore, a study of 30 developing countries showed that Ghana is doing far less to redistribute through public spending than many other countries. In fact, shockingly, the very poorest are net payers into the fiscal system at present, and only education and health act to prevent the overall fiscal system being regressive. This explains Ghana’s very low status in Oxfam’s Commitment to Reducing Inequality Index, which ranks government efforts to use public spending policies as a tool to address inequality: the Ghanaian government ranks 124 out of 152 countries.

Box 4: Is Ghana collecting progressive or regressive taxes?

Assessing the share of direct to indirect taxes can provide some indication of the progressivity of the tax system. Indirect taxes, such as VAT, tend to be regressive: because they are flat rate, everyone pays the same, which means that the cost as a percentage of total income is higher for those with low incomes. By contrast, direct taxes tend to be more progressive as they can be levied such that people pay according to their means. To raise revenues, both the central government and local authorities in Ghana have increasingly resorted to indirect taxes, in particular VAT. This is despite research by the IMF which shows that increased reliance on indirect taxes tends to increase inequality.

Ghana has one of the highest VAT rates of all developing countries, well above LMIC and African averages. However, the VAT system does contain various tweaks to reduce its regressivity. There is a wide range of ‘pro-poor exemptions’, including on basic foodstuffs, health, public transport, water and electricity. Ghana also has relatively high VAT thresholds at 25 times per capita GDP, meaning that smaller traders and their (poorer) customers are largely exempt (though these exemptions have been frozen since 2013). The Income Tax Act (Act 896), introduced in 2016, further addresses some of the weaknesses of the VAT system, but it requires effective implementation and it is too early to assess its effects.

Recent incidence analysis of taxation in Ghana conducted by the Commitment to Equity project using the Ghana Living Standards Survey sheds further light. Overall, the tax system is found to be marginally progressive. However, this analysis does not include the impact of corporate income tax and other direct corporate taxes, which are around 20% of total revenue. These should in principle be among the most progressive taxes – but have the potential to be regressive if there are widespread exemptions and dodging.
In Ghana, public services have been shown to reinforce pre-existing contours of poverty and inequality. The accessibility, affordability and quality of public services depend greatly on where Ghanaians live and their personal wealth. This limits the impact that a good-quality education and healthcare system can have on overcoming poverty and promoting individual opportunities; it also leads to markedly different outcomes for different groups, further driving inequality. Government spending on public services has a smaller virtual-income effect in Ghana than in many similar developing countries and has a very marginal impact on poverty reduction. Progressive changes to expand and improve the quality and equity of public services therefore holds enormous potential for reducing the extreme levels of inequality faced by the nation.

**Health access, outcomes, financing and spending are amplifying inequalities**

Ghana’s key health indicators improved steadily over the Millennium Development Goal (MDG) period and were hailed as a success by many commentators. For instance, Ghana considerably outperformed the average progress across sub-Saharan Africa on maternal mortality and under-five mortality rates. However, large inequalities in health persist, and strong overall performance masks significant disparities between income groups and regions. Household wealth status has an important effect on child survival, and the risk of child mortality is much higher among the poor. Calculations using DHS data, in 2014, under-five mortality rates remained markedly higher among households in the lowest wealth quintile (39 per 1,000 live births) compared with the highest wealth quintile (13 per 1,000 thousand live births). This means a child born in Ghana to one of the wealthiest families is three times as likely to make it past their fifth birthday than child born to a poorer family.

Unequal access to healthcare professionals is a clear issue. The higher the socio-economic status of the household, the greater the likelihood of being attended by a skilled provider during childbirth. While almost all babies born to families in the highest wealth quintile are delivered by skilled health providers (97%), this is the case for less than half of babies born to families in the lowest wealth quintile (46%) (see Figure 2). In the Northern Region, where geographical inequality intersects with poverty, the proportion of births delivered by a skilled provider is far less than half (38%).

**Figure 1: Child mortality (per 1000 live births) by wealth quintile, 2003-2014**

![Graph showing child mortality rates by wealth quintile, 2003 and 2014](image_url)
A particularly worrying trend in Ghana is that previous progress on health indicators has begun to slow in recent years and is failing to keep pace with Ghana’s economic development. A global ranking of countries which takes into account progress on health against per capita gross national income shows that while many of Ghana’s health outcomes are improving, other countries are pulling ahead. Despite its progress on many health indicators, Ghana has seen its ranking worsen in relation to other countries since 2005.\(^{173}\)

Spending on health needs to change to help build a more equal Ghana. Health spending can be the most equity-enhancing of all public spending, as more poor people access public services, but it can also be regressive if spending is skewed towards serving urban middle classes with expensive tertiary care, or if countries charge user fees for healthcare, which can exclude or bankrupt the poorest. In Ghana, there has been an unacceptably slow progress on investing in improving and extending the reach of quality services, including qualified health workers, especially in the poorest regions of the country. Long distances to health facilities which are under-staffed and under-resourced effectively exclude many of the poorest people from healthcare, especially in rural areas.

The impact on inequality of government spending on health in Ghana has been shown to be less progressive than in many countries,\(^{174}\) accounting for only around one-third of the reduction in Gini.\(^{175}\) Government healthcare spending remains low overall compared with that of other LMICs, both in per capita terms and as a share of GDP. By 2014, government per capita health expenditure had reached $58, far below the internationally recommended $86.\(^{176}\) Moreover, the government’s total health spending is currently decreasing – from 10% of the government budget in 2010 to 7%\(^ {177}\) – and is far below the commitment made by the government in the Abuja Declaration to spend 15% of the total government budget.\(^ {178}\) The Gambia spends twice as much of its government budget on health, at just over 15%.\(^ {179}\) Health spending in Ghana is just 1.9% of GDP, ranking Ghana as 113 out of 152 countries in Oxfam’s Commitment to Reducing Inequality Index.

### Progress to extend financial protection for health across the population has stalled

Ghana’s National Health Insurance Scheme (NHIS) was introduced in 2003 explicitly as a pro-poor measure, in recognition of the detrimental impact of Ghana’s notoriously high user fees and the fundamental role of public financing in healthcare. However, despite universal population coverage and equity being a stated policy goal of the NHIS, over a decade later, Ghana continues to struggle with how to attain it.

Recent annual reports and the Holistic Assessment Report of the Ministry of Health have shown that after a decade and a half of implementation, only about four in every ten individuals are covered by the NHIS scheme, with the rural poor the most likely to be not enrolled.\(^ {180}\) Large numbers of Ghana’s poorest citizens either cannot afford or cannot prioritize the NHIS registration and annual premium payment, and as a result continue to face high out-of-pocket spending in Ghana’s ‘cash and carry’ health payment system.\(^ {181}\) Long distances to health facilities and registration centres, as well as the conditional renewal of frequently unaffordable NHIS premiums on an annual basis, have kept many of the poorest people excluded, especially in rural areas.\(^ {182}\) The scheme also has difficulties determining the socio-economic status of applicants.\(^ {183}\) This combination of factors means that less than 2% of the poor are covered, even though they have exemption schemes.\(^ {184}\)

Ghana’s NHIS fails one of the most important World Health Organization principles for successfully financing universal health care: ensuring protection for an adequate proportion of the population.\(^ {185}\) A significant challenge is that the NHIS has had difficulties determining the socio-economic status of applicants, which means that approximately 2% of the poor are covered, even though they have exemption schemes.\(^ {186}\)
health coverage – i.e. that contributions must be mandatory to achieve cross-subsidization from the healthy to the sick and from the rich to the poor.¹⁸⁵ No country has ever achieved universal health coverage via voluntary health insurance.¹⁸⁶ In Ghana, as in most LMICs, only a small proportion of the labour force work in the formal economy, where contributions to health insurance can be made mandatory via automatic salary deductions. For the vast majority of Ghanaians (over 80%),¹⁸⁷ who live and work outside of the formal economy, joining the NHIS and paying the premium is effectively voluntary. Difficulties in measuring incomes outside of the formal sector also means that flat fees apply in the informal sector, which further discourages participation and makes these voluntary insurance premiums regressive.¹⁸⁸ Many choose not to join, and many simply cannot afford to. The scheme suffers from ‘adverse selection’ (i.e. people only join when they are sick) but, most importantly, from mass exclusion.

As a consequence, the NHIS still caters largely for higher-income groups, notably those in the formal sector, leaving many poor families without any prepaid cover and still paying high user fees.¹⁸⁹ Studies looking at who benefits from government health spending tend to confirm that it is largely pro-rich, mainly as a result of expensive hospital care that benefits the better-off, largely urban, population.¹⁹⁰ Moreover, Ghana is the only country in the world to finance its health insurance scheme primarily through VAT revenue, which accounts for about 70% of funding. This means that although every Ghanaian citizen pays for the NHIS through VAT, as many as 60% of people are not covered by the scheme and are therefore still paying out-of-pocket at the point of need.¹⁹¹ In other words, the middle class is more likely to benefit from the NHIS and the poorer are less likely to access it, but everyone is paying for it. A regressive health system is being funded by a regressive tax, which is the worst possible outcome.

In spite of the government’s admirable commitments on free health services for certain vulnerable groups (children under five, people over 70 and pregnant women) and immunization services provided free of charge, many poor people still struggle to access health services. In some facilities, fees are charged for services that are supposed to be free. For instance, free healthcare for pregnant women doesn’t include some costly emergency services, and there have been concerning cases of women who are too poor to pay being detained in facilities.¹⁹²

![Image of women and children sitting outside a building, possibly waiting for healthcare services.](image-url)
Currently per capita spending in health is decreasing rather than increasing because government resources have failed to keep up to fill the gap left by reduced donor funds following Ghana’s attainment of LMIC status. In 2005, Ghana’s development partners financed more than half of the country’s total health expenditures. As the NHIS expanded, the government’s share increased significantly, and in 2010 public funding accounted for more than two-thirds of health spending. However, from 2010 to 2012 the share of private funds – mostly out-of-pocket payments – almost tripled, while both public funds and external assistance declined.193 This is heading in entirely the wrong direction to achieve greater equity within healthcare, or for health spending to play its role in tackling inequality in Ghana by redistributing public spending or limiting the impact of fees in exacerbating poverty.

In conclusion, very little has happened to address the serious and endemic issues of the inequity and unfairness of the NHIS and service delivery overall, despite repeated promises. Against this backdrop, costs are escalating due to inefficiencies, corruption, costly administration and an insurance-driven increase in tertiary care rather than comprehensive primary healthcare. The financial sustainability of the NHIS is in serious doubt – it has not run a surplus since 2008, and in 2014 the NHIS turned to borrowing to finance the deficit.194

Despite impressive gains, significant education inequalities remain, and girls are losing out.195 Ghana stands out – not only among sub-Saharan African countries, but also among countries of a similar income level – for impressive achievements in increasing access to education.196 Government spending on education in Ghana has been shown to be very inequality-reducing, accounting for around two-thirds of the reduction of inequality (as measured by the impact on the Gini). This is in contrast to most sub-Saharan African countries, where education spending is often regressive.197 This is because Ghana allocates a high share of public spending to kindergarten, primary and junior high school than many other sub-Saharan African countries. These levels of schooling tend to benefit lower-income groups more than spending on higher education, so the poor get more of the education ‘pie’.198 Ghana has shown a particularly strong leadership role within sub-Saharan Africa in terms of investment in kindergarten education (see Box 5).

Box 5: Ghana: leading the way in investing in equity-enhancing kindergarten schooling

The Commitment to Equity project in Ghana has singled out kindergarten education spending for its impact on reducing inequality. This is significant for Ghana, as it allocates more than any other country in sub-Saharan Africa to pre-primary education. In most sub-Saharan African countries, pre-primary education attracts minimal (if any) public spending and is almost always fee-charging, thereby excluding the poorest children.199

While many countries have failed to roll out kindergarten education to all children, Ghana made remarkable progress in a short period of time by prioritizing spending in this area. In 2013, Ghana spent 7% of its education budget on kindergarten education. In 2007, the government made pre-primary education free and compulsory for at least two years. As a result, enrolment reached 99% in 2014. It was just 28% in 2000.200

This spending is likely to have a double equalizing impact, as kindergarten schooling has been shown to support the poorest children to learn better throughout their school life. There is substantial evidence that early learning is key to supporting greater equity in learning,201 as it can help to level the playing field for the poorest and most marginalized children from the start.202

The expansion of access to education at kindergarten, primary and junior secondary school levels has been supported by formal user fees being dropped at successive levels. In 2005, after fees at primary school level were abolished, enrolment in primary schooling expanded, from 66% in 2000203 to 89% in 2014.204 The government is now investing resources towards ensuring all secondary education (junior and senior) is free for all, a move which should also be commended. After fees for senior high school were dropped in September 2017, 90,000 more students flooded through the school doors at the start of the academic year.205 This suggests, as was also shown in primary and pre-primary education in Ghana,206 that user fees had been stifling access for the poorest and most vulnerable children.

However, despite these achievements, persistent inequalities remain in access to education, progression through schooling, education outcomes and quality of education. Wealth, geographical location and gender are big factors in determining a child’s level of educational attainment. Primary school attendance rates of both girls and boys living in households in the poorest quintile (62%)
Inequalities in access to education are stark, as discussed in Box 6. These children are being left behind, especially as expansion into higher levels of schooling continues to grow for their (mainly) wealthier, urban and male peers. Gender inequalities in access to education are pronounced by geography. The Northern Regions have the lowest access rates, with the relatively wealthier – often urban – regions, such as Greater Accra, having the highest rates. In some regions, there are still substantial parts of the population who have never been to school – almost always the most marginalized and poorest groups. For instance, nearly a third of the poorest children in the Northern Regions have never been to school, compared with 5% of the wealthiest children in the Northern Regions. These children are being left behind, especially as expansion into higher levels of schooling continues to grow for their (mainly) wealthier, urban and male peers. Gender inequalities in access to education are stark, as discussed in Box 6.

Box 6: Girls are losing out on the chance of a better life

Poverty, geographical isolation, minority status, early marriage, pregnancy, gender-based violence and traditional attitudes about the status and role of women, are among the many obstacles that stand in the way of girls fully exercising their right to participate in, complete and benefit from education in Ghana. While gender parity indices have improved at both primary and junior secondary levels overall, girls face disadvantages as they progress through primary school, and serious issues remain with girls dropping out. Though nearly equal numbers of boys and girls enter Grade 1, girls drop out faster until Grade 6. In fact, over the last decade there has been little reduction in primary school drop-out rates for girls, and completion rates have remained largely unchanged. This has an obvious knock-on effect on the number of girls who make it through secondary schooling. Interestingly, girls who do enter junior high school have a roughly similar chance of completing this stage as boys.

While inequalities in access and progression through education are largely driven by poverty, when poverty interacts with other disadvantages, the effect is amplified. The poorest girls from the most marginalized regions face the greatest challenges. For instance, primary school completion for the poorest girls from the Northern Regions is 26%, compared with 90% for boys from the richest quintile living in Accra.

The quality of education needs to be improved and privatization is threatening gains

While near universal access up to junior high school level has almost been achieved for the most advantaged children (over 99% of urban wealthy males start junior high), overall levels of learning are low. Despite progress in recent years, the quality of education in Ghana needs to be improved to ensure it can have an equalizing impact. For instance, the 2013 Early Grade Reading Assessment (EGRA) and the Early Grade Mathematics Assessment (EGMA) that assess second graders’ skills, in a representative sample of over 800 public schools (with a random selection of 10 students in each school), indicated that most students in the lower grades were not learning to read in any language, and lacked the pre-reading and early reading skills needed to build fluency and comprehension.

As the Commitment to Equity project notes: ‘guaranteeing access and facilitating usage of public education... for the poor is not enough. As long as the quality of schooling is low, distortive patterns occur, [such as] mostly the middle-classes and the rich benefitting [opting out of public education and gaining from free public tertiary].’

Poor quality education and weak learning outcomes are not spread evenly across all Ghanaian children. The inequality patterns seen in access and progression are also broadly reflected in learning: the poorest consistently perform at lower levels than their wealthier peers. When location and gender are factored in, this is further amplified. For instance, 48% of the richest urban males in Ghana leave junior secondary school having learned the basics in mathematics, while this is the case for only 7% of the poorest rural girls.

This is clearly demonstrated by the results of the Basic Education Certificate Examination (BECE). Students in the Greater Accra Region outperformed all other regions in mathematics, integrated science and social studies. Students in the relatively wealthy Ashanti Region had the second-highest scores, while scores were lowest among students in the Upper West Region and Upper East Region, where poverty is most prevalent. Uneven allocation of resources and its associated poor outcomes has created a
situation where as many as 53% of BECE candidates fail to qualify for admission to senior high school – and many end their education at that level.219

The results further showed that students in non-deprived districts and urban centres performed better on both the EGRA and EGMA than students in deprived districts and rural areas. Furthermore, a large proportion of students in deprived districts and rural areas scored zero in all EGRA testing categories.220 This is because rural schools in Ghana have consistently been shown to lack the basic inputs required to improve quality of education – namely good infrastructure and facilities, qualified teachers, textbooks, and other teaching and learning materials – whereas urban schools are generally fully staffed and resourced, as well as being better funded and monitored.221

The hard lesson that Ghana is currently learning – which has been one of the key lessons of the last 20 years in education in almost all developing countries – is that schooling is not the same as learning. Free schooling has been crucial to ensuring greater equity in access, but public education systems have struggled to keep up with the magnitude of demand created by expansion. The World Bank and UNICEF, in a study of fee abolition in Ghana, noted that it led to ‘access shock’.222 Resolving this requires adequately funding and properly planning for quality to avoid the risk of getting millions more children into schools that lack the facilities, materials and, crucially, the teachers to provide them a decent education.

Low quality is leading to an increasingly segregated education system in Ghana.223 An unequal education system reinforces and even exacerbates, rather than overcomes, inequalities in society.224 A long-term feature of the Ghanaian education system is that the higher-quintile children tend to ‘opt out’ of public education and go to fee-paying private schools. However, more recently, there has been a proliferation of so-called ‘low-fee private schools’ (LFPSs), including chains of international schools, marketed at poor families in Ghana (see Box 7). This is leading to further stratification, where the relatively wealthier (or at least not the poorest) are going to LFPSs, the wealthiest to high-quality elite schools and the poorest to (largely) rural, understaffed and underfunded schools.225

A good-quality education is the key to enabling individuals and the poorest families to escape poverty, by promoting social mobility and boosting future earnings and opportunities for those at the bottom of the socio-economic scale. Good-quality, equitably available education also has a multiplier effect on reducing inequality.226 But if that education is not of sufficient quality it can have the detrimental effect of ‘locking in’ inequality. Improving the quality of education in Ghana is therefore central to ensuring education can help to transform lives and tackle broader inequality.

Box 7: Low-fee private schooling: a growing trend in Ghana

Some claim that the low-free private schools (LFPSs), and private provision more broadly, can play a significant role in raising standards in Ghana. However, recent evidence casts doubt on the claim that privately run schools offer inherently better-quality education. As the 2018 World Development Report says, there is no consistent evidence that such schools deliver better quality, once differences in student characteristics are allowed for, it stated there is ‘no private school advantage’.227 Any perceived advantage is accounted for by these schools creaming off wealthier and more advantaged students (which tend to do better than poor, first-generation learners).

The fees of these so-called ‘low-fee’ private schools still constitute a huge proportion of income for the poorest families in Ghana. For example, one major chain targeting the poor charges fees that are equivalent to 40% of the poorest families’ income, for each child. This means that poor families would be spending far more on education as a share of their income than the wealthiest families do for the most expensive education – thus directly deepening income inequality while producing further inequality in educational outcomes. This means parents can have to choose which child gets to go to school, and all too often boys are chosen over girls, increasing gender inequality.228

Evidence shows that a focus on expanding private provision – even if it provides an option for some children – ultimately leads to greater educational inequity across an education system, where wealthier children and poorer children go to very different schools with very different learning outcomes.229

The government needs to better understand the trends in this area, and the implications for equity in Ghana. Even if the expansion of private schooling brings short-term benefits, it can undermine the political constituency for effective public schooling in the longer term. The World Development Report noted that the state (which is the ultimate guarantor of the right to education) ‘may deem it more straightforward to provide quality education than to regulate a disparate collection of providers that may not have the same objectives’.230
The untapped potential of social protection

The international community has recognized the importance of social protection as a weapon in the fight against poverty. It has included the implementation of social protection systems for all, including the poorest and the vulnerable, as one of the objectives of the SDGs (Goal 1.3).

Social protection schemes can have a substantial impact on poverty and inequality. In developing countries, they achieve this by putting resources in the hands of those in need, helping them to ensure a basic standard of living and access to social services. Rigorous evidence from around the world, including sub-Saharan Africa and Ghana, demonstrates the multiple positive impacts of social protection on reducing poverty, boosting human development and supporting economic productivity – especially among the poorest. However, in developing countries their impact can be limited by the low value of transfers and the number of beneficiaries. Another limitation comes from the prevalence of flawed poverty targeting approaches. Evidence shows that targeting often fails to reach the intended beneficiaries, especially when it is based on income or poverty levels, which are determined through proxy means-testing. Universal transfers based on demographic characteristics (for example, support grants for all mothers and children) often prove more effective.

Ghana has adopted a comprehensive National Social Protection Policy, but government expenditure in social protection is low compared with international and regional standards. In 2015, government expenditure on social protection amounted to 0.08% of GDP and 0.28% of total public expenditure. This compared with 64% of total expenditure allocated to debt servicing, corresponding to 18% of GDP. While the budget allocated for LEAP has been increasing in recent years, this allocation remains low when compared with other social expenditures, particularly spending on scholarships and subsidies on secondary high school, which represented 0.2% of GDP in 2014 and 0.8% of the total budget.

The 2015 Ghana National Social Protection Policy includes five flagship programmes: Livelihoods Empowerment Against Poverty (LEAP), Labour Intensive Public Works (LIPW), School Feeding Programme (SFP), National Health Insurance (NHIS) Exemptions and Basic Education Capitation Grants. LEAP is the flagship social protection programme and the main intervention set up to address poverty in the country. It is a cash transfer programme targeted at: poor households with orphans or vulnerable children; the elderly; people with extreme disabilities; and pregnant women and children under the age of one. It aims to alleviate poverty in the short term and to encourage human capital development in the long term. Beneficiaries also receive free national health insurance. It was launched in 2008 on a pilot basis and its coverage has been progressively increased to a larger number of districts.

Several impact studies over the years have found that the positive impact of the programme has been constrained by low-value payments, and this continues to be an issue as transfer values are not regularly updated and have been eroded by inflation. There has instead been an increase in the regularity of the payments, which had been an issue in the first years of implementation of the programme. The Commitment to Equity study found that the programme is overall very progressive, but it is too small to have a large impact on inequality overall or on poverty reduction.

2.3 WORK AND WAGES ARE NOT RAISING INCOMES FOR MOST PEOPLE

Wage levels and employment and labour-market policies are significant determinants of inequality across the world. Across sub-Saharan Africa there is increasing concern that economic growth has not been leading to improvements in labour-market outcomes for all: the jobs that have been created are mostly vulnerable and in the informal sector. Ghana is ranked 104 out of 152 countries on work and wages in Oxfam’s Commitment to Reducing Inequality Index. While Ghana scores reasonably well on its treatment of trade unions and respect for workers’ rights, it scores badly on its treatment of women in the workplace and on the very low level of its minimum wage.

Inadequate job creation in Ghana is largely due to the characteristics of the country’s path of economic growth and transformation. Ghana is still strongly dependent on agriculture as a source of employment. Even though the share of agricultural value added has been steadily declining, agriculture still accounted for 44.7% of employment in 2012. Between 2006 and 2012, however, the sectoral composition of employment has been changing: the share of employment in agriculture declined by 10 percentage points, while the share of workers in services increased by roughly 10 percentage points. The rapidly expanding service sector is replacing agriculture as the largest contributor to Ghana’s GDP. However, the shift in employment from agriculture to services may not reflect a structural and productive transformation, since the rising services activities mostly occur in the informal sector. Few new jobs have been created in industry because growth in this sector has been largely due to mining and oil extraction, which is not labour intensive. Inadequate job creation, together with an inadequate
With such a high number of people employed in Ghana working in the informal sector, it is little surprise that in 2017, 66% of jobs are estimated to be ‘vulnerable employment’, with a rate much higher for women (76%) than men (56%).

While the rate of unemployment is low, youth unemployment is high. Although general unemployment has been declining since 2013, youth employment has been particularly precarious over the years. For example, a recent report by the World Bank estimates that in 2012 as many as 48% of youth aged 24–35 years in Ghana were jobless, suggesting that young people have very few opportunities to earn income.

In the formal sector, the increment of wages and salaries has not kept pace with the cost of living, keeping many workers in conditions of poverty. In 2015, the daily minimum wage was raised from GHS 1.00 to GHS 7.00, but this increase was not enough to keep up with inflation. In fact, according to one estimate, the real monetary value of the daily minimum wage (when inflation is factored in) has remained at around GHS 1.00 ($0.25) since 2001, an amount insufficient to lift households out of poverty. The Living Wage Alliance estimated that a real living wage in Ghana would need to be four times the current minimum.
The agriculture sector is not realizing its potential for job creation and inequality reduction

The agriculture sector remains a key pillar of Ghana's economy. However, a lack of market understanding among farmers, poor infrastructure and value-chain management, and insufficient farming inputs and extension services have contributed to the sector's decline in performance. Low mechanization and difficulties in land access also remain significant challenges. The sector has been underperforming since 2011 (the year in which Ghana started oil production in commercial quantities), when it experienced its lowest growth (0.8%) in more than two decades. Expansion has slowed in recent years, shifting from a growth rate of 5.7% in 2013 to just 0.04% in 2015, according to the World Bank.

The agriculture sector is predominantly based on smallholder farming; average farm size is about 1.2 hectares, with farmers mostly still engaged in traditional farming. Bullock farming is most common in the northern parts of Ghana. Agricultural production varies depending on the amount and distribution of rainfall as well as soil factors. Most food crop farms are intercropped; monocropping is mostly associated with larger scale commercial farms, which produce rubber, oil palm and coconut, and to a lesser extent rice, maize and pineapple.

Yields are relatively low for a number of reasons. The average rate of fertilizer use, which is about 8kg per hectare, is particularly low, even by African standards. This results from the high cost of fertilizer relative to the income of many farmers. High cost also limits the use of other inputs such as insecticides and high-yielding varieties, and of irrigation-based cultivation. Evidence suggests that the National Fertilizer Subsidy Programme is only marginally improving the situation, mainly benefitting the poorest and most disadvantaged farmers.

Another cause of the sector's underperformance has been the low level of public expenditure; agriculture benefited from just 5.2% of total government spending between 2001 and 2014. This is well below Ghana's commitment to devote 10% of the budget to agriculture under the Maputo Declaration of 2003. By 2014, agriculture spending was as low as 1.3% of the total budget – far below the rates of regional comparators. Low public expenditure in agriculture has also limited the positive impact of decentralized institutions on agricultural development. The Metropolitan, Municipal and District Assemblies (MMDAs) are the local government substructures that are closest to smallholder and women farmers. In line with Ghana's decentralization framework, they are fully integrated with the Department of Agriculture. The government's allocation to the District Assemblies (DAs) has been declining in recent years, especially compared with other functional areas. This negatively affects their ability to support agricultural activities at the district level, for example by providing extension services to farmers, facilitating farmers' access to tractor services and irrigation, and training farmers on post-harvest management.

This analysis portrays a deviation from one of the broad policy principles of the Comprehensive Africa Agriculture Development Programme (CAADP), which states that: 'Policy and programmes will be implemented within the framework of decentralization and all agricultural structures of decentralization will be strengthened.' This principle is to promote participation of key agriculture sector stakeholders and to strengthen decentralized structures at the district level. Low allocations to the DAs for agriculture-related activities continue to undermine DAs’ capacity to perform these core functions.
However, there is now widespread consensus that after years of slower growth, the agricultural sector is poised for a revival, particularly given the strong government and private interest in advancing development through technological innovation. There is vast potential to raise production and exports: a 2016 study by the UN Food and Agriculture Organization and Ghana Institute of Horticulturists showed a huge gap between actual and potential yields for both fruits and vegetables.276

2.4 GENDER INEQUALITY SYSTEMATICALLY EXcludes WOMEN

Gender inequality drives economic inequality in Ghana,275 where women are more likely to be excluded from politics, and engaged in lower paid and vulnerable work. Women’s unequal position in society means that they have less power, money, land and other assets, and protection from violence. They also have less access to education, healthcare and political spaces.

**FIGURE 3: INCIDENCE OF OWNERSHIP OF AGRICULTURAL LAND IN GHANA BY WOMEN AND MEN (%)**

![Figure 3: Incidence of ownership of agricultural land in Ghana by women and men (%)](source: Oduro et al. (2011))

**Representation of women in politics remains low**

Women are significantly underrepresented in major political positions and policy making processes at both local and national levels in Ghana. In the 6th Parliament of the 4th Republic (2012–2016), women accounted for only 11% of the 275 seats in Parliament. In the 7th Parliament (2017 to date), just 35 Members of Parliament (MPs) out of the 275 were women. This represents about 12.75%, and it also lacks regional representation.

Moreover, women comprise only 8.2% of District Chief Executives at the local government level.276 There has only been a marginal increase of about three percentage points in the proportion of parliamentary seats being won by women since the early 1990s, putting Ghana’s parliamentary female representation below both the world average of 20.5% and the African average of 20.4%.277 Clearly, this under-representation of women in political life reflects a much wider issue of the low status of women in Ghana, particularly in rural communities. This manifests in higher poverty rates among women, and is perpetuated by cultural norms which contribute to the broader marginalization of women and girls in society.
Wealth and asset ownership is highly skewed in favour of men.

Evidence shows that the gender distribution of wealth in both urban and rural areas of Ghana is biased towards men. Only an estimated 6% of the richest people in Ghana are women.278 Rural women’s share of household asset wealth is lower than that of urban women. Women own approximately 30% of gross household physical wealth across the country, with their share ranging from 39.2% in the Central Region to as little as 3.8% in the Upper West Region.

Land and housing constitute the largest proportion of household asset portfolios, and in Ghana, women are only half as likely as men to own land. While one in every five men own agricultural land, this is the case for only about one in ten women, with large regional differences (Figure 3). Women in the Northern Region, Upper East Region and Upper West Region are less likely to be owners of agricultural land than women in the Western Region, Brong Ahafo Region and Ashanti Region.

Almost twice as many men are owners of their place of residence compared with women (see Figure 4). Again, women in the Northern Regions, Upper East Region and Upper West Region are less likely to be owners of this asset than women in the southern regions.

Moreover, men hold 3.2 times more of the total proportion of farms than women, and 8.1 times the proportion of medium-large farms (of five acres and more).279 Most female landholders manage small farms of less than five acres.

Women are poorly paid and in vulnerable employment.

A range of labour market indicators demonstrate women’s employment patterns, relative to men.280 The current labour force participation rate is 79.6%; it is higher for males at 82.2% than females at 77.3% and this is true for all age groups.281 Of males 32.5% are more likely to work in paid employment: 32.5% compared with females at 13.2%. As mentioned in the previous section, women are also more likely to be in vulnerable employment, meaning that they are less likely than men to be entitled to medical care, paid parental, holiday or sick leave, social security or a retirement pension.282
Hannah Quansah, 58, (pictured above) is an okra seller at the Madina market in Accra. Hannah has been in this business for the past 20 years and has depended on it for her livelihood; the income has enabled her to see her children through education.

‘It used to be a good business but now the trends have changed. I can say it is getting worse each passing day, because a lot of people are coming on board every day. You can see we have about four or five women selling okra on this stretch alone. I can’t blame them, because there is high unemployment in the country and people must work to survive.’

There are not many employment opportunities available outside of the informal sector, and jobs are often vulnerable, like those in the market trade. Hanna brags about the accolade her friends in the market have given to her – they call her ‘Okra Mama’ – as a result of her long years in the business. However, she can’t brag about the amount she takes home after a hard day at work. Despite working long hours, Hanna and the other female market traders struggle to earn a decent living and to pay for essentials, including healthcare insurance premiums.

‘I wake up early to make it to this market every day. I get here at the latest by 8:00 in the morning and close at 6:00 in the evening. Sometimes I get less than 20 cedis. Today, for instance, I have made only 6 cedis. The highest I get these days is 80 cedis, and that happens on the market days. If I take out transportation and the daily taxes paid to the local assemblies, I am left with barely anything.’

At the same market, Auntie Getty, as she prefers to be called, sells peppers. She normally gets to the market at 7:30am. Her highest takings per day is 50 cedis.

Getty says: ‘I am not okay, but all I want is for people to buy from me.’

The story was virtually the same for all the petty traders who shared their experiences. Most explained that any profits they make are given to their children to take to school the next morning. In an attempt to sell their wares, the women sing, scream and even dance just to get the attention of passers-by, knowing they need to sell as much as possible to make ends meet.

Another aspect of economic inequality which impacts negatively on the market women is the weak regulation of Ghana’s micro-finance institutions, which have crippling interest rates.

Oxfam’s Governance and Active Citizenship Programme Advisor Abdulkarim Mohammed asks: ‘If you estimate how much interest they [petty traders] pay [micro-finance institutes] in real terms, you realize they are paying far more than most of the banking institutions are paying. What is the government doing about high interest rates? How are we making agriculture attractive for youth, with all these impediments?’
In Ghana as elsewhere, women also face a higher burden of unpaid care work than men, which restricts their ability to engage in income-generating activities. A 2017 study in Ghana by ActionAid found that women do approximately 10 times more care work than men, and have significantly longer working days overall. Unpaid care work includes cooking, shopping, cleaning, collecting fuel and water, and caring for dependants. A typical Ghanaian women’s working day is 9.6 hours, compared with 5.3 hours for men. Six hours of the average women’s working day is spent on unpaid care work. As a result, Ghanaian women have limited time to engage in public life, education, politics, leisure or rest. Gender norms strongly reinforce the division of unpaid care work. The ActionAid study found that about half of both women and men surveyed believed that men should be the breadwinners and women the caregivers.

2.5 POLITICAL CAPTURE AND CORRUPTION DRIVES INEQUALITY

Ghana has experienced a remarkable transition over the last 25 years, from an authoritarian and repressive military dictatorship to a democratic system. While political voice can be challenging to measure, it has been seen to increase significantly over recent decades. In 1996, Ghana was ranked in the bottom 40% of countries worldwide for political voice; however, by 2013 it had moved into the top 40%. Voter turnout, at 69% in 2016, is also remarkably high compared with that of neighbouring countries; Nigeria had a 43% turnout in 2015, for example.

However, despite progress and increased citizen voice, there is still a limited functioning social contract between people and the state in Ghana. Political capture and corruption remain critical drivers of inequality, as shown below, and much more needs to be done to end them. Democracy and democratic decision making must tackle the entrenched power bases – particularly at local level – which lead to skewed allocation of resources.

Political capture excludes people from decision making

A key driver of inequality in most countries is political capture, where an elite minority of (usually wealthy) individuals can disproportionately influence decision making to work in their favour. In Ghana, a number of the economic and political elite are capturing public policy processes and excluding large sections of the population from governance. Much of this centres around political parties, which continue to expand their influence, particularly over local decision making bodies which should have autonomy to make decisions locally. The elite also have influence over key public media outlets, which enables them to shape public debate.

Though the local governance system in Ghana is supposed to be non-partisan, it is well known that political parties have for a long time influenced the election of members of the local assembly. Even after 25 years of democratic rule, the Chief Executive Officer position, which is the highest political office at the local government level, is still nominated purely on a partisan basis by the President and can be removed without recourse to the general assembly. As a result, political heads see their foremost responsibility as accountability to the President and not necessarily to citizens. The imposition of a partisan headship on an ostensibly non-partisan assembly is a contradiction. Added to this is the continuing grip on local-level decision making by central government, as witnessed in many projects that are conceived and awarded on contract without the knowledge of the local assembly and intended beneficiaries. This takes away the right of citizens to actively participate in determining their development priorities.

A major challenge to political inclusion in Ghana is the capture of elections. Aspirants to political offices are expected to make significant monetary contribution to political parties, appointing authorities, influential constituents or even electorates in some cases. Such demands may be official requirements, but in other cases are meant to influence decisions on appointments to both selective and elective positions. As a result, marginalized groups, particularly women, people with disabilities and those with limited resources are underrepresented at all levels of politics in Ghana.

Although Ghana is one of the few countries in sub-Saharan Africa that has favourable legal, cultural and institutional frameworks to enable participation in policy making processes at both national and sub-national levels, significant barriers exist to inclusive policy making. Decentralization has not worked as well as it could have to strengthen the capacity of local government to take decisions, manage resources and provide meaningful spaces for people to participate.

Oxfam interviews conducted in 2017 for this inequality report uncovered perceptions that inclusive policy making is greatly affected by political capture. Studies also highlight the existence of clientelism, where individuals and administrative regions are often awarded resources and contracts based on their contribution to the victory of political parties (either monetary or by act of voting) rather than on merit. As one interviewee commented: ‘There are a lot of barriers to inclusive policy making...The key barrier is how we organize our politics. So, we have to look at how we get people into offices/positions. Must you go only into politics before you get appointed?’. (Key informant interviewee, Kumasi, May 2017, Ashanti Region)
This view was reinforced by another respondent, who argued that: ‘In Ghana, resources or opportunities are based on who you know. It is difficult to get a job after leaving school, especially if you do not know an important person to influence that.’ (Key informant interviewee, Tamale, May 2017, Northern Region).

Thus, while legal and institutional frameworks are set up to enable participation, in practice people’s ability to influence policy processes is limited by the winner-takes-all system of governance that has been pursued over the years, which has made the (ruling) political elite more powerful and has weakened inclusive participation in governance processes.

**Box 8: Disability and exclusion in Ghana**

Different inequalities intersect to leave some groups of people particularly marginalized and excluded. Poverty and disability seem to be inextricably linked: disabled people are poorer than others, and people living in poverty are more likely to be disabled. Yet disability was not explicitly addressed in the MDGs, and as a result disabled people were excluded from many development initiatives and funding streams.

In Ghana, people with disabilities continue to face various forms of discrimination, including reduced access to education, healthcare and other social services; other challenges include low self-esteem, limited mobility, high dependency and social stigma. As a result, people with disabilities are unable to participate fully and effectively in Ghanaian society.

However, there is cause for optimism. Disability is increasingly recognized as a developmental and human rights issue rather than a health concern, and is explicitly addressed by the Sustainable Development Goals. The disability movement in Ghana has made good progress in pushing for greater inclusion and support. The Persons with Disability Act was passed in 2006, and the National Council for Persons with Disabilities was established. Three percent of the District Assembly Common Fund is now allocated to assist persons with disabilities, and the Ghana Shared Growth and Development Agenda (2010–13) includes an action plan to fulfil the provisions of the Act.

Barriers and challenges remain, but through well-informed policy decisions backed by proper implementation, people with disabilities will be able to participate fully in society and have a say in decisions that affect their lives.

**Mismanagement of public funds and corruption are rife**

Inefficient management of public resources through wastage and corrupt practices drive inequality in Ghana by limiting investments in the critical resources needed to bridge the income gap between the rich and the poor, and further raise barriers to access to opportunities that can improve the livelihoods of lower socio-economic groups.

Over the past decade, evidence has highlighted worrying mismanagement of public funds and resources. This allows a minority of people to benefit from national growth at the expense of the majority. Analysis of Auditor-General (A-G) reports over the past decade suggests that financial irregularities and unaccounted public funds increased from 0.43% of GDP to 1.48% in 2013, rising to 5.4% in 2014 before dropping again to 1.45% of GDP in 2015. Health spending is 1.9% of GDP, meaning that eliminating this waste and corruption could potentially almost double spending on health.

An IMANI report from 2016 revealed that GHS 5.9 billion ($1.5bn) was officially reported missing or misused from across 18 ministries, departments and agencies, 19 Public Boards and institutions, 10 Polytechnics and Pre-University Educational institutions in 10 regions of Ghana between 2012 and 2014.

Mismanagement of public resources also happens through corruption, where officials manipulate or divert public funds for their personal gain, and through the use of sole-sourcing in procurement processes. Corruption is one of the most extreme forms of political capture, and represents a deep failing in the accountability and governance of political and public institutions.

Poor people are hit hardest by corruption and mismanagement of public funds. This is for two main reasons. Firstly, mismanagement or diversion of state resources for personal gain limit the amount of resources that can be invested in critical social and public services as well as opportunities to bridge income gaps. An operation carried out at Tema Port in May 2017 found that 19 public officials had been able to divert as much as GHS 1.2bn for their private gain. This figure is equivalent to Ghana’s entire aid budget from international development partners in 2017. Secondly, corruption raises barriers to accessing essential services by low-income groups.

Respondents who were part of research by the Ghana Integrity Initiative and others reported cases where poor children were unable to gain admission to senior high school because wealthier families were willing to pay bribes to secure their children’s places. As many as 72% of respondents were able to recount at least one incident where bribes had been demanded by service providers in the education sector.
Currently, the main national response to reducing corruption is the National Anti-Corruption Action Plan, while statutory institutions such as the Commission on Human Rights and Administrative Justice (CHRAJ), the media, civil society organizations and other stakeholders are working in various ways to reduce corruption. The establishment of the Office of Special Prosecutor (OSP) has also been hailed as a major initiative towards fighting corruption. However, the political will to tackle corruption in its various forms is perceived by citizens to be low. As one respondent highlighted during this research: ‘If I do anything that is wrong, maybe for the Assembly for instance, I have to face the public accountability commission, and what I know is that some people will never face the public accountability commission...’ (key informant interview, May 2017, Kuntaase Region). This situation has weakened the accountability of public officers, and emerging evidence suggests that corrupt and dubious contracts become rewards for richer individuals and actors who finance political parties. Furthermore, investigative and prosecuting agencies like the OSP will have to be adequately resourced to make them effective.
3. A five-point plan to close the gap between the rich and the rest
BUILDING A MORE EQUAL GHANA

The disparities in income wealth described in this report have not come about by accident. They are driven by fiscal and socio-economic policies pursued over the years that structurally disadvantage low-income populations and deprived socio-economic groups. Existing policies and challenges around implementation of policies on public financial management, public spending, wages and employment, gender inequality and political capture are not doing enough to tackle economic inequality. They have, in fact, often reinforced it.

Oxfam’s Commitment to Reducing Inequality Index provides an indication of how much more Ghana could be doing to tackle inequality. The index ranks 152 countries on their commitment to proven inequality-reducing policies under three pillars: social spending, taxation and labour rights. Ghana ranks 102 out of 152 countries in the world, and 24 out of 40 sub-Saharan African countries. Even significantly poorer countries like Sierra Leone, Niger, Burkina Faso, Liberia and Guinea score better than Ghana overall.

A clear shift is needed towards policies which are designed to support growth and poverty eradication as well as inequality reduction. The Government is being called upon to develop a national plan to reduce the gap between rich and poor, with clear timebound targets. It must also ensure that national income and consumption data is regularly updated and made publicly available so that inequality levels can be monitored. The following 5-point plan outlines a number of critical actions that the Government of Ghana needs to take to tackle the key drivers of inequality:

1. Improve public financial management
2. Make public spending more equity-enhancing
3. Create decent work with good wages
4. Put women’s economic empowerment at the heart of policy making
5. Make governance work for everyone

Reducing inequality will ultimately help reduce poverty, ensure sustainable economic growth and improve social cohesion. Government action now can ensure a more prosperous future for all Ghanaians.

1. IMPROVE PUBLIC FINANCIAL MANAGEMENT

1.1 ESCAPE THE DEBT TRAP

Ghana needs to tackle its new debt crisis, which compromises the country’s ability to achieve fiscal justice and inclusive growth. Urgent action is needed to prevent the situation from spiralling further and to ensure that the costs of irresponsible borrowing and lending, and of falling commodity prices, are borne by lenders as well as by the government, and do not fall on the people of Ghana.

To escape the debt trap, it is necessary to:

- Establish an independent debt audit commission to review information released by the government and all lenders on how much is owed to whom, on what terms, and how the money was meant to be used.
- Make lending and borrowing more productive and accountable on the part of the Government of Ghana and of lenders, starting with fully implementing the Public Financial Management Act 2016.
- Ensure serious efforts from government and donors to support a reorientation of the Ghanaian economy away from reliance on primary commodities, so as to reduce vulnerability to external shocks and prevent a debt crisis in the future. Consider calling a debt conference with all creditors, with the aim of agreeing burden sharing to get debt payments down to a sustainable level.
- Make adjustments fair, and ensure that any renegotiated debt payments protect spending on essential services.

1.2 IMPROVE AID

Ghana is no longer dependent on development aid to the same extent as it was previously, with other external flows becoming increasingly important and domestic financing playing a much larger role. Donors need to work in a coordinated fashion to ensure that any reduction in aid doesn’t hurt the most vulnerable. The authors of this report believe there is a clear role for aid to play in scaling up the government’s efforts to tackle inequality – by using aid as a critical lever in strengthening the ‘citizen-state compact’ which lies at the core of poverty eradication and inequality reduction. Active civil society organizations and strong civic engagement are more likely to raise greater tax revenues from the richest in society and invest these resources in pro-poor public services.

Moreover, donors can still play an active role in supporting the building of fair and progressive tax systems in Ghana, which would provide financing for public service delivery and cement the relationship between citizens and their governments. Development cooperation can be a powerful tool to increase domestic resources – by enhancing the capacity of national tax administrations, and promoting technically and politically progressive tax reforms.

In other words, donors have a critical role to play in supporting Ghana to deliver the ‘Beyond Aid’ agenda in the short and medium terms, by providing financial, technical and research support to the government in institution-building, and to civil society organizations, with a particular emphasis on those working on women’s rights.
Donors must also reflect on their own responsibilities in the fight against corruption, including ensuring development assistance adheres to aid effectiveness principles. 305

The three priority areas for aid spending are as follows:

- Aid needs to be targeted at strengthening governance of public institutions so they are accountable to all citizens.
- Aid needs to support civil society and citizens’ efforts – particularly those of women’s and marginalized communities’ groups – to actively engage in public (including budgetary) decision making, to advocate for progressive revenue raising and spending, and to monitor government performance and hold it to account.
- Aid and technical assistance needs to flow in support of the Ghanaian government’s promise to move the economy beyond aid towards greater domestic resource mobilization and to fight corruption.

1.3 RAISE MORE TAX REVENUES PROGRESSIVELY

Now more than ever – with decreasing revenues and fiscal space – it is vital that Ghana does much more to reverse declining public spending by expanding progressive revenue generation. Any widening of the revenue base must be done with a focus on a progressive approach to taxation if it is to help fight extreme inequality in Ghana. Priority must be given to ensuring that taxes fall on those most able to pay in Ghana – large companies and wealthy individuals.

In order to make the tax system more progressive overall, the government should seek to move to a higher share of direct taxation in the overall tax mix, rather than more regressive indirect taxation. Other methods to increase revenues and the progressivity of the Ghanaian taxation system are outlined below.

Direct taxation rates need to be reformed to ensure that sufficient revenues are collected in a progressive manner. First, the personal income tax (PIT) system should be redesigned to increase its progressivity. Ghana’s top PIT rate of 25% could be raised towards higher LMIC averages. 306 As recently highlighted by the IMF, increasing tax rates for the rich does not necessarily hurt economic growth. 307 Furthermore, the minimum threshold for PIT – currently less than one-third of per capita GDP, and one of the lowest in the world – could be increased to prevent the inclusion of some relatively poor taxpayers in the tax net. 308 However, an assessment needs to be done on the impact of this on revenues and the progressivity of the personal income tax system.

Secondly, Ghana should increase its CIT rate in line with regional averages. Corporate tax cuts do not automatically translate into better tax compliance or significantly increased revenues. There is also a lack of any strong evidence that tax cuts increase foreign direct investment (FDI). Many studies cite factors that are more important in attracting FDI, including skills levels in the local economy, the availability of infrastructure, and macroeconomic stability – all of which are facilitated by a well-resourced state that can invest to improve these conditions. 309

Reducing the corporate tax rate further is likely to encourage a race to the bottom in the region, whereby states compete to lower their corporate tax rate, undermining their own ability to finance inequality-reducing public services. Instead, Ghana should increase its CIT rate to the regional average to raise more revenues from companies to fund essential public services. However, the government has negotiated deals with petroleum companies which tax them at only 35%. 310 Large gains could be made relatively easily by renegotiating contracts.

Thirdly, significant gains could be made by raising rates on other forms of direct taxation, and introducing wealth taxation to ensure that the wealthiest Ghanais pay according to their means. The government should review rates on other forms of direct taxation, such as taxes on dividends and interest, with the aim of increasing them to raise more revenues. It should also launch a review of wealth taxation with the aim of: introducing an inheritance tax to raise revenues and prevent privilege being handed on from generation to generation; introducing a net wealth tax to ensure that those with significant assets are contributing according to their means; and increasing property taxes for the highest-value properties. Furthermore, the government should ensure that property taxation is based on the value of the property, and is not charged at a flat rate, to improve its progressivity.

Corporate tax avoidance and evasion is a pervasive issue in Ghana, and action must be taken to ensure that the largest companies are paying the tax they owe. To combat tax avoidance by large enterprises, various measures have already been put in place in Ghana. Some positive steps include: setting up a transfer pricing unit in 2013 (although transfer pricing skills and knowledge are still being developed); signing exchange-of-information agreements; and ring-fencing of mining contracts to avoid offsetting losses from one mining project to another. However, there is still a weak sanctions regime for taxpayers who avoid or evade paying their fair share, and a lack of capacity within the Ghanaian Revenue Authority.
to handle certain aggressive tax schemes. More action must be taken to stamp out tax abuse. The government should work at the regional level to develop a cooperation framework to combat base erosion and profit shifting. Ghana should join other governments in the West Africa region to push for a second generation of international tax reforms, to be coordinated in a representative global process, ideally at the UN, so that international tax rules enable Ghana to claim the tax it is due. It should also support national, regional and global efforts to promote tax transparency at all levels, including by requiring multinational companies to publish where they make their profits and where they pay taxes (through mandatory country-by-country reporting that is publicly available), as well as who really owns companies, trusts and foundations (through disclosure of beneficial ownership) to combat illicit financial flows.

Ghana must also take action to limit harmful tax exemptions which undermine its ability to raise revenue. The government should cease offering discretionary tax incentives and exemptions, and subject all new tax incentives to rigorous economic and risk assessments (including their contribution to global and regional races to the bottom) to ensure that they will be beneficial to the Ghanaian economy. All incentives should be regularly reviewed to limit private long-term benefits and public harm, and all tax exemptions should be phased out where there is no clear evidence that they are effective. A public record of all incentives and exemptions should be kept, to ensure transparency and minimize opportunities for deals behind closed doors.

Ghana must collect resources equitably, through progressive tax revenues that do not harm the poorest and most disadvantaged people. In summary, the Government of Ghana should:

• Aim to steadily increase its tax-to-GDP ratio towards its full potential;
• Make tax collection more progressive by increasing the share of tax revenues coming from direct taxation as opposed to indirect taxation;
• Reform the personal income tax code by adding further bands for top earners at higher rates; consider increasing the threshold at which individuals start paying tax, if this can be done progressively;
• Increase general corporate income tax rates in line with regional averages, and follow IMF advice to increase the corporate income tax rate for companies in the petroleum sector to 50%;
• Launch a review of wealth taxation, with the aim of introducing an inheritance tax, introducing a net wealth tax and increasing property taxes for the highest-value properties; ensure that property taxation is based on the value of the property and is not charged at a flat rate;

• Cease offering discretionary tax incentives and exemptions, and subject all new tax incentives to rigorous economic and risk assessments (including their contribution to global and regional ‘races to the bottom’). All incentives should be regularly reviewed to limit private long-term benefits and public harm, and all tax exemptions should be phased out where there is no clear evidence that they are effective. A public record should be kept of all incentives and exemptions.

• Work at the regional level to develop a cooperation framework to combat base erosion and profit shifting: Ghana should join other governments in the West Africa region to push for a second generation of international tax reforms, to be coordinated in a representative global process, ideally at the UN.313

• Support national, regional and global efforts to promote tax transparency at all levels, including by requiring multinational companies to publish where they make their profits and where they pay taxes (through mandatory country-by-country reporting that is publicly available), as well as who really owns companies, trusts and foundations (through disclosure of beneficial ownership), to combat illicit financial flows.

2. MAKE PUBLIC SPENDING MORE EQUITY-ENHANCING

Raising more revenue is paramount in Ghana to create more equality, but this is only one half of the fiscal equity equation. If these resources are then invested progressively in universal free, good-quality public services – especially healthcare and education – the inequality-reducing impact will be hugely magnified. Health financing and spending could work much harder to create a more equal Ghana, while education spending needs to work harder to address inequality in outcomes by wealth, gender and geography. Social protection spending needs to be increased and refocused to expand coverage and transfer amounts, and ensure sustainable national financing. However, this also needs to be complemented by ensuring that all public spending addresses multiple disadvantages, by coherently and comprehensively focusing on addressing inequality.

2.1 MAKE PUBLIC SPENDING WORK HARDER TO TACKLE MULTIPLE DISADVANTAGES AND INEQUALITIES

Ghana needs to design public spending policies that work harder to tackle inequality. Access to high-quality universal public health and education, financed through progressive taxation, can help to make substantial headway in this regard. However, the Ghanaian government could also do much more to design equitable fiscal policies that significantly factor in inequalities in access, opportunities and outcomes, using approaches such as benefit incidence analysis to ensure pro-poor and pro-equity funding formulas.

Tackling inequalities in resource allocation in particular is key to fighting the extreme geographical and wealth inequality in Ghana. The profound geographical inequalities in terms of access and outcomes in areas such as health and education, outlined in section 2, requires concerted efforts to overcome. It will almost certainly involve larger allocations to the most disadvantaged areas and parts of the population – as equal spending is not the same as equity. For instance, ensuring good-quality schools and clinics in the most disadvantaged rural districts may require incentives for teachers and nurses. This is required from national to district level, but also within districts where allocations are often highly politicized, favouring the elite over the poorest and most marginalized. It will also require a sharper focus on ensuring increased financing is allocated towards schemes that explicitly address severe deprivation and disadvantage within Ghana. It is also vital that spending works harder to enhance women’s rights and tackle gender inequality, within and through public services.

The government should ensure that public spending is working harder to tackle economic inequality, include marginalized groups and address severe geographical disadvantage. This will include:

• Combating geographical inequality by allocating more to areas which are making the least progress, using equitable spending formulas and employing gender-responsive budgeting to target gender inequality;

• Successfully rolling out more equitable spending policies, including anti-inequality allocation formulas. This requires leadership by central government and local stakeholders, and close national-level monitoring of implementation to ensure that spending isn’t diverted towards more powerful groups;

• Increasing transparency of budget information and public engagement in the budget process, including at decentralized levels.
2.2 ACHIEVE UNIVERSAL HEALTH COVERAGE THROUGH MORE AND BETTER HEALTH SPENDING

Spending on health in Ghana is somewhat less progressive than in most countries\textsuperscript{11}\textsuperscript{3} health accounts for only around one-third of the reduction in Gini due to government spending. For Ghana to move towards universal coverage, the country needs to find more money to replace out-of-pocket payments and the regressive, administratively costly and unworkable voluntary health insurance model for all those outside the formal economy. As Oxfam and the Global Network for Health Equity (GNHE) have argued, given that the relative contributions of premiums are small, progressive tax-based funding is the obvious source to replace premiums.\textsuperscript{315}

Apart from strengthening financing and financial protection, it is vital to expand access to healthcare services and to raise the quality of care, while addressing the inequitable distribution of human resources, infrastructure and equipment within the NHIS. Notably, primary healthcare services can deliver effective care close to where poor people live and work, but many rural areas suffer from a lack of skilled staff, equipment and supplies. By increasing funds (primarily through improved progressive taxation), spending more on public health and prevention, while focusing on neglected districts and making at least primary healthcare entirely fee-free (with no requirements for NHIS registration or premium payments in the shorter term), Ghana can deliver on its long-held promise of universal healthcare for all.

This will require the Ghanaian government to accept that, despite the good intentions embedded in the NHIS commitment to address equity and the needs of the poorest, the NHIS is woefully off-target in ensuring universal health coverage. Delivering on this requires a significant change of direction in policy, and the widening of the tax base in order to fund it.

The Government of Ghana should work to achieve universal health coverage and improve the progressivity of health spending. It should also make significant changes to the way that the NHIS is financed and designed to make it fairly funded, efficiently and transparently administered, and accessible to all citizens, by:

- Investing more in primary healthcare and ensuring that facilities are staffed and equipped with a reliable supply of essential medicines;
- Giving all Ghanaians an NHIS card free of charge, that gives them automatic and free entitlement (without premium payment) to a comprehensive package of primary healthcare services, including all maternal and child-related healthcare;
- Extending entitlement through the NHIS card to a full package of comprehensive healthcare services from primary to tertiary level, with prioritization given to geographic equity in terms of the level of provision and quality across the country;
- Increasing spending on health to a minimum of 15% of budget to help pay for universal health coverage. It should also further increase spending by looking to progressive taxation and improved public financial management and not by making the poor and less well-off pay premiums and fees;
- Ensuring that rationing of any kind is done by type of services and treatments available to all residents (whether informally or formally employed, and whether rich and poor), and no longer by ability to pay a premium contribution or user fee;
- Improving transparency across the healthcare sector and ensuring all citizens are aware of their entitlement to healthcare so that they can demand their rights from service providers and hold duty bearers to account.

2.3 STRENGTHEN THE QUALITY OF PUBLIC SCHOOLS AND LEVEL THE PLAYING FIELD IN EDUCATION

To ensure equality of opportunity and boost education’s wider societal equalizing impacts, Ghana must radically improve the quality of public education, while continuing to focus on equity and leaving no one behind.

Ultimately, improving quality will require a large investment in trained and high-quality teachers (proven time and again in studies to be the most important determinant of quality)\textsuperscript{116} alongside new investments in textbooks, relevant curricula and new schools. It will also involve ensuring that these investments are spread evenly, especially in rural and disadvantaged areas.

This is a challenge in the current fiscal landscape in Ghana – not least given the IMF-imposed limits on wage growth in the public sector. The public wage bill for education is already strained, limiting scope for increased budgetary allocations to employ more trained teachers or to fund other resources and pro-poor interventions in the sector.\textsuperscript{317}

There is, therefore, a need for a much sharper focus on ensuring equity and redressing disadvantage in budgets. Education budgets are often formulated in ways that fail to factor in the higher investment needed to reach those children who are disadvantaged due to poverty, gender, geographical location, disability or other factors.

The challenge for Ghana will be to expand fee-free public education, maintaining the current equity-enhancing spending within education as whole, while also drastically
improving the quality of education such that its equalizing opportunities can be felt by all.

The Government of Ghana should:

- Increase funding of education to at least 20% of budget and 6% of GDP, from revenue raised through progressive taxation;
- Ensure education spending stays progressive while scaling up quality and equity, so that no child is left behind;
- Develop fully costed plans to improve the quality of public education, including in poor rural areas. This will require: new and additional investment in ensuring sufficient fully qualified teachers, relevant and non-discriminatory curricula and materials, appropriate assessments, and culturally sensitive/mother-tongue teaching and materials.
- Provide the funds required to deliver the commitment to fee-free secondary education, while ensuring that equity and quality does not suffer across the public education system. A fully costed plan is required that carefully manages the senior high school roll-out (and to ensure the roll-out is not funded by taking from pre-existing budgets). This will require proper planning to avoid the risk of getting more young people into schools without the facilities, materials and, crucially, the teachers to provide them a decent education.
- Commit to improving equitable educational outcomes across all geographical areas and socio-economic groups. This will require: investing new resources in public education, planning more coherently and comprehensively to identify inequities in education, and developing strategies to support those who are behind. Of critical importance is working collaboratively across sectors to develop strategies which target children with multiple disadvantages, for example, disability, ill health and poor nutrition. In view of these challenges and gaps, there is the need to conduct a public expenditure review of education spending in order to better prioritize and rationalize spending towards the key and most impactful areas.

2.4 SCALE UP SOCIAL PROTECTION SCHEMES

Social protection schemes can have a substantial impact on poverty and inequality, because they allocate income to those more in need. Indeed, the implementation of social protection systems for all, including the poorest and the vulnerable, is one of the objectives of the Sustainable Development Goals (Goal 1.3)

In 2016, the LEAP programme’s coverage expanded to reach 213,000 households in all 216 districts, and there is ambition to continue expanding its coverage to reach all extremely poor people. This is a very significant step towards providing basic social protection floors for deprived households. However, about half of the extremely poor households are still left out of the programme and inflation has eroded the value of the grant back to its 2012 level. There is also a danger that the deteriorating fiscal situation will undermine social expenditure and therefore reduce the budget available to social protection for an expansion of the programme to tackle extreme poverty and address the most extreme disparities.

The Government of Ghana should:

- Scale up social protection transfers to put more cash in the pockets of the poorest and improve redistribution;
- Expand social protection schemes such as the LEAP programme, both in terms of the value of each cash grant and the number of people covered;
- It is particularly important to progressively expand the national budget for the LEAP programme to ensure its sustainability and maximize the poverty reduction impacts.

3. CREATE DECENT WORK WITH GOOD WAGES

3.1 INCREASE THE MINIMUM WAGE, INVEST IN SKILLS AND SUPPORT WORKERS’ RIGHTS

There is strong evidence that higher wages and stronger labour rights for ordinary workers, especially for women, are key to reducing inequality. Emerging evidence across developing countries suggests that an inclusive and relatively high minimum wage narrows the distribution of labour income, while arrangements that strengthen trade unions tend to reduce income disparity as workers gain bargaining power. At the same time, job protection reforms that make temporary contracts permanent can help to lower income inequality through smaller wage dispersion. Analysis of the labour policies pillar of the Commitment to Reducing Inequality Index suggests that Ghana has relatively good respect for workers’ rights, but fails to support women in the workplace and has a very low minimum wage, meaning that it ranks poorly overall (104 out of 152).

In Ghana, successive governments have maintained a long-term objective to change the structure of the economy, moving away from low-paying sectors in agriculture to focus more on the services and industrial sectors. Over the past two decades, governments have also embarked on a series of employment policies to expand employment opportunities, especially for young
minimum wage would have little impact on the vast majority of Ghanaians’ wages, because the majority of the population is working in the informal sector and therefore is not covered by the minimum wage regulations. Workers in the informal sector also lack voice or the opportunity for collective bargaining through effective representation by trade unions. Improving the quality of schooling and achieving better outcomes for all in education (especially at the secondary level) would help improve social mobility and employment dynamism in the formal sectors; thus it could also, ultimately, help to reduce wage inequality.

As outlined in this paper and confirmed by Ghana’s CRI score, women are disproportionately represented in the lowest-paid jobs, with poor protection and precarious conditions of employment. Reducing gender inequality requires more serious efforts to improve legal protection for women workers.

The Government of Ghana should:

- Set a minimum wage that is commensurate with rising living costs and ensure this minimum wage is automatically linked to inflation;
- Support the expansion of trade unions and collective organizing, especially for women and the informal sector;
3.2 Transform the Agricultural Sector to Boost Productivity and Deliver Decent Incomes

Ghana’s economy is still insufficiently diversified, and despite the increasing importance of industry and service sectors, agriculture still holds significant economic potential. Agriculture could be a powerful contributor to inclusive and equitable growth, reducing poverty and rural-urban inequality. The country’s growing middle class, whose demand for high-quality and safe food products is rapidly increasing, provides further opportunities for expansion of the sector. Agriculture also holds the key to economic diversification, which is essential for improving job creation and reducing vulnerability to external shocks. This, however, requires an increase in public investment in agriculture, and a focus on the smallholder sector to ensure that agricultural growth contributes to reducing poverty and inequality.

The Ministry of Food and Agriculture recently launched the Planting for Food and Jobs programme, which aims to rapidly increase food production to achieve food self-sufficiency and create jobs. The programme focuses on five key staple crops: maize, rice, soybean, sorghum and vegetables. Its implementation is anchored on five pillars: (i) provision of improved seeds; (ii) supply of fertilizers; (iii) provision of extension services; (iv) marketing arrangements and reduction of post-harvest losses; and (v) an electronic platform to capture and monitor programme implementation. The programme targets 200,000 farmers in all 216 districts of the country, aiming to create more than 750,000 jobs within the agricultural value chain. Although this is a public-sector driven programme, delivery of the key inputs will be done through the private sector. The programme is a welcome development, but its ability to reach and benefit the poorest farmers remains to be seen, especially given its heavy reliance on the private sector.

Leveraging these opportunities requires the Government of Ghana to take the following actions. It should be noted that this should all be underpinned by the aim of not further exacerbating rural inequality. The District Assemblies should also play a key role.

- Diversify Ghana’s growth strategy to encompass a strong focus on agriculture, aquaculture and livestock, thereby ensuring that growth is not led only by the extractives industry and service sector;
- Focus support to food crop production and processing that can serve the domestic market (not just for export);
- Increase support to small-scale agriculture and eliminate production, marketing and distribution bottlenecks faced by the sector;
- Scale up major investments in irrigation. In particular, provide support to small and medium-scale multipurpose/irrigation initiatives to help the Northern Savannah Ecological Zone to move from one crop per year to two-crop agriculture. This would have dramatic benefits for large numbers of poor people and facilitate transformation in the region;
- Establish effective initiatives to create more collaboration and information-sharing opportunities within value chains between all types of farmers, service providers, the state and the private sector;
- Invest in agricultural research and promotion to test new and appropriate seeds, fertilizers and technologies that can be taken up by small-scale farmers with limited education, especially women farmers. Also ensure their effective uptake through strengthened extension services. Ensure that agricultural strategies are responsive to the needs of both large and small commercial farmers in terms of programmes, research and budgets;
- Support smallholders by encouraging them to commercialize activities, matching them with markets for their crops and facilitating the trade and processing value chains;
- Leverage the Planting for Food and Jobs programme to support smallholders, particularly women, young people and people with disabilities;
- Invest more in professional and technical methods to increase agricultural output to a level capable of feeding the population. This needs to be done in a way that does not increase rural inequality.

4. Put Women’s Economic Empowerment at the Heart of Policy Making

Tackling Ghana’s gender divide must be a priority for the government. Urgent action is needed to address the economic, political, social and power inequalities...
between men and women, with a particular focus on women who are part of marginalized groups. Economic policy must address economic and gender inequalities together. Fiscal systems need to be gender-sensitive, ensure that tax and spending policies respond to women’s needs, and create incentives and revenue for women and girls.

Access to decent work and a living wage can provide a fundamental route out of poverty for women, and can challenge gender inequality by improving women’s opportunities and decision making power outside of the household. Policies and legislation that promote equal pay, decent work, access to credit, equal inheritance and land rights need be to implemented more effectively.

Evidence shows that investments which support households to better meet unpaid care responsibilities such as childcare, food preparation and laundry, can increase women’s economic empowerment through, for example, access to education and jobs. The Government of Ghana needs to include commitments to support households’ unpaid care work in relevant policies and programmes, and collect data on unpaid care to support policy making. It should support measures that increase households’ access to care-supporting infrastructure and services, and step up efforts to give women a voice in policy making and opportunities to speak out about unpaid care.

Increasing women’s voice and representation must be central to efforts to promote truly transformative change. Efforts need to be made to increase women’s voice, representation and independence at household, community and policy levels.

The Government of Ghana should commit to:

• Fully implementing the Local Governance Act (Act 936) to ensure that authority and resources are devolved to local levels.
• Expediting action on processes for promoting local-level democracy and accountability to citizens, including election of Metropolitan, Municipal and District Chief Executives;
• Promoting national reward systems to reward public institutions and individuals that demonstrate effective practices in fighting corruption;
• Enhancing opportunities for inclusive policy making in Ghana through strengthening the local government system and citizens’ participation;
• Enacting and implementing affirmative action policies to ensure the inclusion of women, people with disabilities and other more marginalized groups in public policy making processes;
• Empowering citizens and social movements to hold decision makers to account, through sensitization, capacity building, the creation of appropriate platforms and the provision of adequate information, financing and other resources;
• Expediting action on processes for promoting local-level democracy and accountability to citizens, including election of Metropolitan, Municipal and District Chief Executives;
• Duly and promptly investigating potential corruption and mismanagement of funds, and administering appropriate sanctions in a fair, timely and transparent manner, in accordance with existing regulations;
• Promoting national reward systems to reward public institutions and individuals that demonstrate effective practices in fighting corruption;
• Enabling opportunities for inclusive policy making in Ghana through strengthening the local government system and citizens’ participation;
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• Fully implementing the Local Governance Act (Act 936) to ensure that authority and resources are devolved to local levels.

Civil society mobilization has a role in this, and has proven critical in raising awareness of corruption in Ghana and increasing pressure on government to be more accountable. This is especially the case when civil society helps to build the voice and agency of poor and marginalized people.324

Ensuring effective scrutiny and oversight by communities is also crucial, especially to ensure the efficient use of budgets. There is a need to increase monitoring and accountability at every level to ensure that the budget allocation arrives in full and on time, and is effectively spent. Action to ensure that budgets are transparent and funds are tracked independently can help to ensure that resources are converted into real delivery on the ground.

Action is needed at all levels to empower communities – from local to district to national levels – with both downward and upward accountability. Mechanisms are also required to ensure meaningful participation of all groups in decision making processes, with a focus on including the voices of those who are often less heard, in particular women, young people, people with disabilities and other more marginalized groups. Resources need to be dedicated to supporting more effective decentralization, including fiscal decentralization, and empowering local authorities more.

The Government of Ghana should commit to:

• Duly and promptly investigating potential corruption and mismanagement of funds, and administering appropriate sanctions in a fair, timely and transparent manner, in accordance with existing regulations;
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• Expediting action on processes for promoting local-level democracy and accountability to citizens, including election of Metropolitan, Municipal and District Chief Executives;
• Fully implementing the Local Governance Act (Act 936) to ensure that authority and resources are devolved to local levels.

Overcoming political capture of policy making by a small elite – and the inequitable distribution of government resources it leads to – requires more accountable governance and inclusive institutions.
ENDNOTES

All websites were accessed 15th May 2018 unless otherwise stated.


6. Based on the national poverty line, set at 1,314 GHS per adult per year.


8. Ibid.

9. In 2016 in Ghana there were 4 Centa millionaires, individuals with at least $100m. (Source: Knight Frank (2017). Wealth Report 2017. https://content.knightfrank.com/research/83/documents/en/the-wealth-report-2017-4482.pdf). The wealth of the global 1% increased by an average of 4.4% between 2000 and 2016 (Source: https://www.allianz.com/v_1506497732000/media/press/document/AGWR_17-Report_EN.pdf, page S2). Minimum wealth of the global 1% is $770k, therefore the richest Ghanaians are in the global 1% and can expect to see an average increase in their wealth of 4.4%. (Source for wealth of global 1%: http://publications.credit.suisse.com/tasks/render/file/index.cfm?fLeid=FB790DB0-C175-0E07-787A2B8639253D5A page 156). A 4.4% annual increase in wealth on $100m generates an annual return of $4.4m, or $367k (1.3 million GHS) per month.


13. This is conservative, as we know consumption data underestimates inequality, and specifically survey data does not capture top incomes. Based on data from E. Cooke, S. Hague and A. Mckay (2016). Ghana Poverty and Inequality Report: Using the 6th Ghana Living Standards Survey. Accra: UNICEF.

14. Data from the World Inequality Database on Education (WIDE), here: http://www.education-inequalities.org/


17. Ibid., p.1


SDG3 targets include neonatal mortality rates to be as low as 12 per 1,000 live births and maternal mortality rates to be less than 70 per 100,000 live births. Latest data from Ghana finds that neonatal and maternal mortality rates were 29 and 321 respectively in 2013 (source: https://data.worldbank.org/). Using the latest available UN live birth data from 2013 (463,409 live births, source www.unstats.un.org), if Ghana had reduced its mortality rates to the SDG target levels, 7,878 new-borns and 1,163 mothers could have been saved in that year. This is an estimate based on the probability of neonatal and maternal death against live births during a specific year, meaning a margin of error exists around deaths that occur at the tail ends of the year. For this estimate, we assume these cases are equally distributed and hence cancel each other out.


For instance, see OECD (2015). In It Together: Why Less Inequality Benefits All. Or the global panel study by Martinez-Vazquez and Moreno-Dodson of incidence studies covering 150 countries, over a 30-year period (The Impact of Tax and Expenditure Policies on Income Distribution: Evidence from a Large Panel of Countries). This shows that health spending reduces the Gini coefficient by 0.4–0.7, education by 0.13, and social protection by 0.12. In Ghana, health accounts for less of the reduction of the Gini, and education to substantially more, than the aggregate figures in this panel study.

WHO data retrieved March 2018: http://apps.who.int/nha/database/ViewData/Indicators/en


Data in this section is based on Ministry of Education, EMIS Data unless otherwise stated.


Both figures are net adjusted enrolment, 2014 data from UIS: http://data.uis.unesco.org/#

Junior secondary is covered in ‘basic’ education in Ghana. Fees were already thus free. See speech given by Ghanaian President Akufo Ado, available here: https://www.youtube.com/watch?v=_PNjpw-0b4 Accessed 21 February 2018.

Data from the World Inequality Database on Education (WIDE) here: http://www.education-inequalities.org/

Ibid.

Ministry of Education, EMIS Data unless otherwise stated.

See WIDE following indicator: https://www.education-inequalities.org/indicators/mlevel_lowsec/countries/ghana/wealth_quintiles?dimen-sion=wealth_quintile&group=Quintile%202015&dimension2=sex&group2=Female&dimension3=community&age_group=mlevel1_lowsec&year=2011


J. Walker et al [2016], Private Profit Public Loss: Why the push for low-fee private schools is pushing quality education off-track. South Africa: Global Campaign for Education.

S. Younger (2016). The Impact of Reforming Energy Subsidies, Cash Transfers, and Taxes on Inequality and Poverty in Ghana and Tanzania. CEQ WPSS. CEQ Institute, Commitment to Equity, Tulane University.

47 Aryeetey and Baah-Boateng (2015). With an estimated employment elasticity of output of 0.47, this suggests that every 1% of annual economic growth yields 0.47% growth of total employment.


51 In 2017, Ghana’s minimum wage was set at GH8.80 per day: https://wageindicator.org/salary/minimum-wage/minimum-wages-news/ghanaians-minimum-wage-increases-by-10-december-23-2017

Available public information shows that Ministers were earning a basic salary and allowances totalling at least GH¢ 20,000 a month in 2014. See http://citifmonline.com/2015/02/10/chronicle-ministers-mps-fleece-ghana


57 Ibid.


63 A. Ntim and K. Boahen (2016). Rankings of Financial Irregularities for MDAs, Boards of Public Corporations, Polytechnics and Pre-University Institutions. IMANI.


67 According to GLSS 2013 data, in Ghana there are about 489,000 extremely poor households, double the number than those currently covered by LEAP.


69 Goal Ten of the Sustainable Development Goals is to reduce inequality between and within countries. http://www.undp.org/content/undp/en/home/sustainable-development-goals.html


80 Based on the national poverty line, set at 1,314 GHS per adult per year.

81 Ibid.


83 Ibid.


87 In 2016 there were 4 Centa millionaires, individuals with at least $100m. [Source: Knight Frank [2017]. Wealth Report 2017. https://content.knightfrank.com/research/83/documents/en/the-wealth-report-2017-4482.pdf]. The wealth of the global 1% increased by an average of 4.4% between 2000 and 2016. [Source: https://www.allianz.com/v_1506497732000/media/press/document/AGWR_17-Report_EN.pdf, page 52]. Minimum wealth of the global 1% is $770k, therefore the richest Ghanaians are in the global 1% and can expect to see an average increase in their wealth of 4.4%. [Source for wealth of global 1%: http://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=FB790DB0-C175-0E07-787A2B683295305A (page 156)]. A 4.4% annual increase in wealth on $100m generates an annual return of $4.4m, or $367k (1.3 million GHS) per month. The lower poverty line in Ghana is 792 GHS per year in 2013, or 1,196 in 2016 prices, an average of 3.28 GHS a day (inflation rates: https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=GH). It would take 386,085 days at 3.28 GHS a day, a total of 1570 years to equal 1.3 million GHS.


89 This is conservative, as we know consumption data underestimates inequality and specifically survey data does not capture top incomes, based on data from Cooke et al., op. cit.


93 Ibid., p.1


The annual rate of poverty reduction declined by 1.8 percentage points per year in the 1990s to 1.1 percentage points per year between 2006 and 2013.


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Jubilee Debt Campaign et al. (2016). The fall and rise of Ghana’s debt: How a new debt trap has been set.


Ibid.


Ibid.


Jubilee Debt Campaign et al. (2016). The fall and rise of Ghana’s debt: How a new debt trap has been set.
SDG3 targets include neonatal mortality rates to be as low as 12 per 1,000 live births and maternal mortality rates to be less than 70 per 100,000 live births. Latest data from Ghana finds that neonatal and maternal mortality rates were 29 and 321 respectively in 2013 (source: https://data.worldbank.org/). Using the latest available UN live birth data from 2013 (463,409 live births, source www.unstats.un.org), if Ghana had reduced its mortality rates to the SDG target levels, 7,878 new-borns and 1,163 mothers could have been saved in that year. This is an estimate based on the probability of neonatal and maternal death against live births during a specific year, meaning a margin of error exists around deaths that occur at the tail ends of the year. For this estimate, we assume these cases are equally distributed and hence cancel each other out.


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OECD. (2016a). OECD development co-operation peer reviews: Denmark 2016


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DFI (2016) Fiscal Policies to Tackle Inequality in Ghana, Burkina Faso and Sierra Leone

Ibid.

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Ibid.


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Recent national Public Expenditure Review (World Bank, 2017).


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DFI (2016). Fiscal Policies to Tackle Inequality in Ghana, Burkina Faso and Sierra Leone.

157 Ibid.


164 Ibid.

165 Ibid.


170 S. D. Younger, E. Osei-Assibey and F. Oppong (2017). Fiscal Incidence in Ghana. Op. cit. The study showed that were it not for the in-kind benefits from health and education spending, the overall effect of government spending and taxation would actually increase poverty in Ghana.


175 For instance, see OECD (2015). In It Together: Why Less Inequality Benefits All. Or the global panel study by Martinez-Vazquez and Moreno-Dodson of incidence studies covering 150 countries, over a 30-year period (The Impact of Tax and Expenditure Policies on Income Distribution: Evidence from a Large Panel of Countries). This shows that health spending reduces the Gini coefficient by 0.4–0.7, education by 0.13, and social protection by 0.12. In Ghana, health accounts for less of the reduction of the Gini, and education for substantially more, than the aggregate figures in this panel study.


177 WHO data retrieved March 2018: http://apps.who.int/nha/database/ViewData/Indicators/en


181 Ibid.


186 Ibid.

187 Brookings (2016), Aryeetey and Baah-Boateng. Understanding Ghana’s growth success story and job creation challenges


See: http://resyst.lshtm.ac.uk/sites/resyst.lshtm.
A FIVE-POINT ACTION PLAN TO CLOSE THE GAP BETWEEN THE RICH AND THE REST


189 Different methods of measuring can have marginally different outcomes. A World Bank study looking at different aspects of government spending showed that on outpatient hospital care is found to be pro-rich (regardless of the assumptions made in the benefit-incidence analysis). Taken together, government health spending is pro-rich, except for when looking at utilization of health centers. See World Bank. 2012. Health Equity and Financial Protection Report – Ghana. Washington, D.C.: World Bank.

190 Latest figures from 2015 show that only 38% of the population is covered. See, Ama Pokuaa Fenny Robert Yates Rachel Thompson (2018)Social health insurance schemes in Africa leave out the poor. International Health, Volume 10, Issue 1, 1 https://doi.org/10.1093/inthealth/ihx046


191 World Bank (2017) Ghana National Health Insurance Scheme Improving Financial Sustainability Based on Expenditure Review.


192 Data in this section is based on Ministry of Education, EMIS Data unless otherwise stated.


tile%20SS&dimension2=sex&group2=|Female|Male&di-

tension3=community&age_group=mlevel1_ 
(lowsec&year=2011

219 CREATE (2011). Inequitable Access to Basic Education 
in Ghana: The Way Forward for Free Compulsory 
Universal Basic Education [FCUBE]. J. S. Djambah 
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221 Rural–Urban Disparity in Students’ Evidence From Six 
Senior High Schools in Kumasi, Ghana Nana Afia 
Amponsaa Oppoku-Aware, Abena Okeyewa Siaw, and

222 World Bank & UNICEF (2009) Abolishing School Fees in 
Africa: lessons from Ethiopia, Ghana, Kenya, Malawi 
and Mozambique, Washington DC: World Bank

223 The following studies show that private schools 
– even so called ‘low fee’ schools – are unaffordable 
for the poorest, and thus leave the poorest with only 
access to public schools. This is leading to further 
stratification in schooling by wealth/poverty. See: 

Akaguri L (2011). Quality low-fee private schools for 
the rural poor: perception or reality? Evidence from 
southern Ghana. CREATE Pathways to Access 
Research Monograph No 69. Falmer: University of 
Sussex.

224 Watkins et al (2008) Education For All Global Monitor-
ing Report 2009: Overcoming Inequality - why 
governance matters, Paris: UNESCO

225 Ibid

2015: Education For All 2015 – achievements and 
challenges, Paris: UNESCO

227 For a summary of evidence on social mobility and 
poverty reduction see,: For a summary of evidence, 
see GPE’s ‘Case for Investment’: https://replenish-
ment.globalpartnership.org/en/case-for-invest-
ment/

228 The World Development Report 2018 (WDR 2018), 
Learning to Realize Education’s Promise

the push for low-fee private schools is pushing 
quality education off-track, South Africa: Global 
Campaign for Education

the push for low-fee private schools is pushing 
quality education off-track, South Africa: Global 
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231 The World Development Report 2018 (WDR 2018), 
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232 "Proxy Means Testing: it’s Official!”. Development 
Pathways, March 22nd 2017.

233 Nicholas Freeland, “Poverty-targeting: the Social 
Protection Flaw?.” Issue No.26, Pathways Perspec-
tives, January 2018

234 Ministry of Gender, Children and Social Protection 
‘Ghana National Social Protection Policy’. November, 
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235 World Bank (2016) "Ghana: Social Protection Assess-
ment and Public Expenditure Review." http:// 
documents.worldbank.org/curated/
en/776791491300371576/pdf/114044-revised-
Ghana-SP-report-Draft-for-public-disclosure.pdf

236 This includes all programmes for social protection in 
the Ministry of Gender, Children & Social Protection, 
60% of the Ministry’s General Administration costs 
and the Livelihoods Empowerment Against Poverty 
(LEAP) programme in the Ministry of Local Government 
and Rural Development.

237 Data from Government Spending Watch Database: 
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238 World Bank (2016) 'Ghana: Social Protection Assess-
ment and Public Expenditure Review'. http:// 
documents.worldbank.org/curated/
en/776791491300371576/pdf/114044-revised-
Ghana-SP-report-Draft-for-public-disclosure.pdf

239 "The Impact of Ghana’s LEAP Programme", Interna-
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The_Impact_of_Ghana_s_LEAP_Programme.pdf

240 Stephen Younger (2016) "The Impact of Reforming 
Energy Subsidies, Cash Transfers, and Taxes on 
Inequality and Poverty in Ghana and Tanzania”. CEO 
WPSS. CEO Institute, Commitment to Equity, Tulane 
University.

241 See literature review in M.Lawson and M. Martin (2017) 
Commitment to Reducing Inequality Index Oxfam and 
Development Finance International, Chapter 4

242 Aryeetey, E. and W. Baah-Boateng (2016) ‘Under-
standing Ghana’s growth success story and job 
creation challenges’. The Brookings Institute Africa 
Initiative, June 2016

243 M.Lawson and M. Martin (2017) Commitment to 
Reducing Inequality Index Oxfam and Development
Finance International.


245 Ibidem.


251 Vulnerable employment includes own-account workers and contributing family workers. Vulnerable workers are less likely to have access to adequate social security and a voice at work. See ILO definition at http://www.ilo.org/wesodata/definitions-and-metadata/


256 Aryeetey, E. and W. Baah-Boateng (2016), Op. Cit.. See Table 3


258 In 2017, Ghana’s minimum wage was set at GH8.80 per day: https://wageindicator.org/salary/minimum-wage/minimum-wages-news/ghanas-minimum-wage-increases-by-10-december-23-2017

259 See http://citifmonline.com/2015/02/10/chronicle-ministers-mps-fleece-ghana


264 World Bank (2017), Enabling the Business of Agriculture (EBA) report 2017


266 WB (2018), op.cit


268 WB (2018), op.cit

269 WB (2018), op.cit


271 WB (2018), op.cit


273 NEPAD; 2003, Comprehensive Africa Agriculture Development Programme


BUILDING A MORE EQUAL GHANA

A FIVE-POINT ACTION PLAN TO CLOSE THE GAP BETWEEN THE RICH AND THE REST


280 The employment indicator data in this section is taken from a range of sources: Source: 1. World Bank, Gender Statistics; 2. Ghana Statistical Service (2014a); 3. Ghana Statistical Service (2016); 4. Ghana Statistical Service (2014b). Notes: Hourly earnings is the total wage receipts divided by the number of hours worked in the period.


284 Ibid.

285 Ibid.

286 ODI (2015). Ghana, the rising star Progress in political voice, health and education Amanda Lenhardt and Alina Rocha Menocal


294 This is based on interviews undertaken by Oxfam Ghana in 2017.


296 This is based on interviews undertaken by Oxfam Ghana in 2017.

297 Ibid.


299 Ntim, Andrew and Kofi Boahen (IMANI 2016). Rankings of Financial Irregularities for MDAs, Boards of Public Corporations, Polytechnics and Pre-University Institutions.


304 https://www.oxfam.org/en/research/accountabili-
ty-and-ownership


306 DFI (2016) Fiscal Policies to Tackle Inequality in Ghana, Burkina Faso and Sierra Leone


308 DFI (2016) Fiscal Policies to Tackle Inequality in Ghana, Burkina Faso and Sierra Leone


310 DFI (2016) Fiscal Policies to Tackle Inequality in Ghana, Burkina Faso and Sierra Leone

311 Base erosion refers to the undermining of the tax base, whilst profit shifting refers to companies shifting profits to other jurisdictions in order to reduce their overall tax bill.


314 Commitment to Reducing Inequality, Fiscal Incidence in Ghana, 2015


316 See CP earce (2012) Closing the trained teacher gap, Johannesburg: Global Campaign for Education

317 For example, available data between 2010 and 2015 has shown that an average of 67% of government’s expenditure in education goes into wages and personal emoluments while the remaining 33% is spread thinly (e.g. SEND (2017). Budget for All: SEND Ghana’s take on 2017 budget http://3news.com/budget-for-all-send-ghanas-