

OPINION PIECE



Addressing Wage Disparities in Ghana's Public Sector: A Development Imperative

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A recent report by the Ghana Statistical Service (GSS) reveals that the average monthly net salary for public sector employees in 2022 was GH¢2,594. However, wage disparities remain stark—while the lowest-paid worker earns just GH¢418, the highest-paid receives GH¢33,855, an astonishing 81 times more. The top 10% of public sector employees account for 22% of total salaries, whereas half of all workers share just one-third of total salary disbursements. These gaps raise serious concerns about economic justice, service delivery, and governance in Ghana’s public sector.

In July 2024, Ghana’s Parliament passed the Affirmative Action (Gender Equality) Act, aiming to boost women’s representation in governance and decision-making roles to at least 30% by 2030. This legislation sought to address longstanding socio-cultural, political, economic, and educational disparities affecting women. While this is a major policy win for gender equity, the broader issue of wage inequality—across gender, age, and region—remains unaddressed.

The Development Costs of Wage Disparities

In development work, fair compensation is not just an HR issue—it affects institutional efficiency, trust in governance, and national growth. Persistent wage disparities in Ghana’s public sector have multiple negative consequences:

- **Limited Opportunities for Young Professionals:** The GSS report shows that older employees—especially those over 60—earn an average of GH 14,466 per month, nearly five times more than the next age bracket of 51–60 years old. This substantial difference may reflect seniority and experience but also raises questions about succession planning and equitable compensation across age groups. Often, younger professionals struggle to advance within the public sector due to rigid career structures and lower pay. This creates an unbalanced workforce where young talent lacks incentives to remain in public service, potentially leading to frustration and attrition among the youth.
- **Declining Motivation and Service Delivery:** When workers perceive salaries as unfair, motivation drops, affecting productivity in key areas such as healthcare, education, and local governance. Skilled workers may seek opportunities elsewhere, weakening institutions meant to drive national development. Many may also remain on payroll in the public sector, while dedicating more time, energy and skill to “side gigs” that they view to be more rewarding.
- **Widening Regional Inequalities:** Workers in Greater Accra earn significantly more than those in rural regions, discouraging professionals from accepting postings outside urban centers. This pattern deepens underdevelopment in already disadvantaged areas.

- **The Gender Pay Gap Persists:** Despite the Affirmative Action law, women in the public sector still earn 6% less than men on average, with even higher gaps in some regions. The gender pay gap reinforces barriers to economic participation for women, limiting their ability to invest in their families, communities, and professional advancement. Over time, this can slow progress toward gender equity in leadership and decision-making roles. Without deliberate wage equity policies, gender disparities will continue to limit women's economic advancement.

The Link to Corruption and Governance Failures

Extreme pay gaps create conditions where corruption thrives, especially when the gap between high earners and low earners is extreme. When lower-income public servants struggle to make ends meet while witnessing others earn significantly more, they may resort to informal payments, favoritism, or misuse of resources to supplement their income. This weakens governance structures and erodes public confidence in institutions. Key risks include:

- **Bribery and Extortion:** Low salaries can push employees to engage in petty corruption, such as requesting unofficial fees for basic services, burdening citizens and businesses by increasing the cost of public services.
- **Patronage and Political Favoritism:** In some cases, public sector wages are influenced by political affiliations rather than merit, entrenching an unfair system where access to high salaries depends on connections rather than competence.
- **Misallocation of Public Funds:** When a few high-ranking officials absorb a disproportionate share of the salary budget, resources that could be used to improve working conditions, training, or essential services remain unavailable. Moreover, it could also divert resources from essential services like infrastructure, education, and healthcare, reinforcing systemic underdevelopment.

Our Commitment to Economic Justice, Good Governance, and Inclusive Development

As a social development organization focused on participatory research and community-led development, Participatory Development Associates (PDA) is deeply concerned about the structural inequalities in Ghana's public sector. Wage disparities are not just financial concerns but deep structural issues that affect governance, equity, and national progress.

PDA's work emphasizes inclusive economic policies, gender equity, and youth empowerment, making these wage inequalities a key area of interest. Our interest in promoting good governance, accountability, and transparency is based on the recognition that unfair wage structures fuel

corruption, erode trust in public institutions, and limit inclusive development. Through initiatives such as the YoFeB 4G project, which supports young female entrepreneurs, and participatory governance research, PDA advocates for fair economic policies that empower young professionals, women, and marginalized communities.

Furthermore, PDA's commitment to decentralization and participatory governance highlights the urgent need for equitable compensation structures that do not disproportionately favor urban centers. If skilled professionals are to serve in underdeveloped regions, salary and incentive structures must reflect the realities of those postings. Addressing these wage disparities ensures that governance structures work for all Ghanaians, regardless of gender, age, or location.

Policy Recommendations for a Fairer System

To foster a more transparent, efficient, and development-focused public sector, policymakers should consider:

- **Standardizing Salary Structures:** Introduce more transparent, performance-based pay scales to reduce extreme income gaps across age, regions and job levels.
- **Targeted Support for Young Professionals:** Establish career development programs, mentorship initiatives, and fair promotion structures to ensure young workers see a future in public service.
- **Decentralizing Economic Opportunities:** Implement incentives, such as salary top-ups, career growth opportunities or housing benefits, to encourage skilled professionals to work in underdeveloped regions.
- **Enhancing Gender-Sensitive Wage Policies:** Enforce equal pay for equal work alongside the Affirmative Action law to ensure meaningful gender parity in salaries and leadership.
- **Strengthening Anti-Corruption Measures:** Salary reviews must be tied to stronger accountability frameworks to prevent misuse of public resources and ensure that wage policies are implemented fairly.

By addressing these structural inequities, Ghana can create a more equitable, transparent, and motivated public sector—one that is not only fair in compensation but also efficient in service delivery and resistant to corruption. The Affirmative Action Act is a step in the right direction, but broader reforms are needed to ensure that both women and young professionals benefit from a truly inclusive and just public sector.

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