Economic Inequality in Ghana

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ECON 440: Africa In the Global Economy

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December 15, 2023

Abstract

This study explores the relationship between historical economic policies, globalization, and institutional factors, as well as the impact of economic inequality in Ghana. Ghana has seen tremendous economic growth, but the country's income inequality is still widening due to both domestic and international factors. Using a combination of quantitative and qualitative data, the analysis highlights the sharp differences between the rich and the poor, especially when it comes to urban-rural divides. The study emphasizes the necessity of focused interventions to address systemic injustices and the aggravating role of structural adjustment policies. The growing income distribution gap, the disproportionate effects of globalization, and the pressing need for policy changes are some of the key findings. This study adds to our knowledge of Ghana's economic inequality and offers guidance for developing policies meant to lessen gaps.

Keywords: Ghana, Globalization, Economic Inequality, Stratification

Economic Inequality in Ghana

The phenomenon of economic inequality, a globally pervasive issue, presents itself with intensity in Ghana. Even as the country's economy has grown significantly, there are still gaps that make it difficult for its diverse population to get chances and prosper equally. The purpose of this essay is to examine Ghana's economic disparity and place it in the larger framework of international economic dynamics.

This study's main hypothesis is that Ghana's economic inequality has persisted mostly because of past economic policies, globalization, and institutional reasons.

This study is significant because it takes a thorough approach to comprehending the causes of economic inequality in Ghana and offers a critical evaluation of the interactions between regional and global issues. The objective of the research is to provide a more comprehensive knowledge of the problem by exploring the root causes of the disparity using a combination of quantitative and qualitative approaches There are two main reasons why this research is important. First, it adds to the scholarly discussion on economic inequality, especially as developing nations have difficulty with the effects of globalization and economic modernization. Second, the study seeks to impact policymaking by offering recommendations grounded in evidence and addressing the factors that have been identified as drivers of inequality.

To achieve these goals, the paper will draw attention to insights from a range of academic literature, evaluating and combining these viewpoints to create a cogent argument. The goal of this research is to minimize the inequalities that impede Ghana's economic growth by using the findings as a foundation for further research and policy development. This paper aims to make a significant contribution to the discussion on economic inequality in Ghana and the wider global context.

Historical and Global Context of Economic Inequality in Ghana

To understand Ghana's economic inequality now, one must take a trip back in time to the country's post-independence period. After Ghana attained independence in 1957, it became a symbol of optimism and hope for the continent of Africa. After a fair period of economic growth in the early years after independence, per capita growth became negative by 1965, and after the Kwame Nkrumah (Former President of Ghana) administration was overthrown in 1966, per capita income fell below what it had been before independence. There was some improvement in the late 1960s and early 1970s, but a major decline started in the mid-1970s and culminated in the early 1980s, when per capita GDP in Ghana reached its lowest point in the country's post-independence history (Fosu & Aryeetey, p. 2, 2023). After 1983, Ghana's economy began to show signs of progress, but the growth rate did not improve, and the country's per capita income was not able to rise above its 1957 level. The strong aim of becoming an upper middle-income nation by 2020, which was set in 1993, requires GDP growth of roughly 8% annually. This target proved difficult to meet as the economy underperformed in the late 1990s and early 2000s. There was a discrepancy between policy aims and economic realities, as evidenced by the fact that actual growth rates were regularly lower than anticipated rates and that inflation rates were much higher than targeted.

Globalization is a multifaceted process that includes increased trade integration, capital flows between countries, the spread of technology, and the movement of people across borders. Globalization can lead to a widening of income inequality within countries as those with the skills or luck to take advantage of new opportunities benefit disproportionately compared to those who do not. This phenomenon is evident in the early stages of a country's development where income inequality often increases (Acemoglu et al., p. 4-5, 2006).

In terms of Ghana, the impact of globalization can be linked to the country's economic inequality through several ways. First, the integration into the global economy can lead to a "brain drain," where skilled individuals leave for better opportunities elsewhere, potentially exacerbating global stratification. However, this is not necessarily a result of economic "brain drains" but rather extreme instances of migration (Acemoglu et al., p. 7-8, 2006). Second, the internal stratification within countries, including Ghana, is influenced by globalization as the wages of highly educated individuals increase significantly, while those with less education stagnate. This disparity is magnified when considering total income, as the value of stocks and corporate assets, mostly held by the wealthy, have increased tremendously (Acemoglu et al., p. 3, 2006).

The situation in Ghana reflects these global trends. The country's economic growth has not been evenly distributed, with a significant portion of the population not benefiting from globalization's opportunities. This has led to increased economic inequality, where the gains of globalization are not reaching all strata of the population equally.

The Current State of Economic Inequality in Ghana

A thorough examination of recent economic indicators and their wider implications is necessary to determine the current state of economic inequality in Ghana. Ghana's economy is in major distress, according to the African Development Bank Group's 2022 Economic Outlook, with inflation expected to soar to an estimated 31.5%—a sharp rise from the 10% recorded in 2021. This inflationary surge, driven by rising food and energy costs as well as a declining value of the local currency, not only reduces people's purchasing power but also disproportionately affects the lower classes, widening the already existing income gaps. As a result, the Bank of Ghana has tightened its monetary policy. The policy rate was raised to 27% from 14.5% the year before to stabilize the economy, but this could inadvertently limit small and medium-sized businesses' access to credit, which is crucial for the employment of lower-income groups in society.

It is reinforced by the World Bank's report, which highlights Ghana's 2022 "domestic imbalances and external shocks" (World Bank Group, 2023) that resulted in macroeconomic difficulties like currency depreciation, rising inflation, and a drop in investor confidence. The idea of an equitable growth trajectory is called into question by these economic headwinds, which also raise the possibility that the benefits of the predicted recovery by 2025 may not be shared equally by all members of society. The report subtly highlights how economic growth is susceptible to inequality in the absence of macroeconomic stability.

Additionally, the scholarly literature summed up in Stephen Armah's work published by Ashesi University offers a detailed examination of economic inequality through the prisms of wealth distribution and access to economic opportunities. The results of the study show that Ghana's institutional frameworks and economic policies have not done enough to address the systemic injustices that existed before the country's current economic crisis. This implies that even if macroeconomic indicators improve, inequality may rise in the absence of deliberate targeted interventions. (Armah (2016)

As a result, Ghana's current economic disparity is an all-round problem. The root causes and long-term effects of inequality originate in historical economic policies and systemic institutional weaknesses, even though macroeconomic instability and inflation play important roles. Because of this, it is essential to understand these factors to develop proper policy responses that consider both the needs of Ghana's most vulnerable populations and the specifics of the country's economic situation.

Income Inequality

Income inequality in Ghana has been a persistent issue, characterized by a widening gap between the rich and the poor. Despite significant economic growth, the benefits have not been equitably distributed across different segments of the population. This has resulted in a scenario where a small proportion of the population holds a large share of the nation's wealth, while a significant majority remains entrenched in poverty.

Factors Contributing to Income Inequality

Ghana's income distribution has been permanently impacted by past economic policies, especially those pertaining to structural adjustments. Kraus (1991) asserts that these policies, which were frequently impacted from outside, dramatically changed the nature of the economy. Though intended to spur economic growth, the emphasis on privatization and liberalization unintentionally made the income gap wider. The structural changes increased informal and frequently precarious employment while decreasing public sector employment, thereby widening the income gap (Kraus, 1991).

For Ghana, globalization has been a double-edged sword. According to Acemoglu, Gleason, and Tsuda (2006), globalization has made it easier to access foreign markets and spurred economic growth, but it has also made income inequality worse. This phenomenon is explained by the fact that skilled and capital-intensive sectors benefit more from globalization than do unskilled labor sectors. As a result, workers in sectors of the economy like agriculture that are less integrated into the global economy have not benefited equally, and as a result, income gaps are getting bigger.

There are aspects of Ghana's labor market that led to income inequality. This includes a high rate of underemployment, low pay in the unorganized sector, and a discrepancy between the requirements of jobs and educational backgrounds. These factors limit a significant portion of the population's ability to generate income, which exacerbates income inequality. In Ghana, the gap between the urban and rural areas has a major impact on income inequality. Compared to rural regions, which are primarily agrarian and have few income opportunities, urban areas—particularly Accra and other large cities—offer a wider variety and better salary of employment opportunities.

The geographic discrepancy in economic opportunities contributes significantly to the growing income disparities between urban and rural populations as shown in Figure 1.

[1]Figure 1 Regional Average Monthly Net Salaries

[1] Note. From "Ghana 2022 Earnings Inequality in the Public Sector" by Felix Adjei (2023, December 4). Retrieved from https://statsghana.gov.gh/gssmain/fileUpload/pressrelease/Earnings%20Inequality%20Report%2014-02-2023.pdf. Copyright 2023 by Ghana Statistical Service.

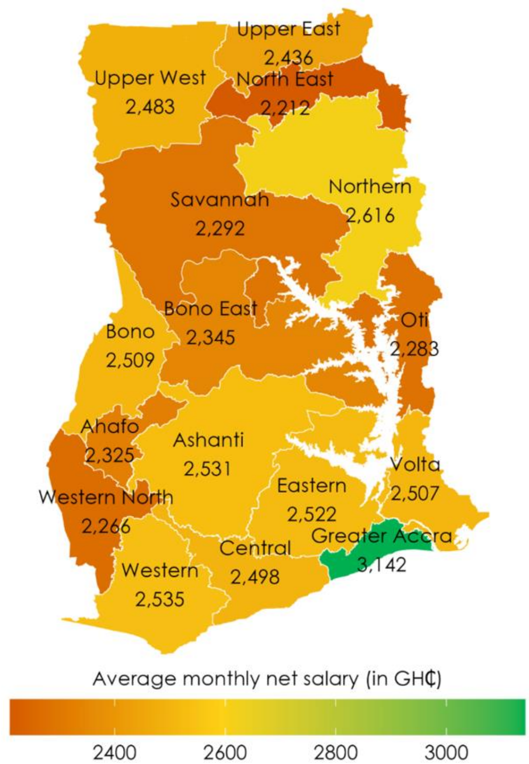


Figure 1 provides a clear visual representation of the regional differences in income in Ghana. With an average monthly net pay that is more than 600 GH₵ higher than that of Ashanti, the second-highest region in the country, it clearly highlights the significant salary advantage that Greater Accra has over the rest of the nation. This disparity reflects the economic centralization that occurs in cities, especially in the capital, where higher wage scales are supported by the concentration of administrative headquarters, multinational companies, and service sectors. On the other hand, because there are fewer industrial and service sector activity, more rural areas like Savannah and the Northeast attract lower salaries. Thus, the economic gap between rural peripheries and urban centers of opportunity is captured in the map.

[2]Table 1: Ratios of Adult Equivalent Consumption, 2006 and 2013, (GHS)

Average Adult Consumption (GHS)						Ratio	
	Poorest 10%	Poorest 20%	Median	Wealthiest 20%	Wealthiest 10%	90/10	80/20
2006							
Urban	1,183.70	1,617.20	2,730.30	4,530.70	6,197.80	5.2	2.8
Rural	604.1	841.6	1,446.60	2,452.20	3,277.00	5.4	2.9
Total	714.8	1,001.90	1,846.20	3,337.40	4,543.40	6.4	3.3
2013							
Urban	1,282.70	1,707.00	2,918.10	5,288.60	7,243.70	5.6	3.1
Rural	655.6	904.2	1,610.50	2,823.60	3,914.00	6.0	3.1
Total	849.8	1,182.40	2,166.70	4,123.50	5,788.80	6.8	3.5
Difference: 2006-2013							
Urban	99.00	89.80	187.80	757.90	1,045.90	10.6	8.4
Rural	51.50	62.60	163.90	371.40	637.00	12.4	5.9
Total	135.00	180.50	320.50	786.10	1,245.40	9.2	4.4

Note: Values shown are in 2013 prices

The data presented in Table 1 illustrates the widening income inequality in Ghana over a seven-year period, differentiated by urban and rural divides. While both sectors saw an increase in average consumption, indicating economic growth, the urban areas experienced a more pronounced rise, particularly among the wealthiest 10%, who saw their consumption grow by over 1,000 GHS from 2006 to 2013. The rural sector, although experiencing growth, did so at a more modest pace, with the poorest 10% seeing an increase of only about 51.5 GHS. The 90/10 ratio, which more than doubled in urban areas, starkly demonstrates the disproportionate growth

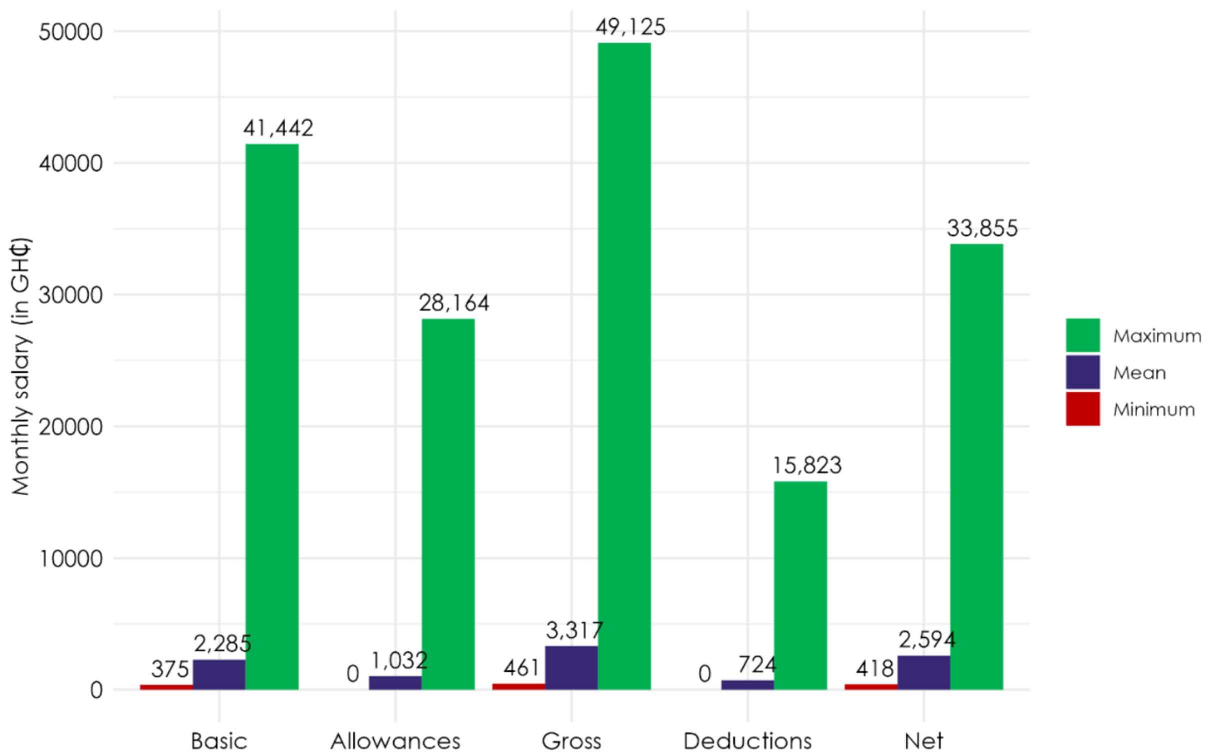
[2] Note. From "*The Ghana Poverty and Inequality Report -2016 II The Ghana Poverty and Inequality Report: Using the 6th Ghana Living Standards Survey 2016* by E.Cooke, S.Hague, A.McKay (2023, December 4). Retrieved from https://www.unicef.org/ghana/media/531/file/The%20Ghana%20Poverty%20and%20Inequality%20Report.pdf Copyright 2023 by Ghana Statistical Service.

in wealth among the urban elite compared to the rural poor, moving from 5.2 to 10.6. This disparity is further echoed in the 80/20 ratio, which saw a significant increase, particularly in urban areas.

Data Presentation, Description, and Analysis

Basic salary refers to the monthly fixed amount paid to employees, not including salary arrears and recoveries. Allowances, which vary across institutions and roles, are additional sums regularly paid to meet various needs or expenses. These can include transport, clothing, entertainment, rent, and house-help allowances. Gross salary is the total of basic salary and allowances. Deductions, on the other hand, encompass pension fund contributions (such as SSNIT (Social Security and National Insurance Trust) and Tier 2) and income tax, but not voluntary deductions like loan repayments or standing orders initiated by employees. Tier 2 is a mandatory contributory scheme with monthly contributions of 5% on the basic salary of all employees; its contributions are fully tax-exempt and are privately managed by National Pensions Regulatory Authority (NPRA) licensed service providers. These are known as statutory deductions. Net salary, the amount an employee receives, is calculated by subtracting these statutory deductions from the gross salary. It represents the total basic salary and allowances, minus any statutory deductions, assuming no voluntary deductions, outstanding recoveries, or accrued salary arrears for the month.

[3]Figure 2: Minimum, Mean and Maximum Monthly Earnings



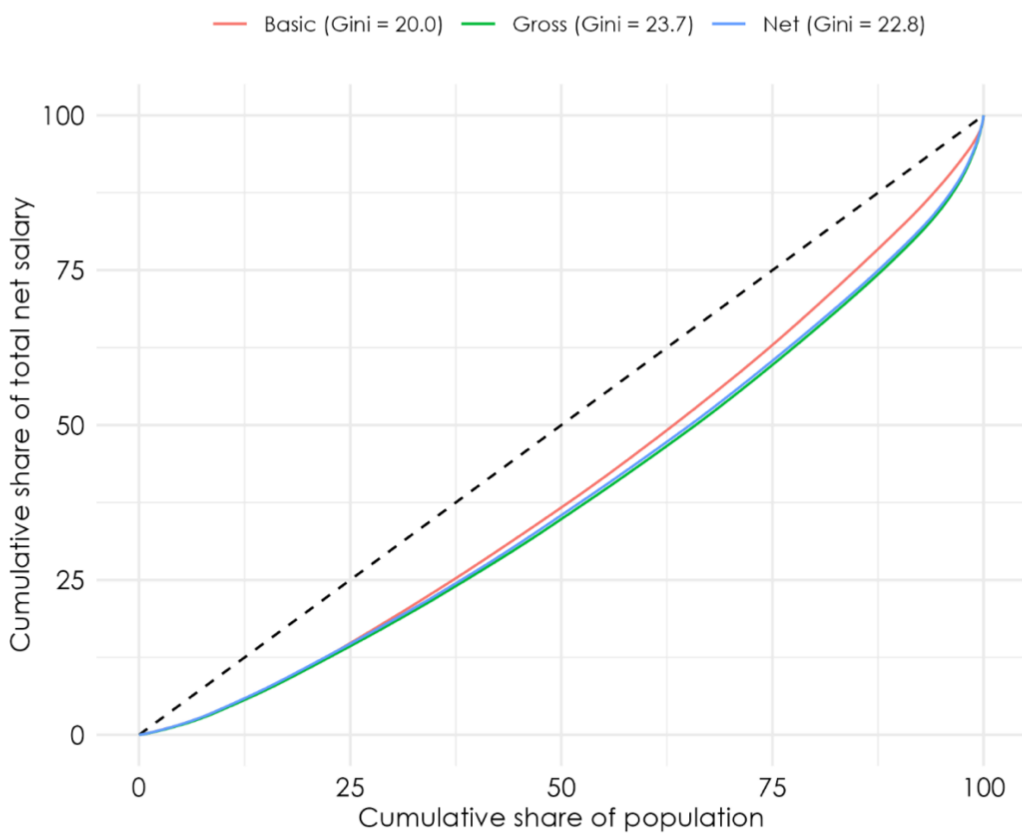
The sharp disparity between the monthly salaries of Ghanaian workers in Figure 2 reveals a significant income divide that emphasizes the nation's economic inequality. The minimum basic salary considerably lags the mean and maximum figures, indicating a substantial gap between the highest and lowest earners. This highlights the glaring pay disparity in the workforce by implying that many workers are likely paid close to the minimum wage. A minimum value of GH₵0 suggests that the lower earners are completely excluded when it comes to allowances. This lack of additional funding stands in contrast to the large allowances at the top end, indicating a distinct pay gap that appears to be impacted by internal policies, institutional standing, and job designation. This disparity is exacerbated by the gross salary, which is the sum

[3] Note. From "Ghana 2022 Earnings Inequality in the Public Sector" by Felix Adjei (2023, December 4). Retrieved from https://statsghana.gov.gh/gssmain/fileUpload/pressrelease/Earnings%20Inequality%20Report%2014-02-2023.pdf. Copyright 2023 by Ghana Statistical Service.

of the basic pay and benefits. The fact that the mean gross salary is so low compared to the highest figures indicates that a small number of people are making significantly more money than the majority. For the lowest-paid workers, deductions—which deduct income tax and pension fund contributions from the gross salary—present a minimal amount. This might be a result of their low income, which most likely falls short of what is needed to qualify for higher tax brackets or sizeable pension contributions. Of all the data, the net salary data may be the most revealing. The data indicates a significant disparity in take-home pay between the highest and lowest earners, with the maximum figures significantly exceeding the minimum. The essence of income inequality is encapsulated by this divergence in net salary, which also underscores the substantial advantage that the highest earners enjoy over those at the bottom of the wage scale.

All things considered; Figure 3 presents a convincing depiction of Ghana's economic inequality. Not only are there obvious differences in take-home pay between the highest and lowest incomes, but these differences also point to a deeper economic stratification. Income inequality in Ghana presents a varied challenge, reflecting disparities in income distribution and access to resources. The Gini coefficient, a widely accepted measure of inequality, has been instrumental in analyzing these trends. This coefficient, measures inequality by representing the ratio of the area between the Lorenz curve of a distribution and the curve of uniform distribution to the area under the uniform distribution, ranging from 0 (perfect equality) to 1 (perfect inequality). The Gini coefficient serves as a critical indicator of income inequality, encapsulating the income distribution of a nation's residents within a single figure. According to the Ghana Statistical Service's "Earnings Inequality Report" (2023), the Gini coefficient for net salaries within the public sector is 0.228, indicating a level of inequality that, while relatively modest, still reflects discrepancies in earnings across different demographics as shown in Figure 3.

[4]Figure 3 Lorenz Curves of Basic, Gross and Net Salaries



The report reveals that the top 10% of earners within the public sector accrue 22% of the total net salary, while the bottom 50% only lay claim to a third of the net salary pool. This divergence in earnings is even more pronounced when considering gross earnings, which include various allowances, resulting in a higher Gini coefficient of 0.237 (Ghana Statistical Service, 2023).

[4] Note. From "Ghana 2022 Earnings Inequality in the Public Sector" by Felix Adjei (2023, December 4). Retrieved from https://statsghana.gov.gh/gssmain/fileUpload/pressrelease/Earnings%20Inequality%20Report%2014-02-2023.pdf. Copyright 2023 by Ghana Statistical Service.

In Ghana, the top 10% of earners receive 82% of the income earned by the poorest 40%, according to the Palma ratio, another indicator of inequality, which is 0.82 (Ghana Statistical Service, 2023). With the current level of income disparity as well as the significance of legislative initiatives meant to lessen these differences. The public sector, which operates under the idea of "equal pay for work of equal value," is remarkable because it ought to, in theory, display less income inequality. The observed earnings inequality is attributed, however, in part, to the disparities in pay between different Government Ministries, Departments, and Agencies (MDAs) as well as the differences between negotiated and approved specialized skills required for the deployment of these institutions' mandates (Ghana Statistical Service, 2023)

The Gini coefficient, Palma ratio, and the disparities in allowances all point towards a pressing need for policy reforms and the development of strategies to foster a more equitable salary structure within Ghana's public sector.

Ghana's Economic Reforms: Growth Amidst Enduring Inequality

Ghana's experience with periods of post-1983 economic reforms and state control prior to privatization offers an intricate depiction of both economic growth and wealth inequality. State regulations controlled the Ghanaian economy from 1960 to 1983, which Fosu and O'Connell (2006) pointed out generally impeded growth in sub-Saharan Africa. This era's regulations hindered the possibility of a wide economic recovery, which left the nation with a legacy of income inequality and a stagnant per capita growth rate. Economic development frequently benefited just those working in certain industries or in cities, ignoring the rural and agrarian people that still faced destitution and low productivity.

Ghana transitioned to liberal market policies with the introduction of the Structural Adjustment Programme (SAP) and the Economic Recovery Programme (ERP), which brought in a time of stability and economic expansion. However, despite these changes, the expected structural change did not occur to the same degree as in other developing nations. For example, the manufacturing sector's GDP share fell from 11.2% pre-reform to 8.7% post-ERP, indicating a persistent lack of inter-sectoral structural change normally associated with economic development. The manufacturing sector's GDP growth also did not keep up with overall economic growth.

In addition, the labor market's shifts—which included the layoffs of public sector employees and a drop in formal employment—mirrored larger difficulties in generating stable and beneficial jobs. Because of the shift, there was a greater reliance on the informal sector, where employment is usually less stable and paid, which increased income disparity. The fact that many people in formal work found themselves in precarious positions and that those in formal employment had higher and more secure salaries highlights the need for governmental measures that promote job creation across the economic spectrum. Prior to the ERP reforms, the manufacturing and agricultural sectors' low productivity and underinvestment had a major role in the growing income gap between rural and urban areas. The emphasis on import substitution tactics and state farms was unable to spark a shift toward endeavors that could more fairly distribute income. In addition, the pre-reform era's oppressive financial regulations created an underdeveloped financial sector that impeded small and medium-sized businesses' and the poor's access to credit, thus increasing inequality.

The issue was made more difficult by Ghana's struggle with significant public sector deficits and its inflationary financing practices, which frequently disproportionately impact the poor and reduce the real value of their savings and incomes. The volatility of the global terms of commerce and the nation's reliance on a small number of important exports for foreign exchange exacerbated this problem by causing swings in employment and income that affected the distribution of income, especially for those reliant on export-oriented industries.

Many developing nations can learn from Ghana's experiences with income disparity and economic change. Income disparity does not always decrease because of policy changes that promote growth. This demonstrates how crucial it is to make structural economic adjustments, human capital investments, and governance enhancements to guarantee that growth results in a fair distribution of income. This global perspective highlights the necessity for targeted policies that address the unique challenges of income inequality, reflecting each country's distinct economic context.

Policy Recommendations

The Structural Adjustment Policies (SAPs) in Ghana are extensively criticized by Jon Kraus in his 1991 essay "The Struggle over Structural Adjustment in Ghana," which emphasizes the policies' numerous negative effects. According to Kraus, SAPs caused severe socioeconomic suffering, including a marked increase in unemployment, a reduction in government spending on essential public services, and an enlargement of the wealth gap between the rich and the poor, despite their stated intention to stabilize the economy and promote growth. He also highlights the negative consequences of these policies on public services, especially in the areas of healthcare and education, where cutbacks in state funding and subsidies resulted in a major decline in service quality, which disproportionately affected lower-class populations and widened the gap between them. Kraus also discusses Ghanaian intellectuals, students, and laborers' political and social opposition to SAPs, seeing these laws as foreign-imposed and a danger to the country's sovereignty, which sparked massive social unrest and rallies.

Realigning Market Liberalization and Social Welfare

Income disparity was made worse by structural adjustment policies' (SAPs) historical emphasis on market deregulation, which frequently came at the expense of social welfare. A redesigned strategy proposes striking a balance between social welfare programs and liberalization. This would entail providing focused assistance to communities and industries that have previously been affected by SAPs, especially those in rural and underserved areas. By doing this, it addresses the underlying causes of income disparity head-on and redirects attention toward fair growth. To promote inclusive economic development in Ghana and guarantee that the advantages of growth are dispersed more fairly among all society segments, this adjustment is crucial.

This can be accomplished by implementing strategies such as rural microfinance programs, which have proven effective in Bangladesh and other countries by using the Grameen Bank model (Moner-Girona et al., 2012). By offering financial services to the underprivileged, these initiatives promote local entrepreneurship and job growth. Furthermore, the adoption of fair-trade agriculture policies—which are like to those observed in nations like Costa Rica—can assist farmers who have been adversely impacted by earlier liberalization measures.

Bridging the Inequality Gap through Education and Healthcare

Reduced public spending in essential sectors like healthcare and education was often the outcome of SAPs, which widened the divide between rich and poor. The goal of the suggested policy change toward greater human capital investment is to ensure that all people have fair access to high-quality healthcare and education. Improving social mobility and long-term economic results depend heavily on this investment. The new strategy seeks to address inequalities caused or exacerbated by past policies by giving priority to these areas, guaranteeing that every Ghanaian has the chance to participate in and profit from the country's economic development.

Brain drain can be considerably reduced in Ghana by increasing healthcare and education spending, following the lead of other successful economies. Ghana may create a highly qualified workforce by improving educational standards, similar to South Korea's approach, which will lessen the incentive for professionals to go for opportunities outside. Ghana can enhance healthcare accessibility and quality by adopting Rwanda's healthcare model. By keeping medical experts in the nation, this increase in healthcare services might lessen the effects of brain drain. Ghana may improve its internal capabilities and lessen the migration of talented individuals to other nations by raising the bar in these vital industries.

Mitigating Over-Reliance on Few Sectors

SAPs frequently resulted in an unhealthy reliance on a small number of industries. New policies that promote economic diversification would encourage the development of industries like technology, renewable energy, and value-added manufacturing. The goal of this diversification technique is to reduce the risks brought on by an excessive reliance on one or more industries. These measures would produce a more robust economy by widening the economic base and providing a variety of economic possibilities across various industries and areas. This strategy offers a variety of opportunities for economic growth and involvement, which is essential for mitigating income disparity.

Countries such as Singapore, which revolutionized its economy through investments in financial services, high-tech industries, and urban tourism, might serve as models for economic diversification. This might include developing new job sectors and lessening dependency on more established industries like mining and agriculture in Ghana by funding tech companies and renewable energy initiatives. This strategy directly reduces income disparity by boosting the economy and creating new opportunities for wealth creation and employment.

Implications for Global Economy and Ghana

Kraus's criticism of SAPs emphasizes the necessity for a sophisticated approach that takes local socioeconomic conditions into account and draws attention to the detrimental local effects of global economic policies. In addition to being specifically designed to address Ghana's unique problems with income inequality and social welfare, the updated structural adjustment focus, increased investment in human capital, and economic diversification also conform to global trends toward inclusive and sustainable economic practices. These suggestions, which draw inspiration from effective models from nations such as Bangladesh, South Korea, Rwanda, and Singapore, show how Ghana might absorb global standards while tackling its own set of issues. By putting these ideas into practice, Ghana will be able to better integrate into the global economy, creating an atmosphere that will draw foreign trade and investment and increase its presence in foreign markets. This approach underscores the importance of aligning national policies with global economic trends, ensuring that countries like Ghana can both contribute to and benefit from the global economy while addressing critical internal socio-economic disparities.

Conclusion

In concluding, this paper has provided a comprehensive exploration of the persistent economic inequality in Ghana, a critical issue in the context of global economic dynamics. Through an in-depth analysis of historical economic policies, globalization effects, and institutional factors, it has been demonstrated that economic growth in Ghana has not translated into equitable wealth distribution. Despite notable economic progress, the study highlights a widening gap between the rich and the poor, especially pronounced in urban-rural divides.

The study does a good job of illustrating how structural adjustment measures exacerbate the effects of globalization, which have differing effects on different socioeconomic classes. It emphasizes how targeted policy measures are required to address these systemic inequalities and guarantee that the advantages of economic progress are shared more fairly.

With the help of both quantitative and qualitative data, a thorough analysis of Ghana's income disparity has shown how intricately past policies, present macroeconomic circumstances, and the larger global economic landscape interact. This analysis sheds light on the complex issues surrounding economic inequality in Ghana, including the disparity between incomes in urban and rural areas, sectoral differences, and the influence of international economic trends on local economies.

In summary, this research greatly advances our knowledge of the mechanisms underlying economic disparity in Ghana. It highlights how urgently changes in policy are required to lessen inequality and promote inclusive growth. The study offers significant insights for policymakers, scholars, and other stakeholders interested in fostering equitable economic growth in Ghana and similar contexts by emphasizing the significance of tackling both the underlying causes and the manifestations of economic disparity.

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