

Time to Radically Raise Ghana's Minimum Wage: A Policy Brief (2026)

Introduction

Ghana's national minimum wage has historically remained far below the cost of living, leaving full-time workers unable to meet basic needs. As of 2025, the daily minimum wage stands at GH¢19.97, translating to roughly GH¢540 per month (Citi Newsroom, 2025). This policy brief argues that Ghana must radically reform its minimum wage framework and align it with economic realities, inflation trends, and living wage benchmarks.

Historical Evolution of Ghana's Minimum Wage

Minimum wage adjustments in Ghana have largely been incremental and reactive. Between 2015 and 2020, increases averaged less than GH¢1 annually, consistently lagging inflation (Ghana Statistical Service, 2023). Although sharper increases were implemented between 2023 and 2025, these adjustments primarily attempted to recover lost purchasing power rather than improve real incomes (Ministry of Employment and Labour Relations, 2024).

Cost of Living Versus Minimum Wage

Current minimum wage levels are insufficient when compared to Ghana's cost of living. Studies indicate that a single adult requires approximately GH¢2,900 per month to maintain a basic but decent standard of living (Global Living Wage Coalition, 2023). Food, housing, transport, and utilities alone far exceed the earnings of a minimum wage worker (Numbeo, 2024).

Regional and International Comparisons

Ghana's minimum wage is among the lowest in Africa. Countries such as Nigeria, Côte d'Ivoire, Kenya, and South Africa maintain significantly higher wage floors despite similar economic challenges (Statista, 2024; Trading Economics, 2025). This disparity undermines Ghana's competitiveness and contributes to labour migration.

The Case for Radical Reform

Maintaining extremely low wages depresses domestic consumption, increases poverty, and weakens productivity (International Labour Organization, 2022). A living wage approach, indexed to inflation and cost of living metrics, would strengthen household stability and economic resilience (Ghana Trades Union Congress, 2023).

Proposed Revised Minimum Wage

This policy brief recommends setting Ghana's minimum wage at a minimum of GH¢1,500 per month starting in 2026, with a structured roadmap toward a GH¢3,000 living wage within five years (Global Living Wage Coalition, 2023).

Conclusion

Reforming Ghana's minimum wage is both an economic necessity and a moral imperative. A fair wage floor will reduce poverty, boost productivity, and promote inclusive growth. Policymakers must act decisively to protect workers and strengthen the national economy.