Poverty, as a burning issue worldwide, has also attracted a lot of attention among analysts in Ghana during the last decade. However, most studies have serious shortcomings that throw doubt upon the results and conclusions obtained. These studies tend to focus on poverty at a single point in time and fail to capture the changes and overall evolution of poverty. They also generally adopt a single proxy of poverty, namely income or consumption, neglecting other important non-monetary dimensions of poverty such as access to clean water, sanitation, housing conditions, etc. Finally, most poverty studies adopt a simplistic approach whereby one is either poor or non-poor depending on whether one's income is above or below a chosen poverty line.

Kojo Appiah-Kubi carries out an analysis that addresses all three of these issues by applying so-called fuzzy sets in studying several dimensions of poverty in Ghana in 1991/92 and 1998/99. Fuzzy sets explicitly take into consideration the degree of poverty. The different dimensions examined combine monetary and non-monetary, as well as qualitative and quantitative, poverty indicators into a number of composite poverty measures. The study compares levels of deprivation in Ghana over time using micro-data from the last two rounds of the Ghana Living Standard Surveys (1991/1992 and 1998/1999).

Appiah-Kubi estimates a composite deprivation rate of 21.4 percent for Ghana as a whole, which is considerably less than the estimated poverty incidence of 39.5 percent obtained with traditional, unidimensional, methods. However, his results suggest that, rather than falling over the 1990s, as suggested by existing studies, his broader estimate of poverty has actually slightly increased during this period. In particular, households are found to have particularly high degrees of deprivation for seemingly “non-essential” household durables such as televisions, refrigerators, as compared with “essential” household items such as water, shelter and food. This suggests that Ghanaians gear their lifestyle in order to fulfill the basic necessities of life.

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