Report

How COVID-19 is affecting workers and their livelihoods in urban Ghana

Results from the GSPS-COVID panel survey

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How COVID-19 is affecting workers and their livelihoods in urban Ghana

Results from the GSPS-COVID panel survey

This survey is a collaborative project conducted by researchers of the United Nations University World Institute for Development Economics Research (UNU-WIDER) and the Institute of Statistical, Social and Economic Research (ISSER), University of Ghana, Legon.

It presents one of the few datasets that allow assessing the immediate and near-term impact of the COVID-19 pandemic and related policy measures on labour market outcomes in sub-Saharan Africa, focusing on the livelihoods of workers in urban Ghana. The data has been collected on a purposefully selected subsample drawn from the 2018/19 Ghana Socioeconomic Panel Survey (GSPS), a regionally representative multipurpose panel survey.

Key findings are:

- **Government response measures:** The majority of respondents saw strong changes in their life attributable to the pandemic, and about two out of three (62.6 per cent) reported unemployment or loss of income as the aspect that impacted them the most. Despite these pressing concerns, 95.6 per cent expressed support for the implementation of confinement and closure policies. A somewhat smaller but yet large share, 84.8 per cent, supported the relaxation of these measures.

- **Economic impact:** Overall, 84.3 per cent of respondents reported a decline in household income since the start of the coronavirus pandemic, and 41.9 per cent said that their household had lost its main source of income, in most cases being derived from the labour market. In the face of this income shock, the share of respondents running out of money to buy food surged by 34.6 percentage points from February to April 2020. Despite clear signs of recovery in subsequent months, the incidence of food poverty in the sample was still 11 percentage points higher in August/September 2020 compared to the pre-COVID-19 level.

- **Labour market impact:** Job losses during the early phases of the pandemic were significantly more sizable in districts affected by the partial lockdown: only one out of three respondents (34.5 per cent) in districts under lockdown continued working throughout April 2020, compared to two out of three (66.7 per cent) in no-lockdown districts. Two-thirds (67.9 per cent) saw workplace and business closures due to government regulations as the main reason for this break in economic activity. The recovery in employment up to August/September 2020 has been strong but uneven. While the gap in employment outcomes between locations subject to different lockdown policies had closed, employment was still 14.7 percentage points lower compared to the pre-pandemic level, and average weekly earnings had reduced by 18.2 per cent. The impact was felt the most by low-income earners in informal work and women, who were more likely to drop out of work in the early phases of the pandemic and saw a slower recovery in both employment and earnings.

The findings indicate that the COVID-19 pandemic was acutely felt in the labour market, accentuating existing inequalities. While the lockdown of Ghana's metropolitan centres was short-lived and labour markets subsequently witnessed a strong but partial recovery, the economic burden of the pandemic continues to fall on the most vulnerable. To avoid a backsliding in Ghana's progress on reducing poverty and mitigate pressures to inequality, future containment policies will need to be coupled with protective measures that address the needs of those at risk of being left behind in the crisis.

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1. About this survey

This report presents the results of the GSPS-COVID-19 survey conducted in 2020 by researchers of the United Nations University World Institute for Development Economics Research (UNU-WIDER) and the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, Legon.

It depicts one of the few datasets that allow assessing the immediate and near-term impact of the COVID-19 pandemic on the livelihoods of workers in urban Ghana. The data has been collected on a purposefully selected subsample drawn from the 2018/19 Ghana Socioeconomic Panel Survey (GSPS), a regionally representative multipurpose panel survey.

1.1. Background

To limit the spread of COVID-19, the infectious disease caused by the novel coronavirus, policy makers around the world have enacted stringent containment and closure policies. In April 2020, rules on hygiene and social distancing reshaped daily life. Consequently, schools and businesses were closed, gatherings banned, and almost 2.7 billion workers, representing around 81 per cent of the world's workforce, were affected by partial or full lockdown regulations (ILO 2020a).

In Ghana, the first two cases of COVID-19 were reported on 12 March 2020. As a first response, on 15 March, all public gatherings exceeding 25 people were banned, all schools and universities were closed until further notice, and on 23 March the country's borders were closed. In the interest of public safety and protection of the population, a partial lockdown was introduced on 30 March in the areas identified as 'hotspots' in the country—including the Greater Accra and Greater Kumasi Metropolitan Areas and contiguous districts. The partial lockdown was lifted after a 21-day period on 20 April, while the other measures remained in effect throughout May 2020, and were only gradually lifted from 5 June onwards.

The decision to lift the partial lockdown was largely influenced by mounting concerns regarding the severe economic burden that the restrictions posed—especially on the livelihoods of the urban poor, many of whom had by that time run out of money to buy food, due both to the hike in food prices and to the restricted possibilities to earn a living (Asante and Mills 2020).

Across the world, the economic impact of distancing polices and the overall drop in demand were acutely felt in the labour market—triggering job losses, business closures, and underemployment. Informal employment, an activity of last resort that often serves to buffer the impact of economic shocks in developing countries, was suddenly rendered unavailable due to the imposed restrictions. Workers in the informal sector have been particularly vulnerable by the crisis, as they generally rely on daily sales for their earnings, have limited or no access to healthcare or social safety nets, lack mechanisms for collective bargaining, and tend to be in activities that are contact-intensive and thus particularly affected by the pandemic response measures (Balde et al. 2020; Danquah et al. 2020; ILO 2020b).

1.2. Objectives and questionnaire

The GSPS-COVID Panel Survey was implemented with the goal of gaining a better understanding of how workers in urban Ghana were coping with the COVID-19 pandemic, the main challenges they were facing, and how they viewed the response measures adopted by national and local governments.

To achieve this objective, detailed data has been collected on the following four key elements:

- Respondents' perception of and compliance with **policy measures** adopted in response to the COVID-19 pandemic
- The **economic impact** of the pandemic on household income and ability to satisfy basic needs, considering adopted coping strategies and take-up of government relief measures
- The **labour market impact** of the pandemic, retrospectively capturing respondents' work status in February 2020 (i.e., before the coronavirus had reached Ghana), April 2020 (the month when parts of Ghana were under lockdown), and the last seven days prior to the interview
- Households' **health status**, checking for symptoms of COVID-19 as well as risk factors, such as any chronic conditions or other major illnesses.

The dataset not only aims to provide a foundation for investigating the immediate and near-term impact of the COVID-19 pandemic on workers' livelihoods, but also to allow assessing the extent to which these effects are heterogeneous across various groups of workers, who differ in their exposure to the shock and/or their ability to cope with and adapt to the situation.

Importantly, the data allow differentiating workers by:

- **Location**: e.g., districts subject to different lockdown policies
- **Type of employmen**t: e.g.; wage versus self-employment, formal versus informal employment[1]
- **Demographic characteristics:** e.g., males versus females (other characteristics such as marital status, education level, or household assets are available from earlier waves of GSPS).

1.3. Sample design and implementation of the survey

Funding for the GSPS-COVID Panel Survey was provided by UNU-WIDER. The survey was designed collaboratively between UNU-WIDER and ISSER. ISSER supervised and carried out the survey.

The sample for the GSPS-COVID Panel Survey was drawn from the most recent round of GSPS, which is a joint effort between the Global Poverty Research Lab at Northwestern University and ISSER at the University of Ghana.[2] The first round of the GSPS was collected in 2009/10 (Wave 1), consisting of a nationally representative sample of 5,010 households in 334 enumeration areas containing 18,889 household members. Follow-up rounds were conducted in 2013/14 (Wave 2), and 2018/19 (Wave 3).

To construct the sampling frame for this study, we focused on the GSPS Wave 3 (W3) adult population in urban areas who were heads of household and had been working (outside of smallholder agriculture) in the last survey round. From these we drew a random sample of 937 respondents, stratified by geographic location, occupational position (wage employee versus self-employed) and formality status

[1] In this report, wage workers with written contracts and any social security withholdings from their salaries (for medical care or retirement provisions) are classified as formal. Self-employed workers are classified as formal if operating an enterprise that is officially registered with relevant national institutions.

[2] The first two waves were a collaboration between the Economic Growth Centre at Yale University and ISSER at the University of Ghana.

(formal versus informal employment). Among those who were contacted, 187 could not be reached, 55 refused participation, 17 were no longer members of the same household, 10 could not be unequivocally identified, and in 8 cases the interview was not completed (see Table A1 in Appendix). This leaves us with a sample of 661 respondents to whom the structured questionnaire was successfully administered by trained local enumerators using telephone interviews. Out of the 661 respondents, 612 were actively working in February 2020, before the COVID-19 pandemic had reached Ghana.

The interviews took place between 19 August and 17 September 2020.

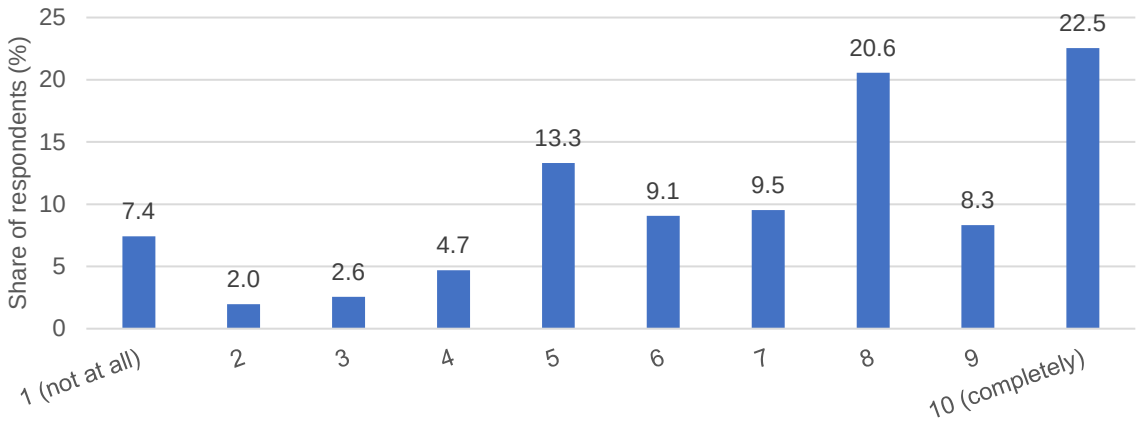
A set of basic descriptives for the sample of 661 respondents is provided in Table A2 in the Appendix.

The data allow for comparisons between respondents located in districts that were subject to the partial lockdown in Ghana (see Section 1.1), and respondents located in districts with no stringent lockdown policies in place. Figure A1 in the Appendix illustrates the sample coverage.

2. Pandemic response measures

The survey first asked respondents how much their life had changed due to the coronavirus pandemic on a scale from one (not at all) to ten (completely). The detailed distribution of answers is presented in Figure 1. Five out of ten respondents (51.4 per cent) reported strong changes (scale 8–10), while only one out of ten (12 per cent) reported no or moderate changes (scale 1–3).

Figure 1: Changes in life over the last five months due to coronavirus pandemic



Source: authors' estimates based on GSPS-COVID-19 survey.

Table 1 reports the average rating scores of changes in life due to the coronavirus pandemic reported by different subgroups. Respondents in lockdown districts reported slightly higher changes than those in no-lockdown districts, women tended to report somewhat higher changes than men, and those who had been in informal employment prior to the pandemic appeared to be somewhat more affected than those who had been in formal employment. These differences yet are relatively small and, considering the distribution of responses, are not statistically significant. However, those who had been self-employed prior to the pandemic reported significantly larger life changes attributable to the pandemic than those who had been wage employed (see Figures A1-A5 Appendix for detailed listing of responses by subgroup and means estimates with confidence intervals).

Table 1: Average change in life (rating score) due to coronavirus pandemic, by subgroup

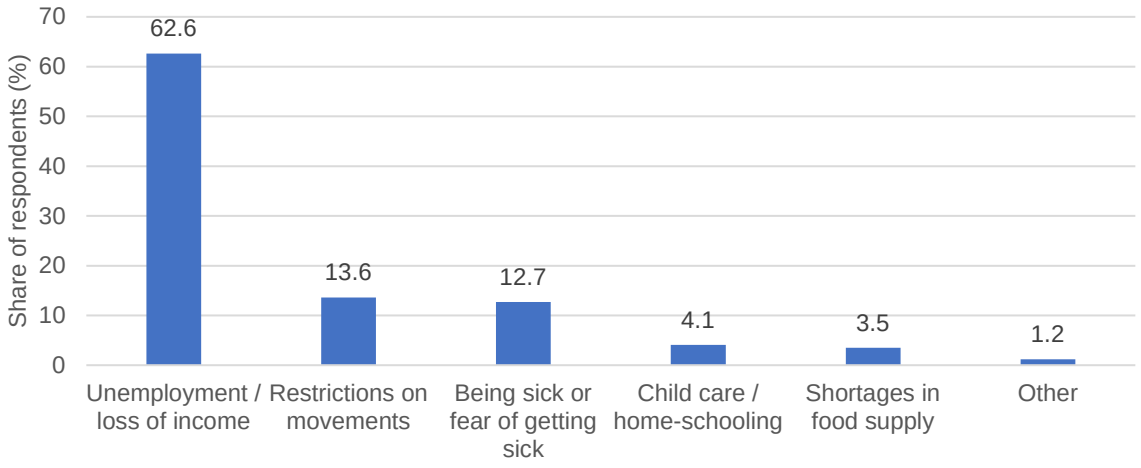
Total	Lockdown status		Gender		Work formality status		Employment type	
	No lockdown	Lockdown	Male	Female	Informal	Formal	Wage empl.	Self-empl.
6.9	6.8	7.1	6.8	7.1	6.9	6.8	6.4	7.2

Source: authors' estimates based on GSPS-COVID-19 survey.

Figure 2 provides a ranking of aspects of the COVID-19 pandemic that, according to respondents, had the largest impact on them personally. About two out of three respondents (62.6 per cent) selected unemployment or loss of income as the aspect of the pandemic that impacted them the most. In addition, 13.6 per cent of respondents reported restrictions on movement as their primary concern, while 12.7 per cent mentioned being sick or fear of getting sick, followed by childcare and/or home-schooling (4.1 per cent), shortages in food supply (3.5 per cent) and other concerns (1.2 per cent).

Differentiating between subgroups, Figure 2 reports the average share of respondents who reported unemployment or loss of income as their main concern. Interestingly, respondents located in lockdown versus no-lockdown districts were equally concerned about unemployment or loss of income. However, the share of respondents mainly worrying about restrictions on movement or potential health effects was slightly higher in lockdown districts. While differences by gender are small, the data further show that women tended to be less concerned about the economic effects of the pandemic and expressed larger worries regarding their health and childcare and/or home-schooling responsibilities. Yet more substantial and statistically significant differences are observed in the responses of workers depending on their pre-pandemic status in employment—67.6 per cent of respondents in informal work were primarily worried about unemployment or loss of income during the pandemic, compared to 54.9 per cent of respondents in formal work. Moreover, 68.7 per cent of the self-employed saw unemployment or loss of income as their main concern, compared to 56.8 per cent of those in wage employment (see Figures A6-A9 Appendix for detailed listing of responses by subgroup and means estimates with confidence intervals).

Figure 2: Aspect of coronavirus pandemic that had the greatest impact



Source: authors' estimates based on GSPS-COVID-19 survey.

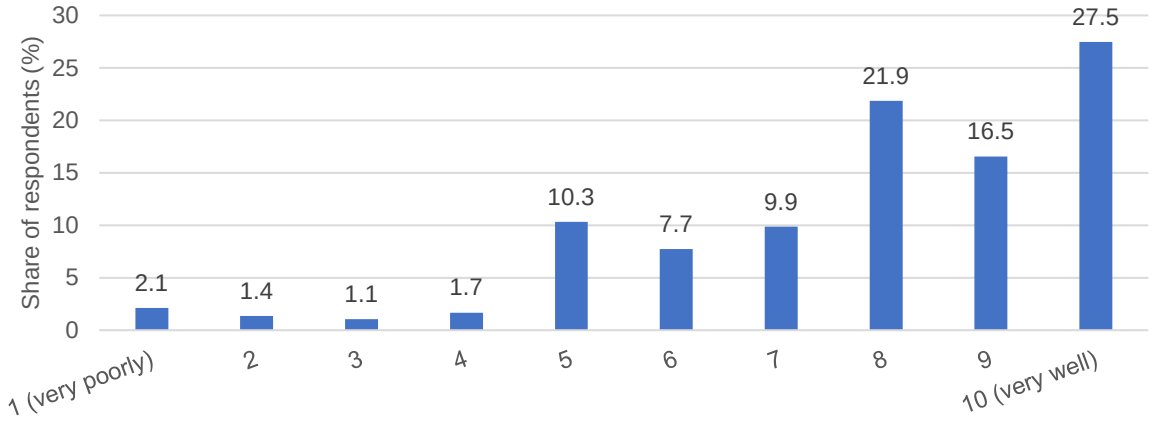
Table 2: Average share (%) who selected unemployment/loss of income as main concern, by subgroup

Total	Lockdown status		Gender		Work formality status		Employment type	
	No lockdown	Lockdown	Male	Female	Informal	Formal	Wage empl.	Self-empl.
62.6	62.6	62.7	64.0	61.1	67.6	54.9	56.8	68.7

Source: authors' estimates based on GSPS-COVID-19 survey.

Next, the survey asked respondents to rate—on a scale from one (very poorly) to ten (very well)—how well the national government had responded to the coronavirus crisis (see Figure 3). Two out of three respondents (65.9 per cent) expressed strong satisfaction with the government response (rating 8–10), while only 4.6 percent were clearly critical (rating 1–3).

Figure 3: Rating of response by the national government to the coronavirus pandemic



Source: authors' estimates based on GSPS-COVID-19 survey.

How different subgroups rated the government response to the coronavirus pandemic is reported in Table 3. The average rating score was slightly higher in lockdown districts (8.0) than in no-lockdown districts (7.6), which may suggest that respondents in lockdown districts saw the need for this drastic measure, despite adverse welfare effects. The data show no significant differences in rating scores between males and females, or by pre-pandemic status in employment (see Figure A10 for means estimates with confidence intervals).

Table 3: Average rating of government response to coronavirus pandemic, by subgroup

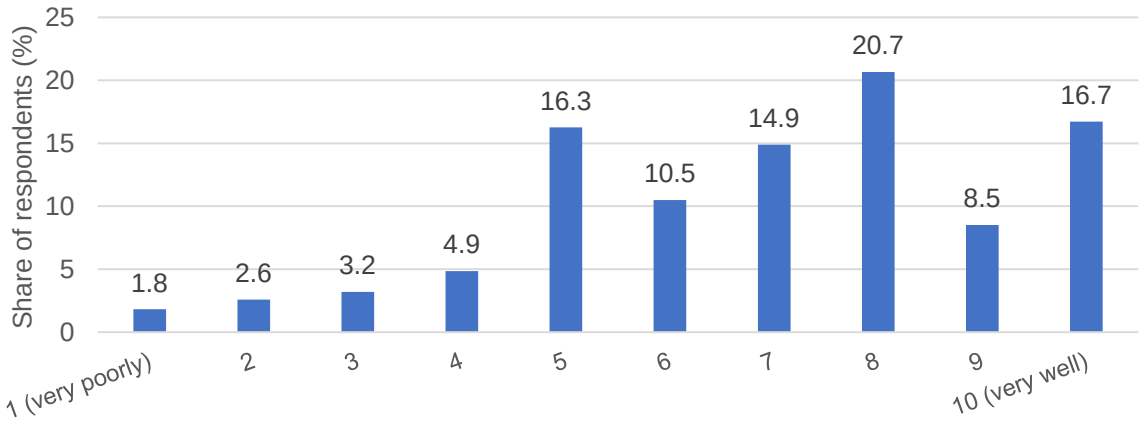
Total	Lockdown status		Gender		Work formality status		Employment type	
	No lockdown	Lockdown	Male	Female	Informal	Formal	Wage empl.	Self-empl.
7.8	7.6	8.0	7.7	7.9	7.8	7.8	7.6	7.9

Source: authors' estimates based on GSPS-COVID-19 survey.

The survey also asked respondents to rate (on the same scale) how well non-state actors—such as churches, mosques, or NGOs—had responded to the pandemic. The detailed distribution of answers is presented in Figure 4. Overall, the rating was slightly less positive than for the national government, with 45.9 per cent of respondents expressing strong satisfaction (rating 8–10), and 7.6 per cent being clearly critical (rating 1–3).

The average ratings by subgroup of the response by non-state actors to the coronavirus pandemic are reported in Table 4. While the average rating score is very similar in lockdown and no-lockdown districts and between workers in different types of employment, the data show that women (7.1) rated the response by non-state actors more positively than men (6.7), on average (see Figure A11 for means estimates with confidence intervals).

Figure 4: Rating of response by non-state actors to coronavirus pandemic



Source: authors' estimates based on GSPS-COVID-19 survey.

Table 4: Average rating of response by non-state actors to coronavirus pandemic, by subgroup

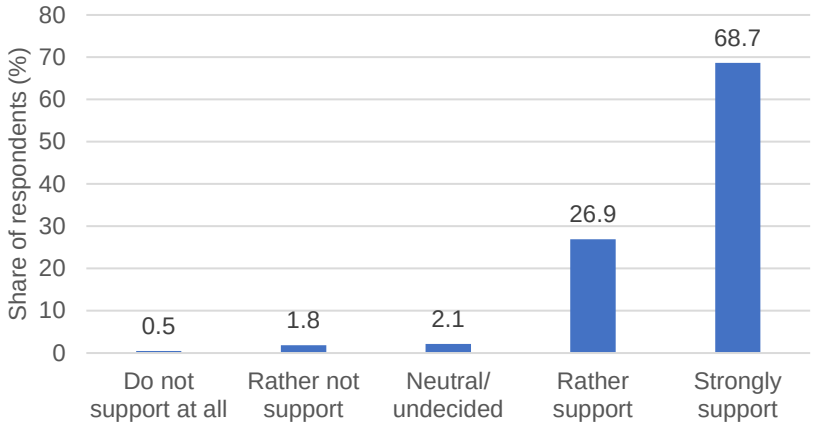
Total	Lockdown status		Gender		Work formality status		Employment type	
	No lockdown	Lockdown	Male	Female	Informal	Formal	Wage empl.	Self-empl.
6.9	6.8	7.0	6.7	7.1	6.9	6.8	6.7	6.9

Source: authors' estimates based on GSPS-COVID-19 survey.

In a next step, interviewers reminded respondents of specific government response measures that had been introduced in Ghana since mid-March 2020 to control and prevent further spread of the coronavirus. Most of these measures had been lifted by the time of the interview. The list of measures included: the ban of all public gatherings; the implementation of social distancing measures (incl. instructions to wear face masks in public spaces); the closure of bars, restaurants, schools and universities; the suspension of religious services; the closure of borders; and the partial lockdown of areas identified as 'hotspots'.

First, respondents were asked to indicate to which degree they supported the implementation of these measures. In line with the overall positive assessment of the government response to the crisis, 95.6 per cent expressed support for the implementation of the listed measures, with 68.7 per cent being strongly supportive and 26.8 per cent expressing moderate support (see Figure 5).

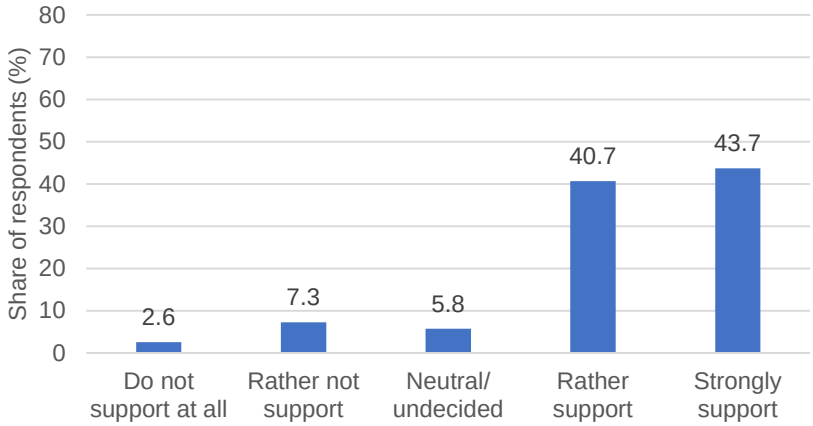
Figure 5: Support for implementation of confinement policies



Source: authors' estimates based on GSPS-COVID-19 survey.

Second, respondents were asked to indicate to which degree they supported the gradual relaxation of these measures. Relative to the support for the initial implementation (Figure 5), a slightly smaller but still very large share of 84.8 expressed support for the relaxation of the listed measures, with a clearly smaller share of 43.7 per cent being strongly supportive and 40.7 per cent expressing moderate support (see Figure 6).

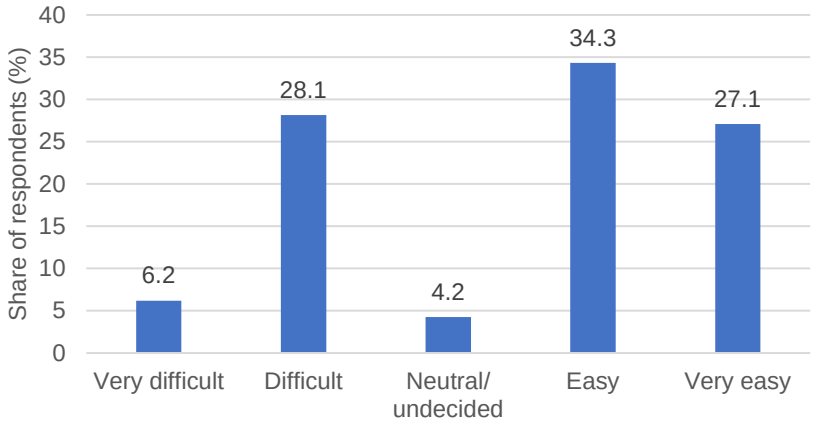
Figure 6: Support for gradual relaxation of confinement policies



Source: authors' estimates based on GSPS-COVID-19 survey.

Third, respondents were asked how difficult it had been for them personally to comply with the listed measures while they were in place. As displayed in Figure 7, responses to this question were more mixed. About 61.4 per cent of respondents found it either easy or very easy to comply with the measures, while 34.3 said it had been difficult or very difficult.

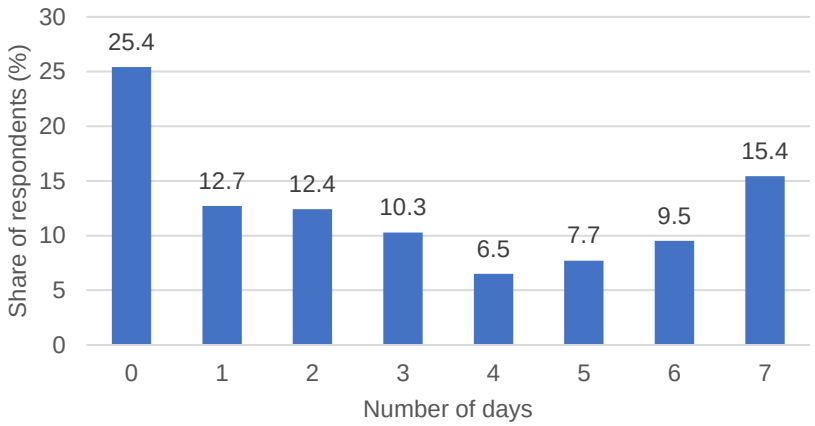
Figure 7: Difficulty of compliance with confinement policies



Source: authors' estimates based on GSPS-COVID-19 survey.

Lastly, the survey asked respondents for how many days they had stayed home in the past seven days prior to the interview (conducted in August/September), without going out at all. As shown in Figure 8, there is some polarization of answers at the two extremes, with 25.4 per cent reporting leaving the house on all seven days and 15.7 per cent reporting staying home on all seven days. On average, respondents stayed home on three out of seven days in the last week. The average was slightly higher in lockdown districts (3.1 days) was slightly higher than in no-lockdown districts (2.9 days).

Figure 8: Number of days stayed at home in the last week



Source: authors' estimates based on GSPS-COVID-19 survey.

3. Economic impact of COVID-19

The next section of the survey explored the general economic impact of the pandemic. First, all sources of income to which the respondents' household had access in February 2020 (i.e., before the coronavirus had reached Ghana) were recorded. Subsequently, respondents were asked whether their household had experienced a decline or an increase in any of these sources since the start of the coronavirus pandemic.

The results are reported in Table 5. Labour earnings were by far the most important source of household income prior to the pandemic. In total, 92.1 per cent of respondents reported that their household had access to income from the labour market. Specifically, 65.2 per cent reported access to returns from self-employment and 38.0 per cent reported access to earnings from wage employment. Among these, 11.1 per cent had access to labour income from both sources of labour income in their household. Other relevant sources included remittances from friends or family (6.5 per cent), rental income (2.3 per cent),

private pensions (2.0 per cent), and government grants (1.7 per cent). Only 1.5 per cent of respondents reported not having access to any type of income in their household.

Overall, 84.3 per cent of respondents reported a decline in household income since the start of the coronavirus pandemic. Remarkably, 93.5 per cent of respondents whose household had access to returns from self-employment prior to the pandemic reported a decline in this source of income. A strong decline was also observed in rental income, reported by 80 per cent, as well as in private transfers by friends or family, reported by 60.5 per cent, and in wage earnings, reported by 60.8 per cent of respondents with pre-pandemic access to this income source in their household.

By comparison, only 4.9 per cent saw an increase in at least one income source. Increases in earnings were mainly reported by respondents with pre-pandemic access to government grants, of whom 18.2 per cent experienced a top-up in benefits. In addition, 7.0 per cent reported that friends or family had scaled up their monetary support provided to the respondent's household.

Table 5: Sources of household income

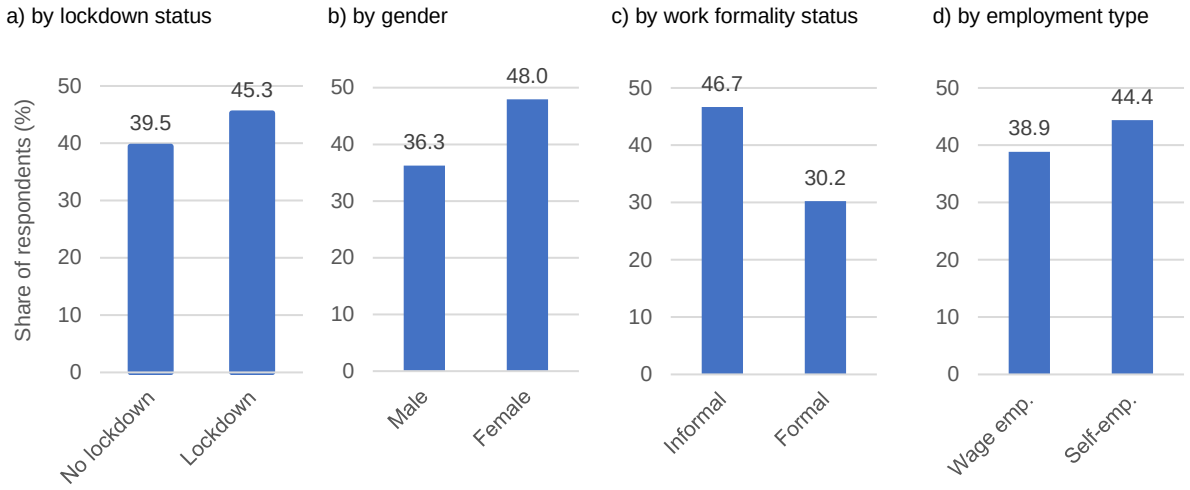
	Share of respondents whose household had **access to income** from this source in February 2020 (%)	Share of respondents with access in February whose household saw a **decline** in income from this source (%)	Share of respondents with access in February whose household saw an **increase** in income from this source (%)
Wage employment	38.0	60.8	4.4
Business / self-employment / selling thing	65.2	93.5	3.7
Government grants	1.7	63.6	18.2
Rental income	2.3	80.0	0.0
Money from friends or family (remittances)	6.5	60.5	7.0
Private pensions	2.0	15.4	0.0
Other	3.7	45.8	0.0
None	1.5	n.a.	n.a.
Total (any source of income)	98.5	84.3	4.9

Note: respondents were reminded that this question refers to the time before the coronavirus had reached Ghana. Percentages do not add to 100 as multiple answers were allowed (i.e., one household may have access to multiple incomes sources).

Source: authors' estimates based on GSPS-COVID-19 survey.

Alarmingly, 41.9 per cent of respondents reported that their household had lost its main source of income since February 2020. As displayed in Figure 9, this loss of the main source of household income was more frequently experienced by respondents residing in districts subject to the partial lockdown (45.3 per cent), than by those residing in districts with no stringent lockdown policies in place (39.5 per cent). In addition, an above average risk of having lost the main source of household income was reported by women (48.0 per cent), informal workers (46.7 per cent) and workers in self-employment (44.4 per cent). As Figure A12 illustrates, the differences by gender and formality status are not only sizable but also statistically significant.

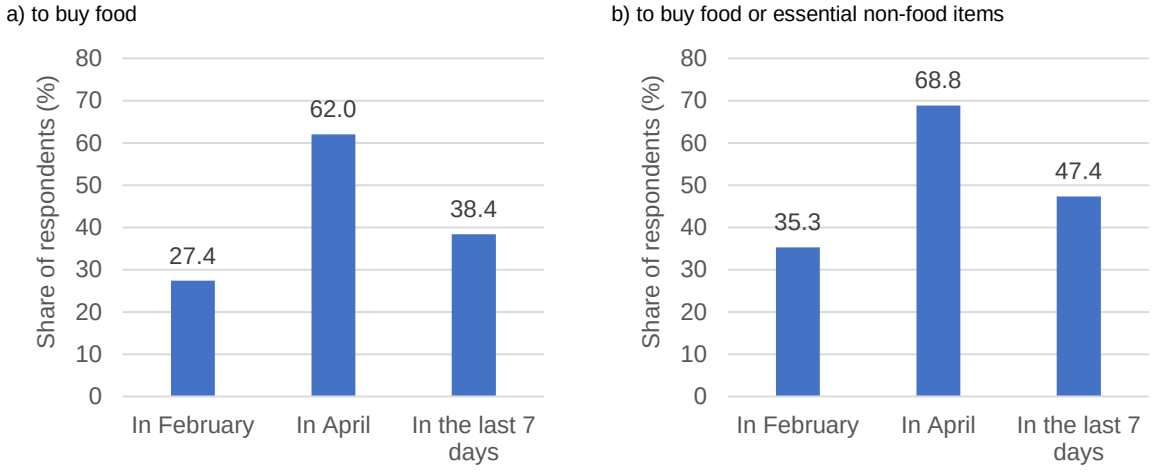
Figure 9: Average share of respondents (%) reporting loss of household's main source of income, by subgroup



Source: authors' illustration based GSPS-COVID-19 survey.

Matching the reported losses in household income, 62 per cent of respondents lived in households that had run out of money to buy food in April 2020, when the strictest coronavirus confinement measures were in place (see Figure 10a). This presents a substantial increase of 34.6 percentage points compared to February 2020, more than doubling the incidence of food poverty in the sample. A yet higher share of 68.8 per cent reported running out of money to buy food or essential non-food items (see Figure 10b). This presents an increase of 33.5 percentage points in the deprivation of basic consumption needs from February to April 2020, which that must be associated with the COVID-19 pandemic and related policy measures.

Figure 10: Average share of respondents (%) whose household ran out of money, by subperiod

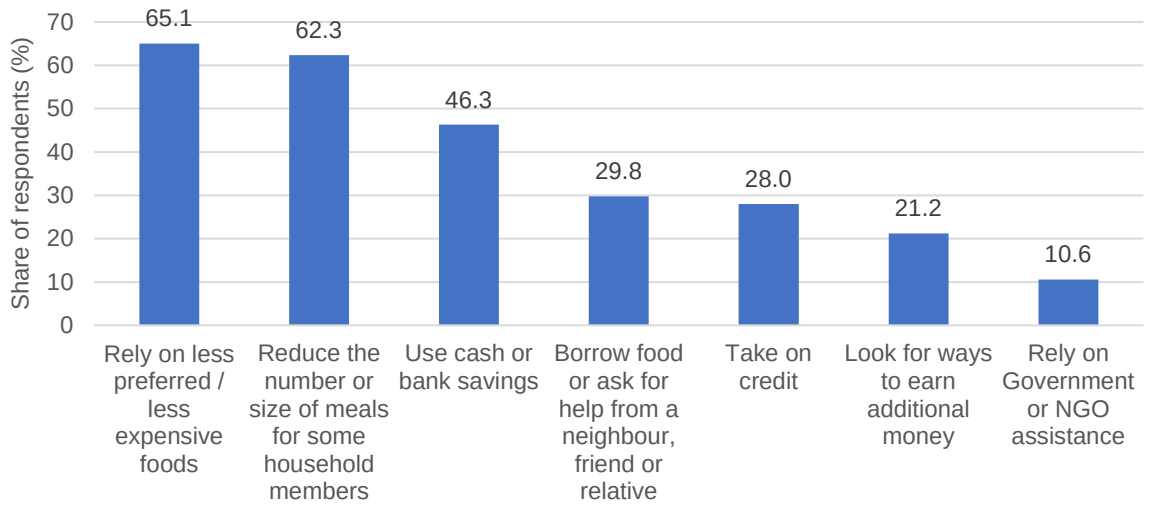


Source: authors' illustration based GSPS-COVID-19 survey.

Figure 10 also provides evidence of a recovery in households' ability to cover basic food and non-food needs from April to August/September 2020. At the time of the interview, 38.4 per cent of respondents reported that their household had run out of money to buy food in the last seven days. This indicates a decline by 23.6 percentage points compared to April, but still presents a 11 percentage points higher incidence in food poverty compared to February. Similarly, 47.4 per cent of respondents reported running out of money to buy food or essential non-food items in the last seven days prior to the interview. This indicates a decline by 21.4 percentage points compared to April, but still presents a 12.1 percentage points higher level of deprivation in basic needs compared to February.

Next, respondents were asked about the coping strategies they had used to cover their households' basic needs. Figure 11 reports the results. Matching the observed rise in the share of households running out of money for food, 65.1 per cent reported relying on less preferred or less expensive foods, 62.3 had reduced the number or size of meals for some household members, and 29.8 per cent had borrowed food or asked for help within their social networks. With 46.3 per cent, almost half of the respondents had access to cash or bank savings that they drew on to buffer the effect of the crisis. In addition, 28 per cent reported taking on credit to cover basic needs. Only one of five respondents (21.2 per cent) reported looking for ways to earn additional money. This strategy is likely to have been hindered by the implemented confinement measures, which rendered many 'easy access' economic activities unavailable during the early phases of the pandemic. Additionally, the slowdown in economic activities may have also limited opportunities for these households.

Figure 11: Coping strategies used since the start of coronavirus pandemic to cover basic household needs

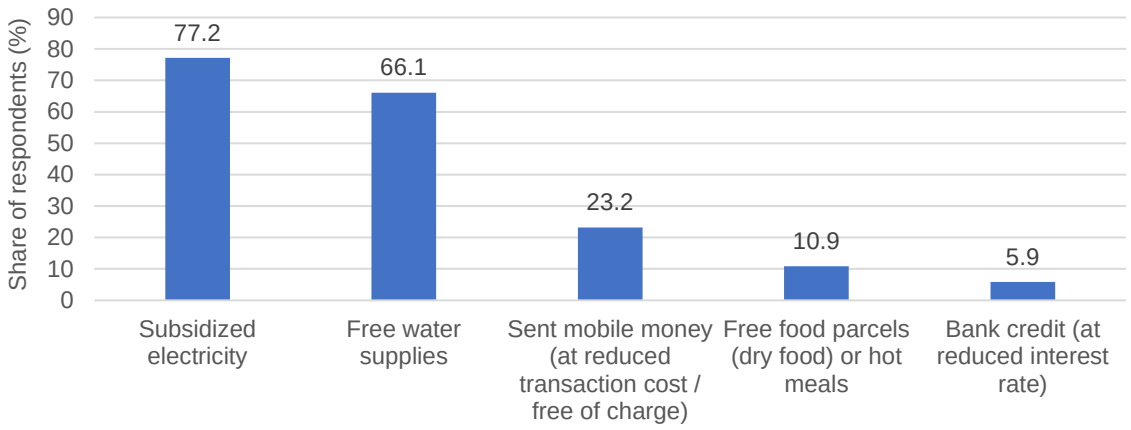


Note: percentages do not add to 100 as multiple answers were allowed.

Source: authors' estimates based on GSPS-COVID-19 survey.

While only 10.6 per cent of respondents mentioned relying on assistance by the government or non-governmental organizations (NGOs) as a main coping strategy to cover basic household needs (see Figure 11), 88.2 per cent reported making use of at least one of the relief measures provided by the government under the Coronavirus Alleviation Programme, when asked about these specifically (see Figure 12). Specifically, with 77.2 and 66.1 per cent, the majority had received subsidised electricity and free water supplies respectively. In addition, 23.2 per cent had sent mobile money at reduced transaction costs or free of charge, 10.9 per cent had received free food parcels or hot meals, and 5.9 per cent reported having taken on bank credit at a reduced interest rate.

Figure 12: Take-up of government relief measures provided under the Coronavirus Alleviation Programme since start of coronavirus pandemic



Note: percentages do not add to 100 as multiple answers were allowed.

Source: authors' estimates based on GSPS-COVID-19 survey.

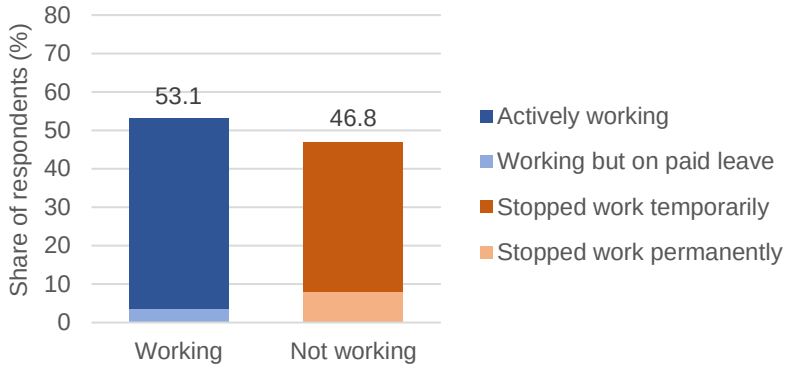
4. Labour market impact of COVID-19

A core goal of the survey was to provide a detailed assessment of the labour market impact of COVID-19 in Ghana. For this purpose, information was collected on respondents' labour market history and the conditions of employment in the subsequent two sections of the survey. To assess changes in labour market outcomes that occurred over the course of the pandemic, in this part of the report results are presented for the subsample of 612 respondents who reported to be working—in either wage employment or self-employment—in February 2020.

As Figure 13 shows, just about half (53.1 per cent) of the respondents who had been working in February 2020 were able to continue work throughout the month of April, while the other half (46.9 per cent) had dropped out of work at that time, when the strictest confinement measures were in place.

About four out of five respondents who had stopped work in April considered this break to be temporary rather than permanent in nature (see Figure 13), and the vast majority (67.9 per cent) saw workplace and business closures due to government regulations as the main reason for this break in economic activity (see Figure 14). Interestingly, this latter finding equally applies to workers located in lockdown and no-lockdown districts.

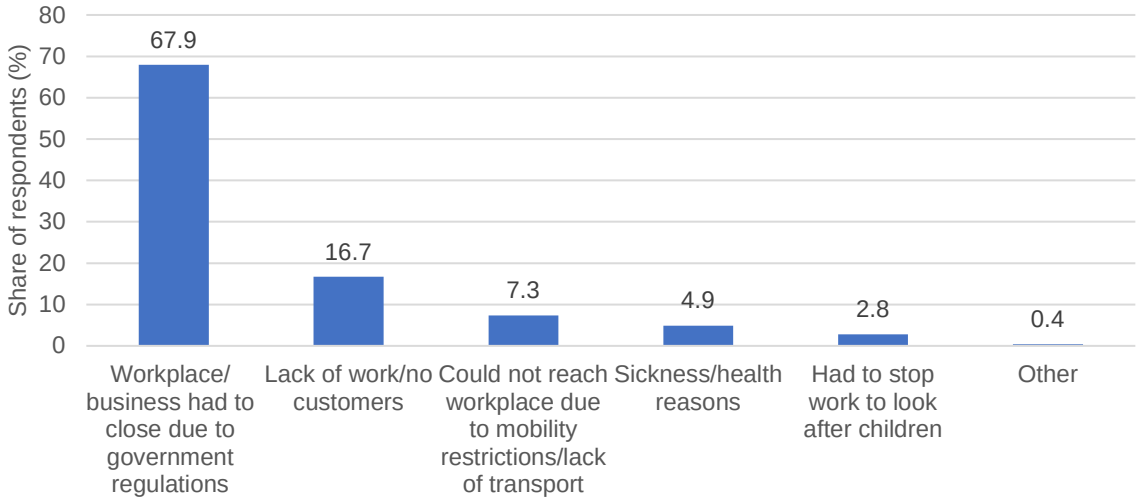
Figure 13: Share of respondents who were working in April 2020



Note: sample limited to respondents working in February 2020.

Source: authors' illustration based GSPS-COVID-19 survey.

Figure 14: Main reason to stop working in April 2020



Note: sample limited to respondents working in February 2020.

Source: authors' estimates based on GSPS-COVID-19 survey.

While clearly sizeable, the immediate shock of the pandemic on Ghana's labour market did not affect all workers equally. In Figure 15, differences in losses of employment are accessed along three main dimensions: (a) district-level lockdown policy, (b) gender, (c) work formality status and type of employment (see Figure A13 for means estimates with confidence intervals).

Firstly, the immediate employment effect in April 2020 was significantly more sizable in districts affected by the lockdown. As Figure 15a indicates, two out of three respondents (66.7 per cent) in no-lockdown districts continued working throughout the month of April, compared to one out of three respondents (34.5 per cent) in lockdown districts. In other words, workers in districts under lockdown were twice as likely to drop out of work as workers in districts with less stringent policies in place.

Secondly, across Ghana, women were more likely than men to drop out of work in the early phase of the pandemic, and female workers were disproportionally affected by lockdown policies. In lockdown districts, 41.7 per cent of males continued working throughout April, compared to 25.4 per cent of females (see Figure 15b). This gender gap may be explained by a combination of two factors: (1) caring responsibilities for children and/or sick family members, which continue to fall on women, and (2) gender differences in employment stability and vulnerability, as women in Ghana tend to be overrepresented in informal self-employment and underrepresented in formal wage employment.[3]

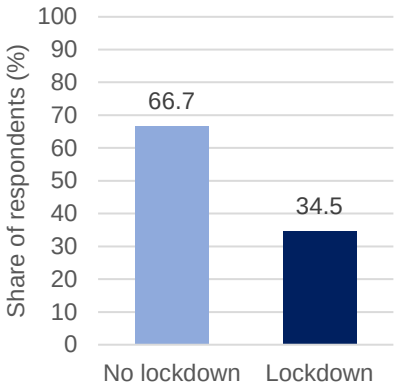
Thirdly, interlinked with the gender gap, workers in formal wage employment had the best chances of keeping their jobs (see Figure 15b). These are dominantly office jobs, often in the public sector, which were among the least affected by the pandemic (see Figure 16). On the contrary, workers in informal self-employment were at highest risk of having to close their businesses during the lockdown (see Figure 15c). These are dominantly activities that are contact-intensive—such as restaurants, tourism businesses, small retail shops, and street vending—which were particularly affected by stringent confinement policies (see Figure 16). Importantly, most of the informally self-employed are low-income

[3] On average, 63.7% of female workers in the sample were informally self-employed—the most vulnerable type of employment during the pandemic—compared to 40% of males. At the same time, only 9.7% of females were formally wage employed—the most stable type of employment during the pandemic—compared to 19.7% of males (see Table A3).

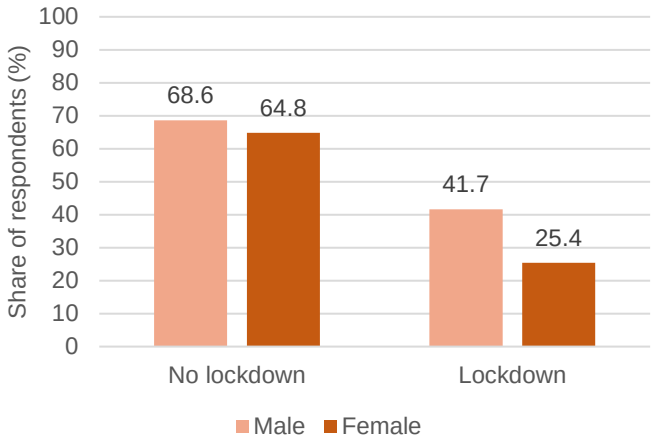
earners with no or small savings, who need to earn a living on a daily basis (Danquah et al. 2019). Therefore, in districts with no strict lockdown policies in place, this group was the most likely to continue working despite the danger posed by the pandemic (see Figure 15c).

Figure 15: Share of respondents who were working in April 2020, by subgroup

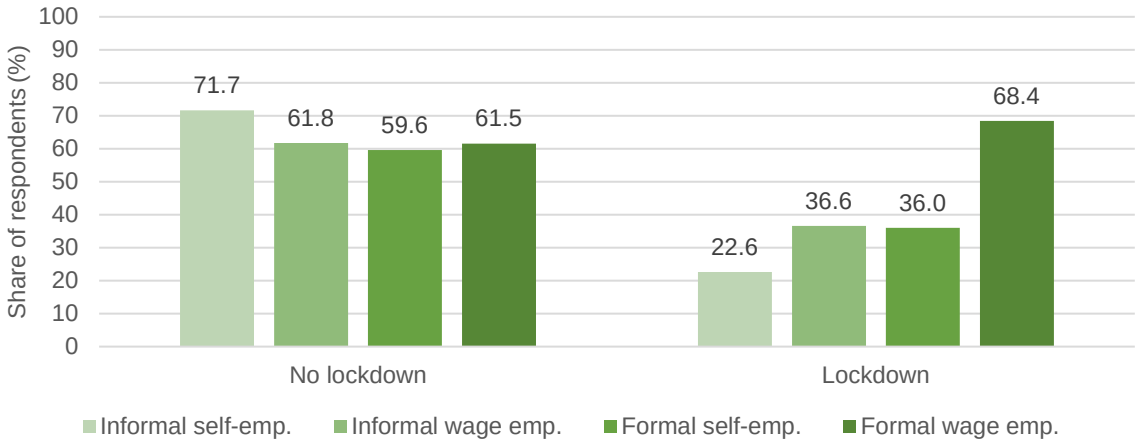
a) by lockdown status



b) by lockdown status and gender



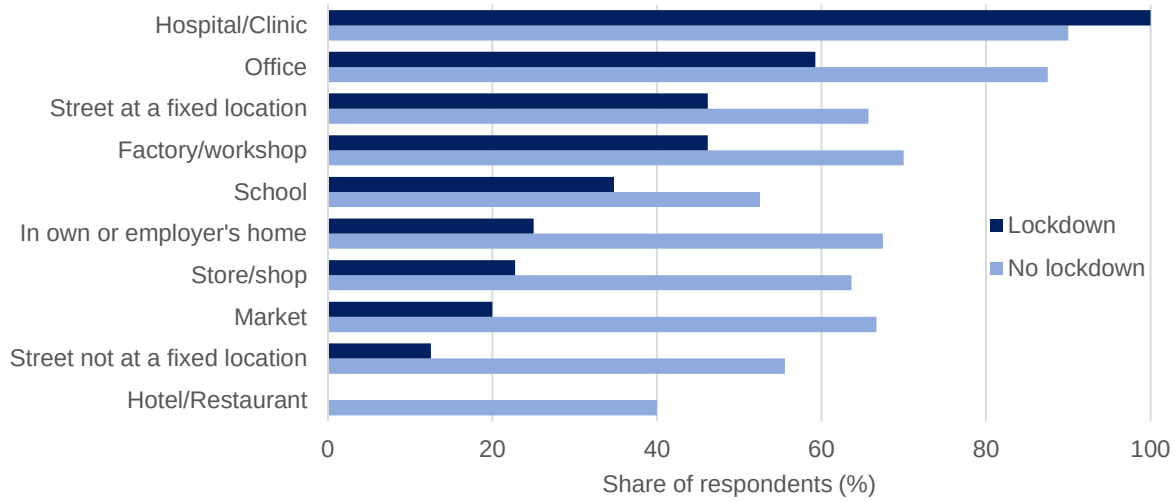
c) by lockdown status, work formality status, and employment type in February



Note: sample limited to respondents working in February 2020.

Source: authors' illustration based GSPS-COVID-19 survey.

Figure 16: Share of respondents working in April 2020, by location of employment in February



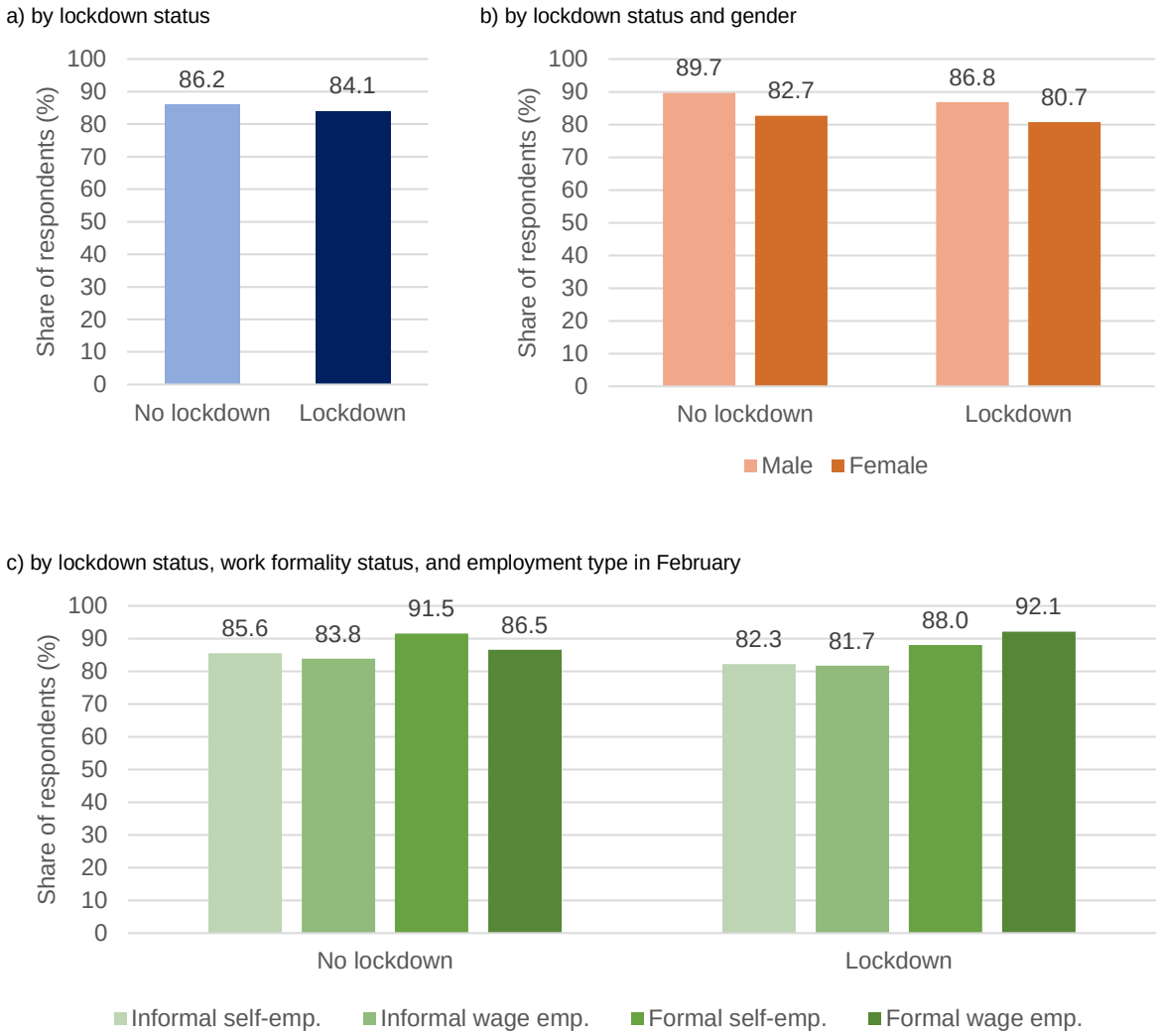
Note: sample limited to respondents working in February 2020; responses by workers in self- and wage employment have been combined.

Source: authors' estimates based on GSPS-COVID-19 survey.

Despite the magnitude of the initial shock, the survey data suggest that the majority of workers in Ghana were able to resume work once confinement measures had been relaxed, pointing to a strong recovery in employment over the post-lockdown period. At the time of the interview (August/September 2020), 85.3 per cent of the respondents who had been employed in February were again observed to be working, and the gap in employment rates between lockdown and no-lockdown districts had closed (see Figure A14 for means estimates with confidence intervals). As can be seen from Figure 17a, in districts that had been under lockdown, 84.1 per cent of respondents who had been working in February 2020 were observed to be working again, compared with 86.2 per cent of respondents in no-lockdown districts.

After employment had plummeted in April 2020, this recovery is clearly remarkable. However, these figures also imply that the average employment rate in August/September 2020 across the full sample was still 14.7 percentage points lower compared to the pre-pandemic level and, specifically, 23.7 per cent of those who had stopped work in April were still out of employment four months after. Moreover, the data reveal an important gender gap in labour market recovery. As illustrated in Figure 17b, in both lockdown and no-lockdown districts, females were less likely than men to have resumed work. Specifically, 18 per cent of all men and 29.1 per cent of all women who dropped out of work in April were still unemployed at the time of the interview (August/September 2020). Moreover, workers who had been informally employed pre-pandemic were less likely to have resumed work compared to workers who had been in formal self- or wage employment (see Figure 17c).

Figure 17: Share of respondents who were working in August/September 2020, by subgroup

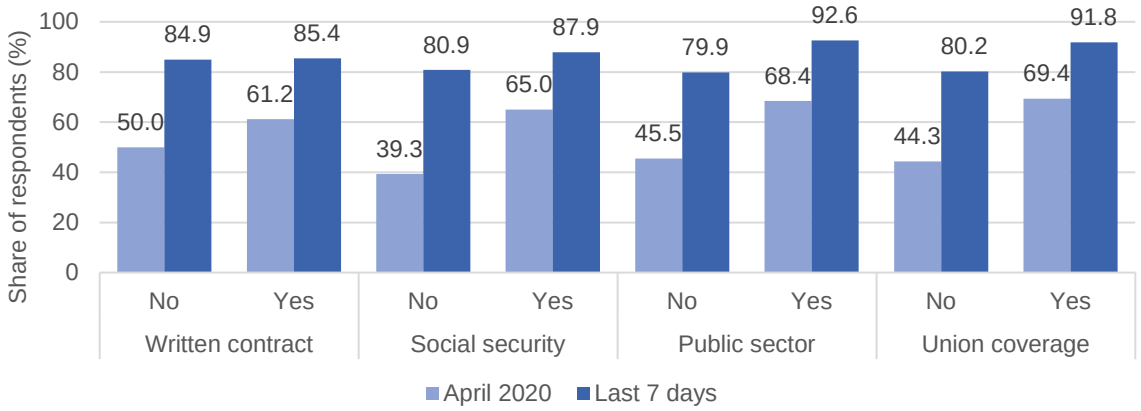


Note: sample limited to respondents working in February 2020.

Source: authors' estimates based on GSPS-COVID-19 survey.

Figure 18 further explores the job characteristics of wage employed workers who were most severely affected by the economic disruption caused by the pandemic (see Table A4 for the distribution of pre-pandemic job characteristics). The survey data suggest that the pandemic has both exposed and exacerbated pre-existing vulnerabilities in the labour market. Workers who were ex-ante in less stable forms of employment—that is, jobs not based on written contracts, have no social security coverage, are in the private sector, and have no labour union at the workplace—were more likely to drop out of work in April and less likely to resume work in the near term.

Figure 18: Share of wage employees working in April 2020, by job characteristic in February

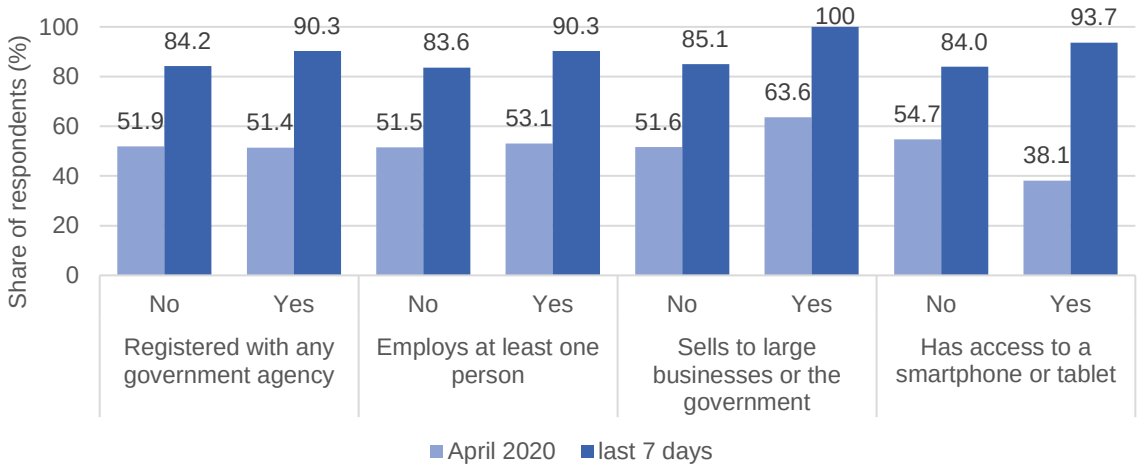


Note: sample limited to respondents who had been working February 2020.

Source: authors' estimates based on GSPS-COVID-19 survey.

Similarly, Figure 19 relates the characteristics of enterprises run by self-employed workers to the labour market impact of the pandemic (see Table A5 for the distribution of pre-pandemic enterprise characteristics). On average, informal businesses and/or own-account workers were as likely as formal businesses and/or employers to see themselves forced to stop their business activities in April 2020.[4] However, the latter were more likely to resume work once containment measures had been relaxed. Enterprises selling their products to large established businesses or the government were on average less affected by the crisis.

Figure 19: Share of self-employed workers active in April 2020, by enterprise characteristic in February



Note: sample limited to respondents who had been working February 2020.

Source: authors' estimates based on GSPS-COVID-19 survey.

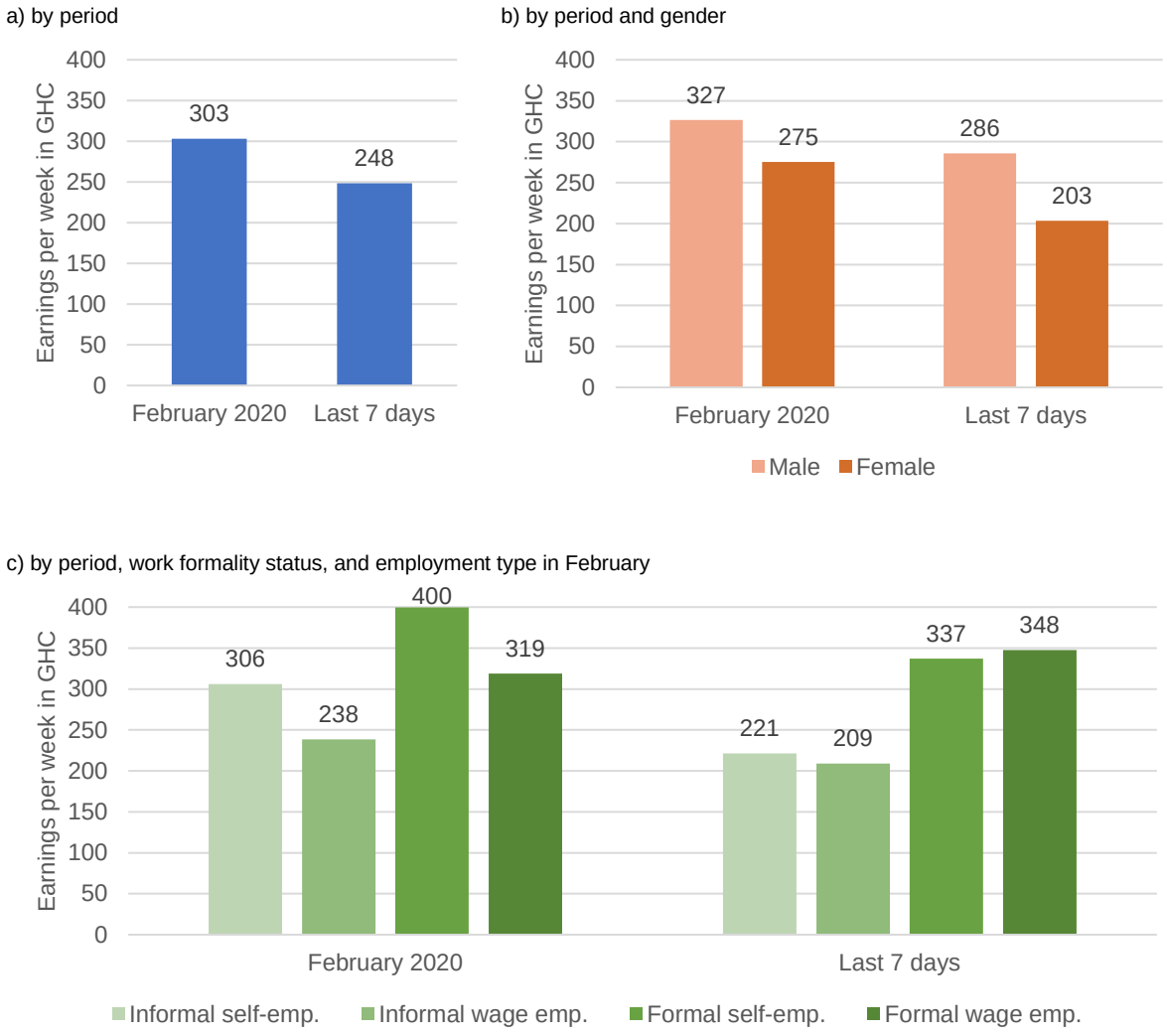
Interestingly, enterprises with access to digital technology were more likely to put their activities on hold in April, but generally resumed work in the months after (see Figure 19). This pattern is consistent across different markers of technology access—such as having a smart phone or tablet, internet access, a website or social media presence, or accepting electronic payments/mobile money. While the

[4] As discussed before, this average perspective masks important differences by location, as the partial lockdown had a significantly more disruptive effect on informal business activities (see Figure 15c).

stronger disruption in economic activity among this group during April is surprising, it may be explained by the type of activities that these workers engage in—being concentrated in retail.

The COVID-19 pandemic and related policy measures had a lasting impact not only on job loss and unemployment, but also on the working hours and earnings of workers who resumed work (see Figures A15 and A16 for means estimates with confidence intervals). The data show a decline in average weekly working hours by 13.3 per cent and weekly earnings fell 18.2 per cent, from GH₵303 to GH₵248 (see Figure 20a). An even larger decline by 36.8 per cent is estimated when accounting for differences in the composition of employment (Schotte et al. 2021)—that is, when taking into consideration that particularly low-income earners had dropped out of work due to the pandemic shock and remained unemployed even months after closure policies had been relaxed. While the overall shock to earnings was felt by almost all workers in the sample, the consequences were especially severe and long-lasting for those in informal work, whether in wage labour or self-employment (see Figure 20c). Moreover, the data show an alarming increase in the gender pay gap from GH₵52 to GH₵83 (see Figure 20b), with the latter amounting to one third of average weekly earnings.

Figure 20: Average weekly earnings, pre- and post-COVID, by subgroup



Notes: sample limited to respondents who had been working February 2020. In each period, only employed workers with non-zero earnings are considered.

Source: authors' illustration based GSPS-COVID-19 survey.

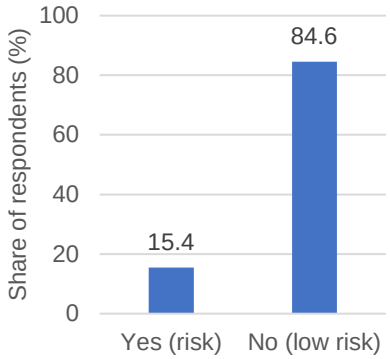
5. COVID-19 symptoms and household risk

The final section of the survey accessed respondents' health status. As shown in Figure 21, the majority (87.8 per cent) reported being in either good or excellent health, while 8.8 per cent rated their health as fair, and 3.5 per cent were in poor health. Moreover, 15.4 per cent reported some chronic conditions or other major illnesses (such as diabetes, asthma, hypertension, tuberculosis, or HIV/AIDS) experienced by any member of the household, constituting particular risk factors.

Figure 21: Health status

a) Best description of health status at present

b) Chronic conditions or other major illnesses in the household

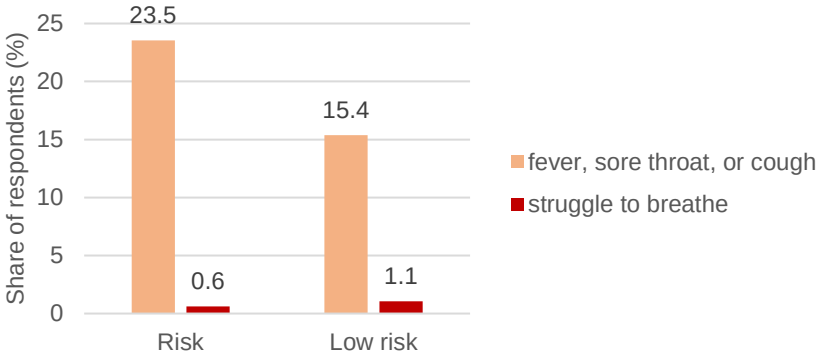


Source: authors' estimates based on GSPS-COVID-19 survey.

Checking for common COVID-19 symptoms that either respondents themselves or anyone in their household had experienced in the two weeks prior to interview, 16.6 per cent reported a fever, a sore throat, or a cough, and 1.7 per cent reported struggles to breathe. Out of those experiencing any of these symptoms, two-thirds (64 per cent) did seek medical treatment.

With 23.5 per cent, the share of respondents reporting at least one out of three common COVID-19 symptoms was above average in the risk group (see Figure 22). However, in the majority of cases, these may not be an indicator of a coronavirus infection but may be attributable to chronic health conditions or other illnesses.

Figure 22: Experience of common COVID-19 symptoms, by risk group



Source: authors' estimates based on GSPS-COVID-19 survey.

6. Summary and lessons for policy

This report has sought to give a representative description of how COVID-19 has affected workers and their livelihoods in urban Ghana. Based on information from the GSPS-COVID Panel Survey, the report provides a detailed account of the economic impact and labour market effects of COVID-19, as well as of workers' perceptions regarding the pandemic response measures adopted by authorities.

For policy makers around the world, navigating the response to the pandemic has been a balancing act between protecting public health and the economy. Ghana was one of the first African countries to enact strict containment policies against COVID-19. Yet, the partial lockdown of the Greater Accra and Greater Kumasi Metropolitan Areas and contiguous districts—presenting the most stringent policy response—was lifted after a period of only three weeks once the economic consequences on people's livelihoods had become visible. Results from the GSPS-COVID Panel Survey indicate that this decisive government action—in terms of both the early implementation and subsequent rollback of confinement measures—was largely backed by public support, and the majority of respondents expressed content with the way the government was handling the crisis.

Certainly, from a public health perspective, the early lifting of the partial lockdown may be considered premature. It has not lasted long enough to flatten the pandemic curve. Instead, the number of confirmed infections continued rising during the lockdown and doubled in subsequent months (Danquah and Schotte 2020). However, results from the GSPS-COVID Panel Survey confirm that the lifting of the lockdown in Ghana was not just a choice between lives and the economy, but a choice between lives and lives. The lockdown had been exerting heightening pressures on people's livelihoods, mainly through its disruptive effect of labour markets. Workers residing in districts affected by the partial lockdown were more than twice as likely to drop out of work—only one out of three (34.5 per cent) continued working throughout April 2020, compared to two out of three (66.7 per cent) in no-lockdown districts. Two-thirds (67.9 per cent) saw workplace and business closures due to government regulations as the main reason for this break in economic activity.

As wages and business profits were by far the most important sources of household income prior to the pandemic, this labour market effect was acutely felt—84.3 per cent of respondents reported a decline in household income since the start of the coronavirus pandemic, and an alarming 41.9 per cent said that their household had lost its main income source. Losses of the main source of income not only occurred more frequently in districts under lockdown (45.3 per cent) but were also disproportionally reported by women (48.0 per cent), informal workers (46.7 per cent) and the self-employed (44.4 per cent), thus accentuating pre-existing inequalities. In face of this income shock, the share of respondents running out of money to buy food surged by 34.6 percentage points from February to April 2020, more than doubling the incidence of food poverty in the sample.

While labour markets witnessed a strong rebound with the gradual relaxation of confinement measures, the GSPS-COVID Panel Survey points to a yet partial recovery that has been slow to reach the most vulnerable. In September 2020, employment was still 14.7 percentage points lower and the incidence of food poverty 11 percentage points higher compared to the pre-pandemic level and, across the country, low-income earners in informal work and women remained more negatively affected. The persistent, nationwide effect, however, can only partly be explained by the stringency level of confinement policies. Amongst other factors, the overall economic decline, which in the case of Ghana has been driven by the global drop in commodity prices and external demand from the main trading partners — including China, India, the United States, and several European countries — is likely to have played a key role.

Summarising, the findings indicate that the COVID-19 pandemic was acutely felt in Ghana's labour market. Workers who were ex-ante in less stable forms of employment were hit hardest by the crisis, which exposed and exacerbated pre-existing vulnerabilities. To avoid a backsliding in Ghana's progress on reducing poverty and mitigate pressures to inequality, future containment policies will need to be coupled with protective measures that address the needs of those at risk of being left behind in the crisis. With the current rate of increasing COVID 19 infections, the government would need to find a balance between their pandemic response measures and sustaining the recovery in employment gained after the lockdown.

7. References

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8. Appendix

Table A1: Sample size by region

Number of observations by geographic region	Total contacted	Successfully interviewed	Reason for attrition									Attrition rate
			Could not be reached	Refused for one of the following reasons					Dropped from analysis			
				Too busy	Not interested/ waste of time	Questionnaire too personal/	Sickness/ Recent Death	Other	No longer a member of household	Not sure if talking to the right person	Interview ended midstream	
Western Region	82	62	15	1	1	0	1	0	1	1	0	24%
Central Region	61	45	6	1	0	0	0	1	7	1	0	25%
Greater Accra Region	231	155	50	1	10	0	5	0	3	4	3	33%
Volta Region	59	51	8	0	0	0	0	0	0	0	0	14%
Eastern Region	76	58	10	2	3	0	2	0	1	0	0	24%
Ashanti Region	252	170	60	7	4	1	0	1	3	2	4	33%
Brong Ahafo Region	92	59	20	2	8	1	1	0	0	0	1	36%
Northern Region	54	36	13	0	1	0	0	1	2	1	0	32%
Upper East Region	30	25	4	0	0	0	0	0	0	1	0	17%
Total	937	661	186	14	27	2	9	3	17	10	8	29%

Source: authors' estimates based on GSPS-COVID-19 survey.

Table A2: Average demographic characteristics

Female (%)	Age in years	Household size	Head of household (%)	Moved since last interview in 2018/19 (%)	Average share working in Feb 2020	Married (2018/19)*	Secondary education (2018/19)*	Tertiary education (2018/19)*
48.3	44.3	3.1	82.1	10.7	92.6	48.1	19.1	14.4

Note: *information not collected in the GSPS-COVID survey and therefore taken from GSPS Wave 3 (2018/19).

Source: authors' estimates based on GSPS-COVID-19 survey.

Table A3: Distribution of workers by work formality status and employment type (%)

	Month in 2020			Average		
	February	April	Aug./Sept.	Total	Male	Female
Work formality status						
Informal work	73.5	72.9	73.2	73.3	69.0	78.2
Formal work	26.5	27.1	26.8	26.7	31.0	21.8
Employment type						
Wage employment	37.4	38.2	36.8	37.4	48.8	24.2
Self-employment	62.6	61.9	63.2	62.7	51.2	75.8
Work formality status and employment type						
Informal self-employment	50.8	51.4	51.0	51.0	40.0	63.7
Informal wage employment	22.7	21.5	22.2	22.3	11.3	12.1
Formal self-employment	11.8	10.5	12.3	11.7	29.1	14.5
Formal wage employment	14.7	16.6	14.6	15.1	19.7	9.7

Source: authors' estimates based on GSPS-COVID-19 survey.

Table A4: Average job characteristics in wage employment (%), February 2020

Formal*	Written contract	Entitlement to social security benefits						Government sector	Trade union in the workplace
		Retirement pension	Medical care	Paid sick leave	Paid holidays	Any other	None		
39.3	45.0	47.4	31.3	39.6	22.6	5.7	39.1	41.5	42.8

Note: *wage workers with written contracts and social security withholdings from their salaries (for medical care or retirement provisions) are classified as formal.

Source: authors' estimates based on GSPS-COVID-19 survey.

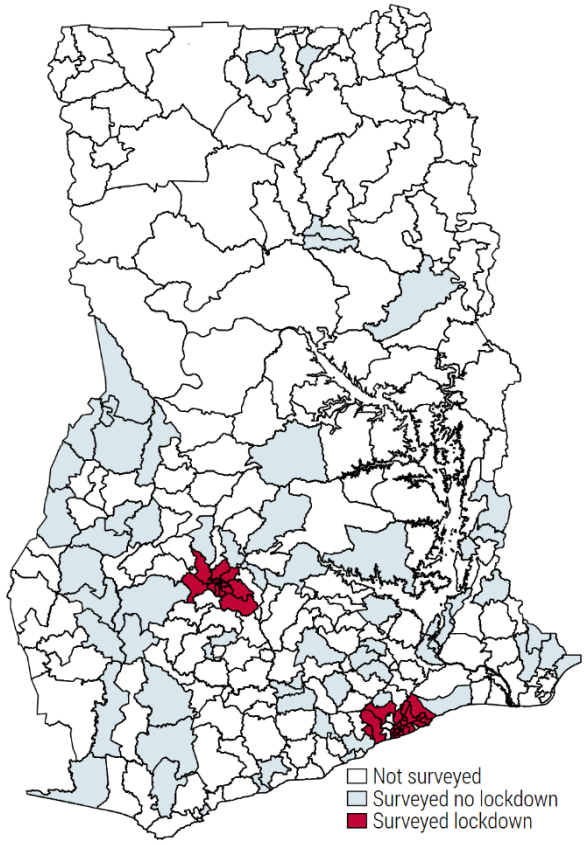
Table A5: Average business characteristics in self-employment (%), February 2020

Formal*	Employs at least one person who is not a household member	Access to digital technology				Sells to large businesses or the government	Proportion of total sales for export	Proportion of total sales based on written contracts
		Smartphone or tablet	Internet	Website or social media	Electronic payments/ mobile money			
18.9	29.7	16.5	10.0	4.7	42.4	2.9	0.0	0.0

Note: *self-employed workers are classified as formal if operating an enterprise that is officially registered with any government agency.

Source: authors' estimates based on GSPS-COVID-19 survey.

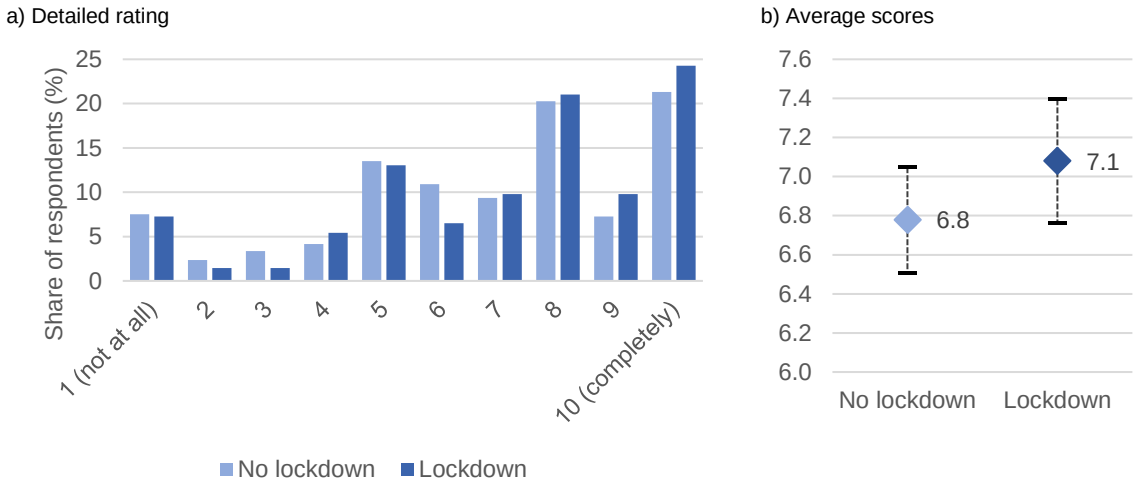
Figure A1: Geographic coverage by district lockdown status



Note: in Ghana, a partial lockdown was introduced on in the areas identified as ‘hotspots’ in the country—including the Greater Accra and Greater Kumasi Metropolitan Areas and contiguous districts. The partial lockdown was in effect from 30 March to 20 April 2020.

Source: authors’ illustration based GSPS-COVID-19 survey.

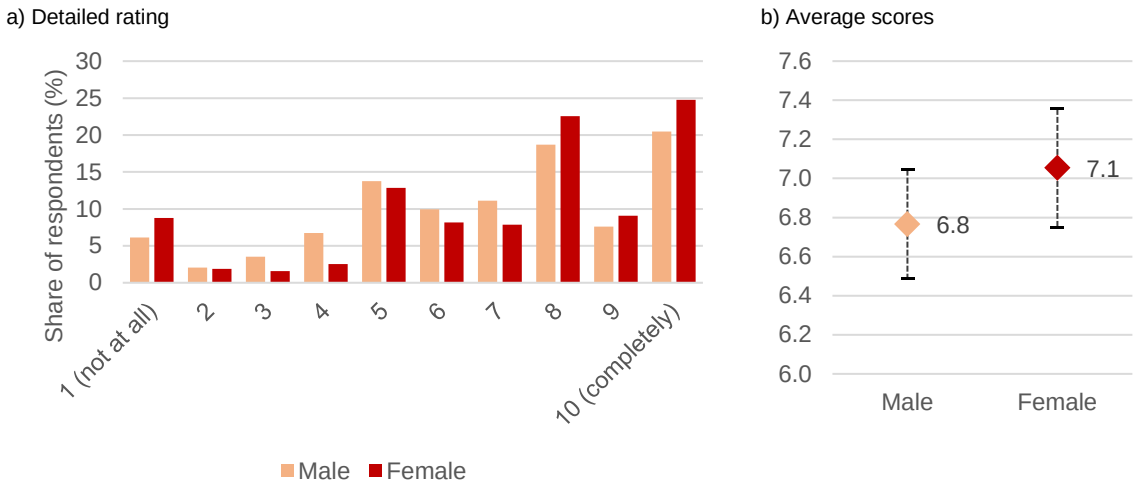
Figure A2: Changes in life over the last five months due to the coronavirus pandemic, by lockdown status



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

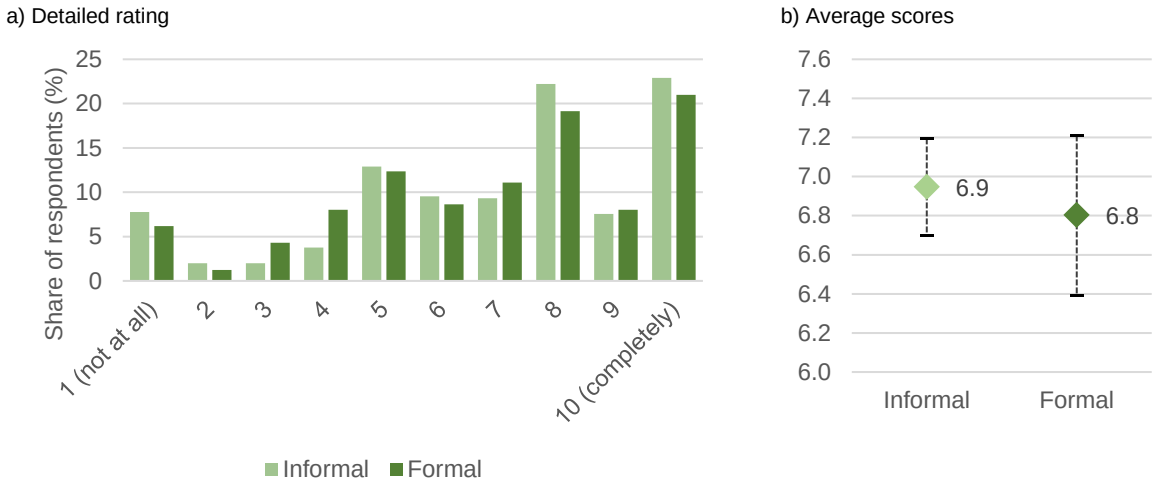
Figure A3: Changes in life over the last five months due to the coronavirus pandemic, by gender



Note: dotted lines in panel b) indicate 95% confidence intervals

Source: authors' illustration based GSPS-COVID-19 survey.

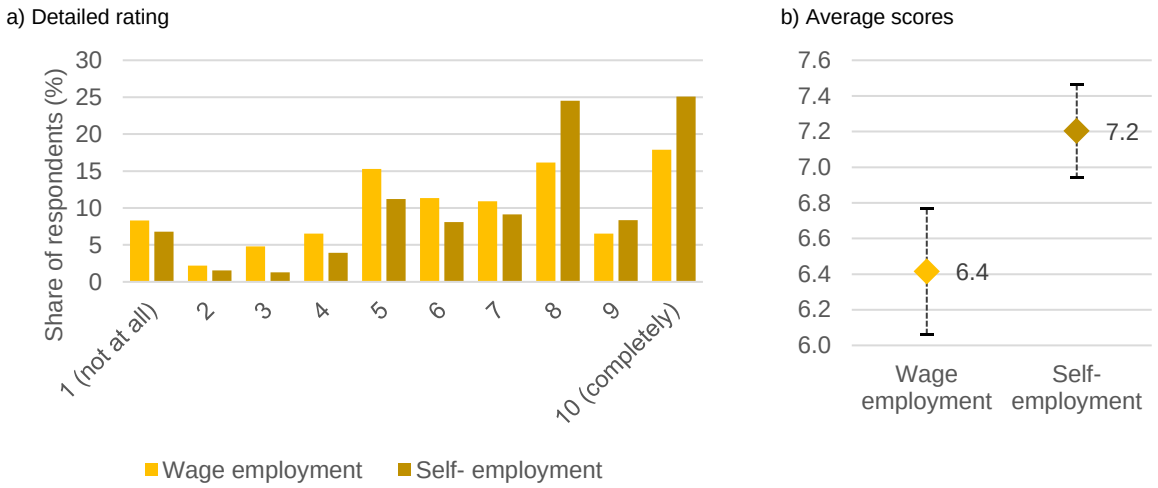
Figure A4: Changes in life over the last five months due to the coronavirus pandemic, by work formality status



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

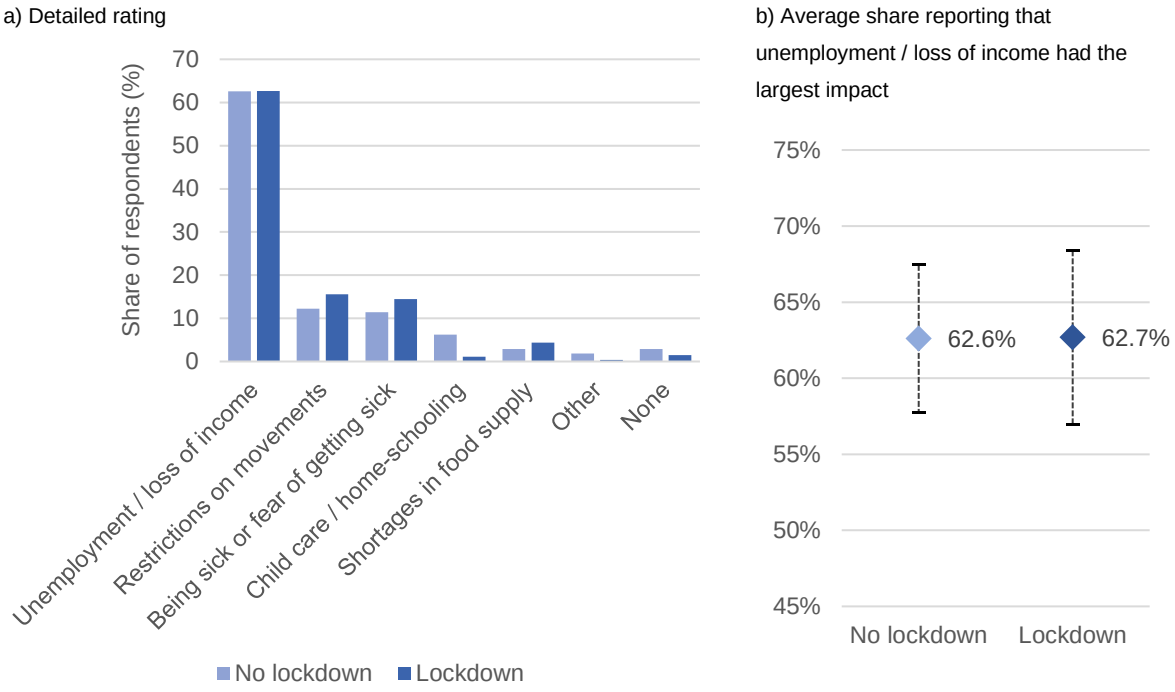
Figure A5: Changes in life over the last five months due to the coronavirus pandemic, by employment type



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

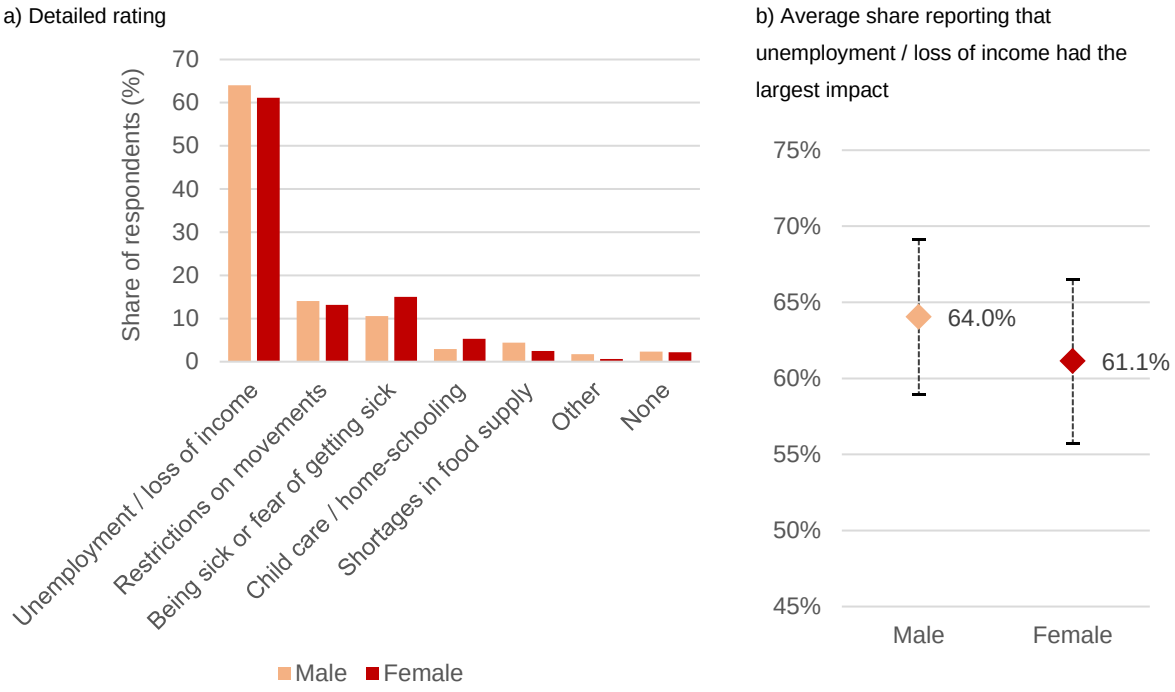
Figure A6: Aspect of the coronavirus pandemic that had the greatest impact, by lockdown status



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

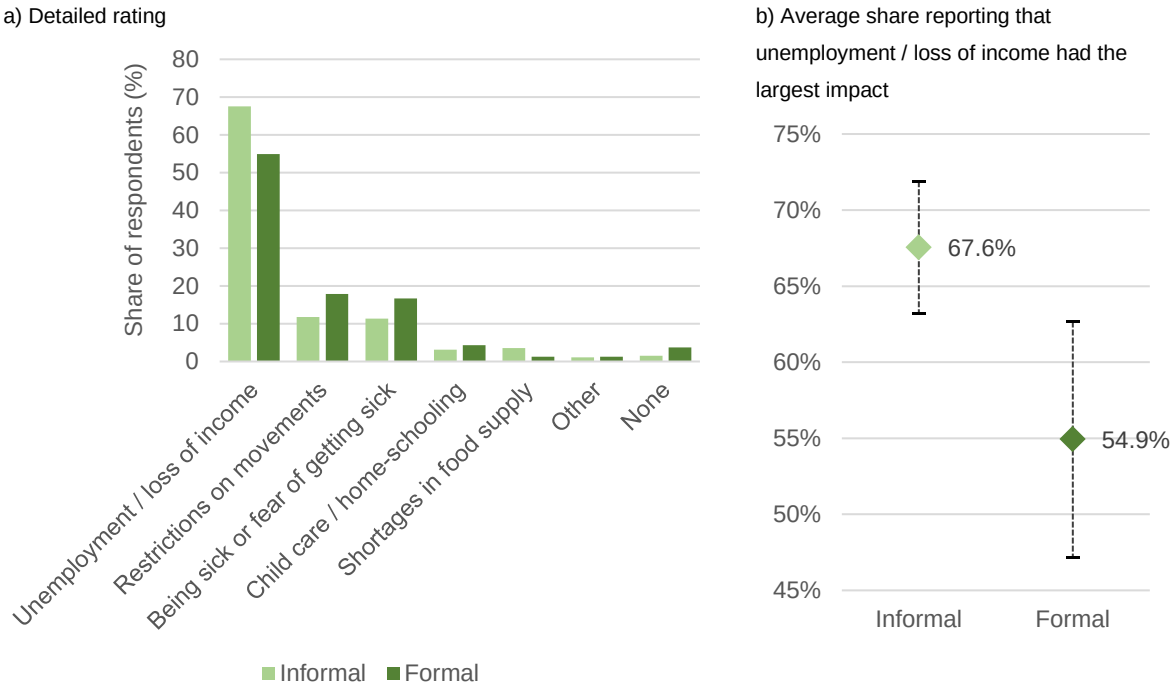
Figure A7: Aspect of the coronavirus pandemic that had the greatest impact, by gender



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

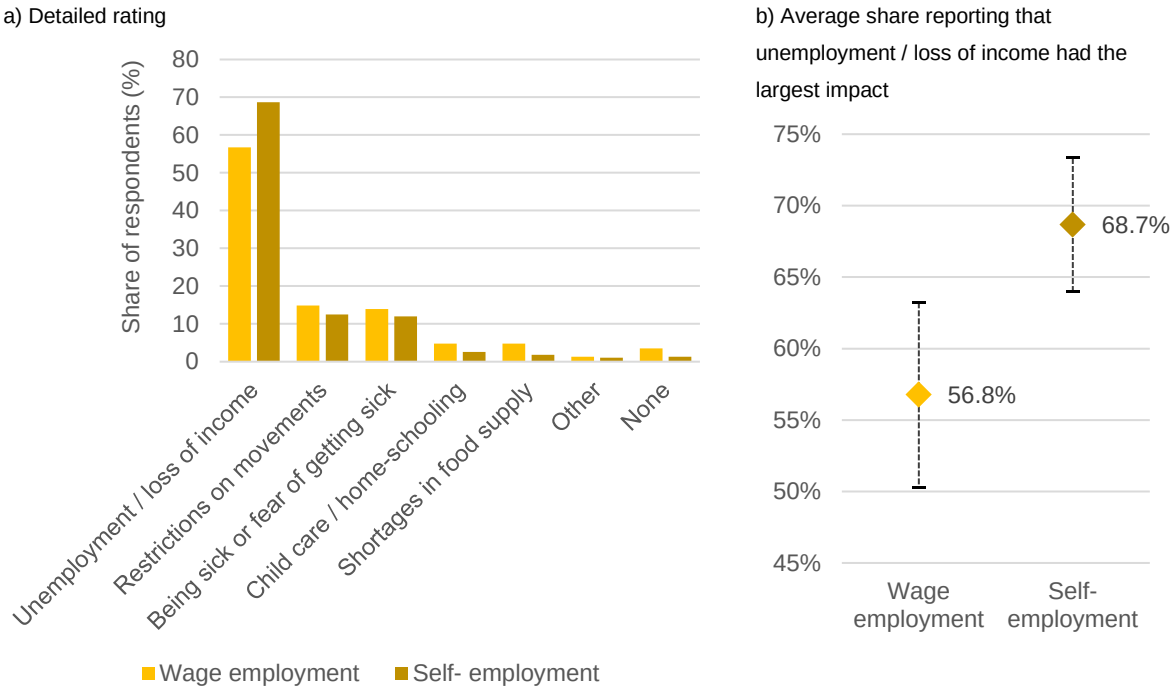
Figure A8: Aspect of the coronavirus pandemic that had the greatest impact, by work formality status



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

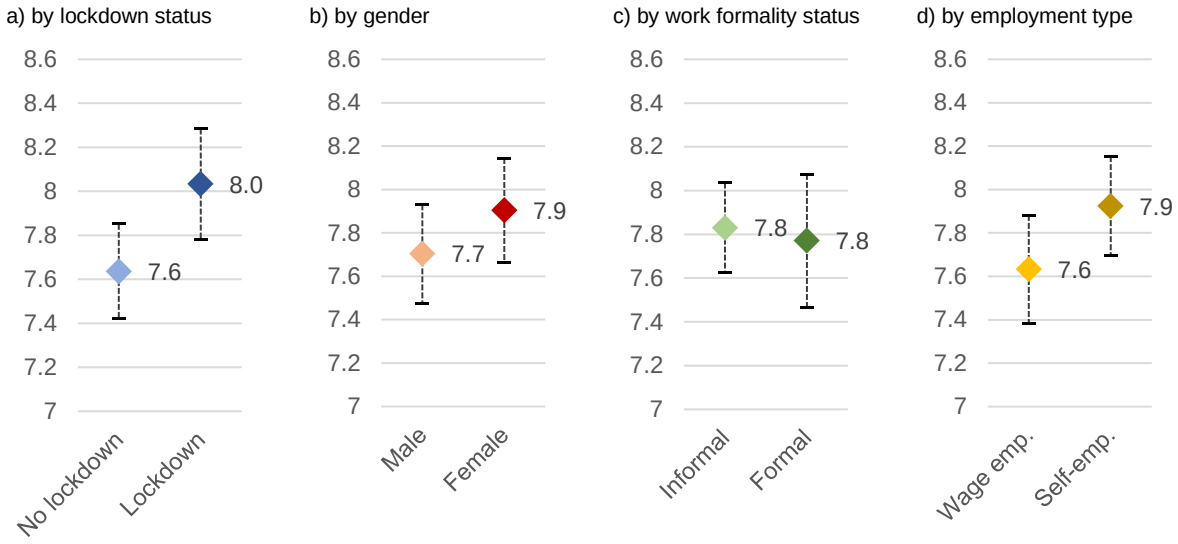
Figure A9: Aspect of the coronavirus pandemic that had the greatest impact, by employment type



Note: dotted lines in panel b) indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

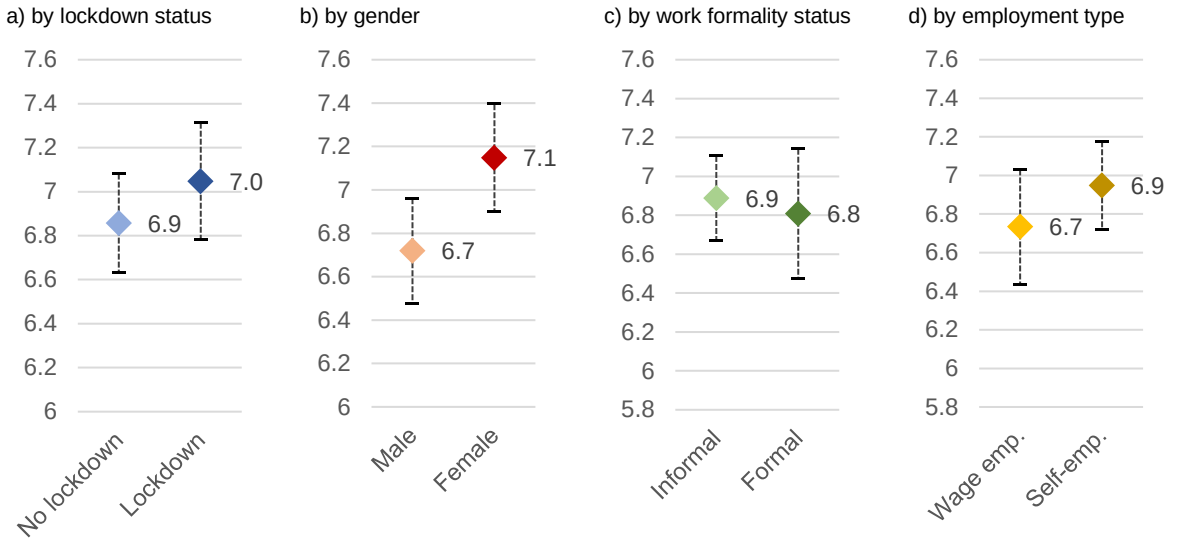
Figure A10: Average rating of response by the national government to the coronavirus pandemic, by subgroup



Note: dotted lines indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

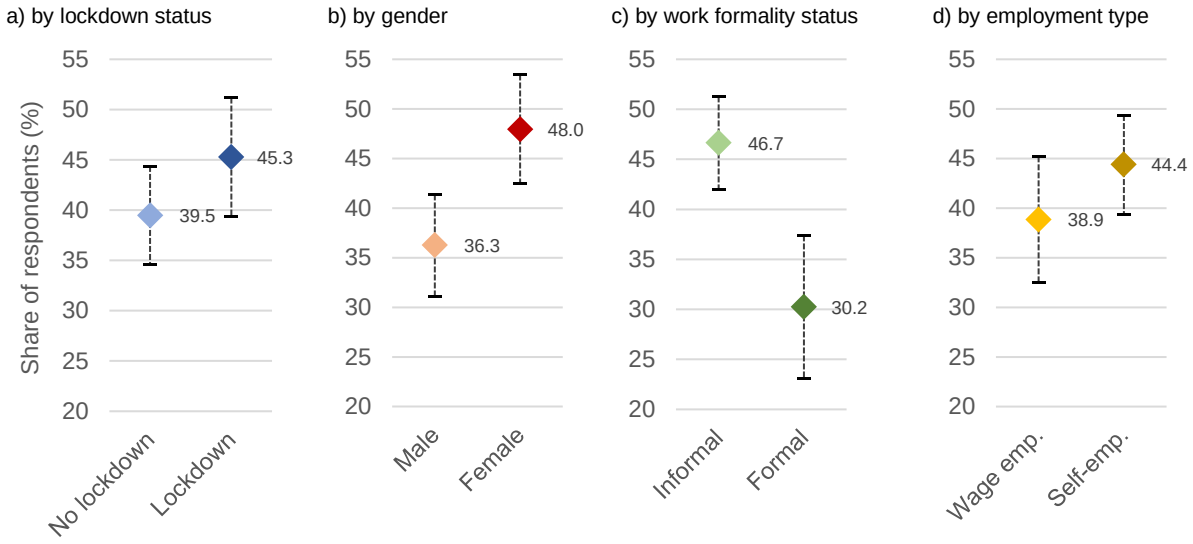
Figure A11: Average rating of response by non-state actors to the coronavirus pandemic, by subgroup



Note: dotted lines indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

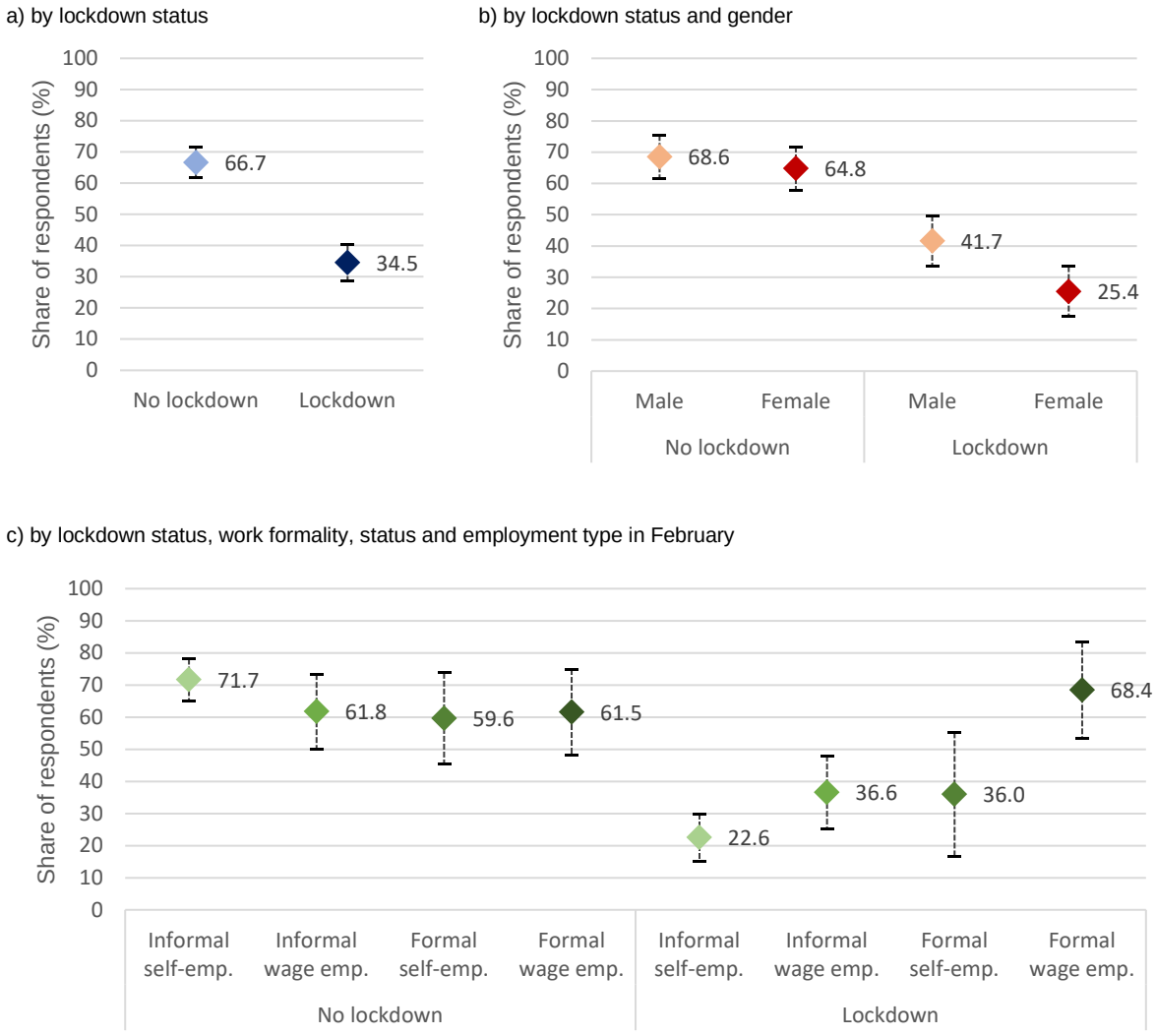
Figure A12: Average share of respondents (%) reporting loss of household's main source of income, by subgroup



Note: dotted lines indicate 95% confidence intervals.

Source: authors' illustration based GSPS-COVID-19 survey.

Figure A13: Share of respondents who were working in April 2020, by subgroup

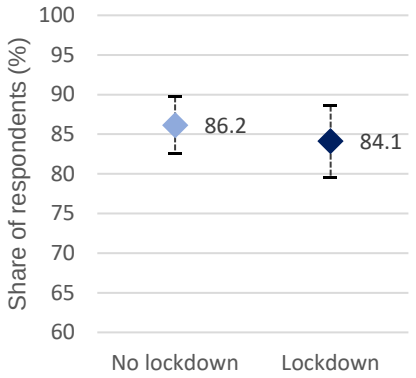


Note: sample limited to respondents working in February 2020. Dotted lines indicate 95% confidence intervals.

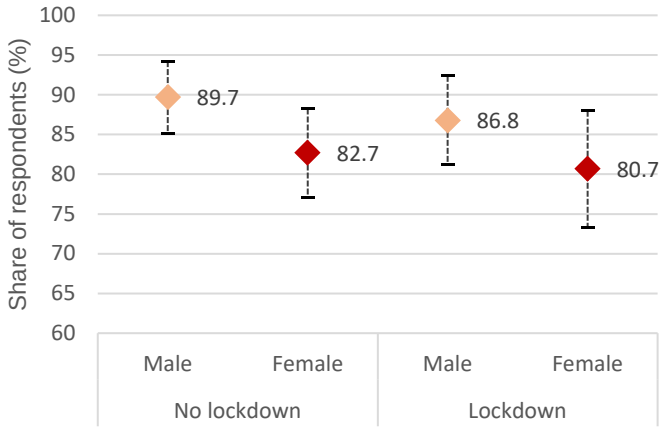
Source: authors' illustration based GSPS-COVID-19 survey.

Figure A14: Share of respondents who were working in August/September 2020, by subgroup

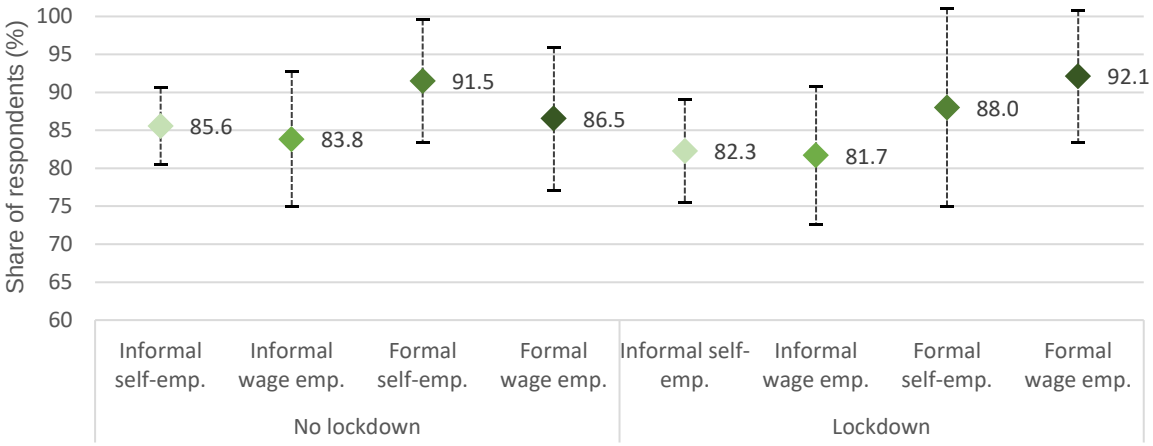
a) by lockdown status



b) by lockdown status and gender



c) by lockdown status, work formality status, and employment type in February

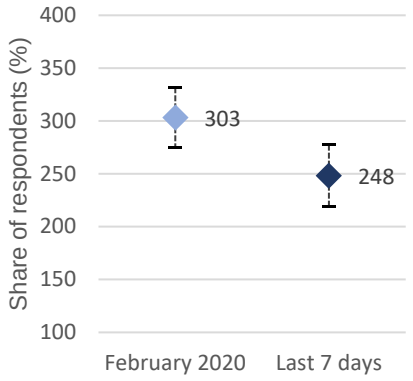


Note: sample limited to respondents who had been working February 2020.

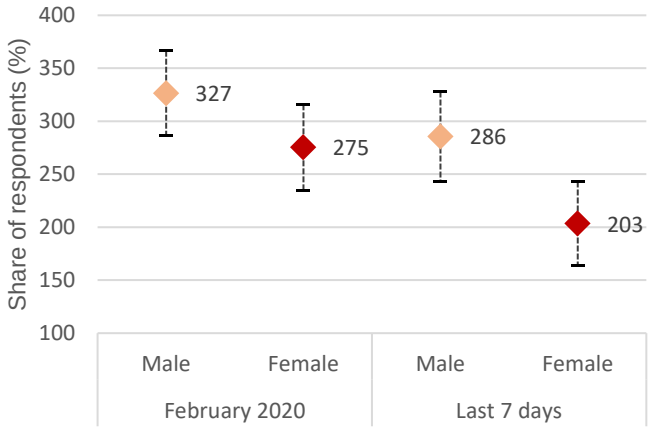
Source: authors' illustration based GSPS-COVID-19 survey.

Figure A15: Average weekly earnings, pre- and post-COVID, by subgroup

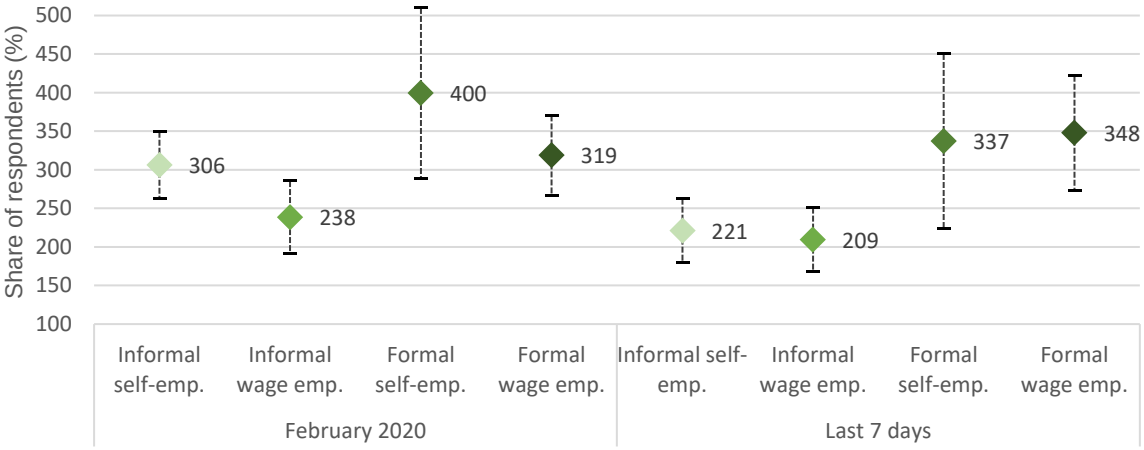
a) by period



b) by period and gender



c) by period, work formality status, and employment type in February

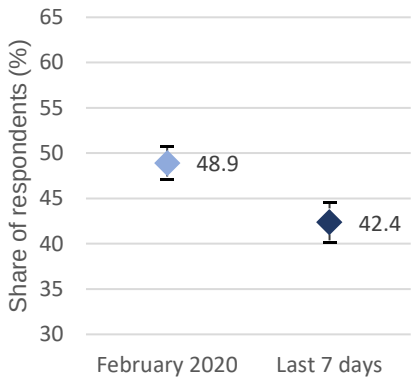


Note: sample limited to respondents who had been working February 2020.

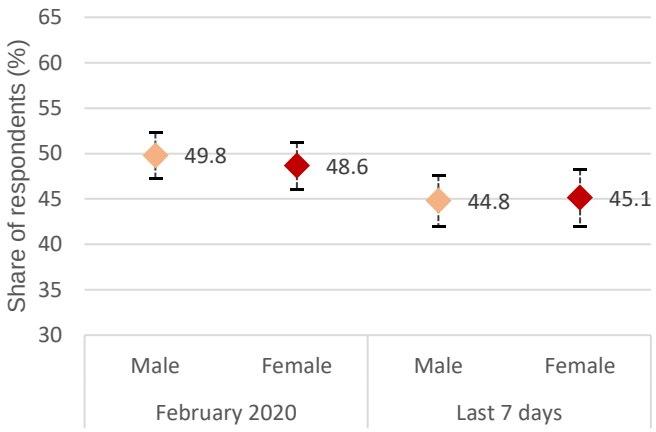
Source: authors' illustration based GSPS-COVID-19 survey.

Figure A16: Average weekly working hours, pre- and post-COVID, by subgroup

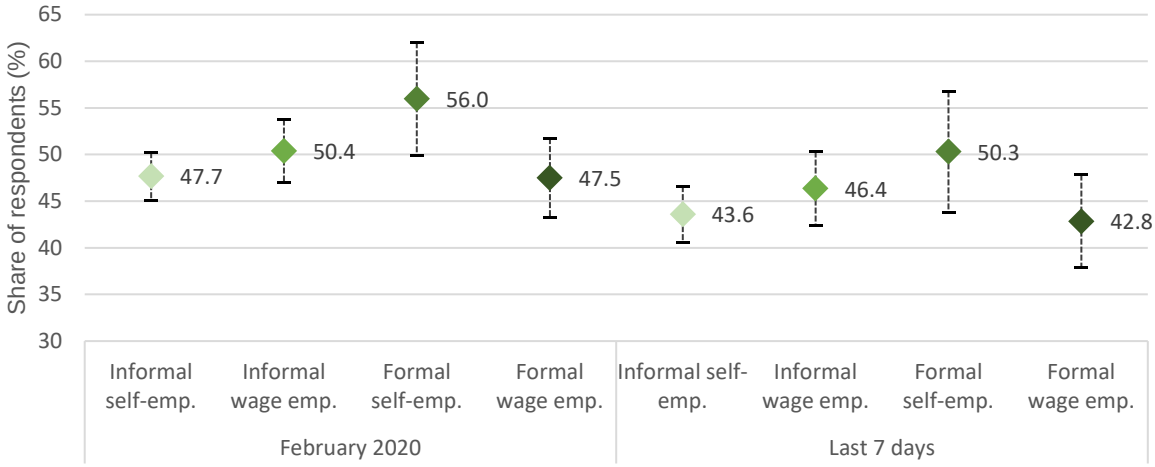
a) by period



b) by period and gender



C) by period, work formality status, and employment type in February



Note: sample limited to respondents who had been working February 2020.

Source: authors' illustration based GSPS-COVID-19 survey.