COVID-19 Crisis and the Informal Economy: Informal Workers in Accra, Ghana

Key Findings

1. **Reduced earnings**: While informal workers are largely back to work since lockdown, earnings have not recovered. No sector group reported having recuperated earnings at pre-crisis levels in June/July, with all groups except waste pickers earning on average less than one-third what they had been earning in February 2020 before the crisis.

2. **Increased household stress**: As earnings have decreased, household pressures have increased – 62% of respondents reported an increase in cleaning, 49% reported an increase in cooking and 52% of respondents with children reported an increase in child care during the crisis period.

3. **Lack of government relief**: The relief programs that were announced by the government did not reach those who needed relief the most. Despite the continued negative impact on earnings, informal workers were excluded from government relief: no workers reported having received any form of cash grant, and only 15% received any kind of food relief.

4. **Widespread use and promotion of PPE**: Personal protective equipment (PPE) is widely used and promoted within all sectors, and workers are securing PPE on their own – 88% of all workers interviewed were using PPE in the last 7 days prior to the survey, and 88% reported having purchased PPE themselves.

Background

**COVID-19 Crisis and the Informal Economy** is a WIEGO-led 12-city longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households. Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis at two points – peak lockdowns (April 2020) and easing of lockdowns (June/July 2020) – in comparison to pre-COVID-19 (February 2020). Round 2 will assess continuing impacts versus signs of recovery in the first half of 2021 compared to the pre-COVID-19 period and Round 1. This report presents the summary findings of Round 1 of the study in Accra, Ghana.
In Accra, WIEGO surveyed 193 street vendors, market traders, waste pickers and kayayei who are members of the Informal Hawkers and Vendors Association of Ghana (IHVAG), Greater Accra Markets Association (GAMA), Kpone Landfill Waste Pickers Association and Kayayei Youth Association. Researchers also conducted in-depth interviews with two informal worker leaders from each sector. This report considers the impacts of the COVID-19 crisis on these worker groups with regard to income, food, health, and household stress; how relief mechanisms are overlooking informal workers; and the types of policy responses needed for an economic recovery that includes Accra’s essential, but vulnerable workers.

**Informal workers in Accra**

Informal workers are the majority of workers in Greater Accra, accounting for 56% of total employment.\(^1\) They play critical roles in essential supply chains, especially in food provision and waste collection. Informal workers in and around Accra’s markets – street vendors, market traders and kayayeis – provide affordable goods and services and form the foundation of Accra’s commercial life. Waste pickers reduce greenhouse gas emissions through recycling waste that would otherwise remain on streets and in landfills.\(^2\) Street vendors, market traders and waste pickers together represent almost half a million workers in the Greater Accra region (or 28.5% of total employment).\(^3\) Despite their economic, cultural and environmental contributions, they lack legal and social protections, and are often harassed, evicted or fined for their work. As this study will show, the COVID-19 crisis deepened the existing vulnerability of informal workers in Accra, who have so far largely been left out of government relief measures.


\(^2\) Kpone Landfill Association in Accra reduces emissions by 5.4 tonnes of CO2 equivalent/year by sorting materials manually instead of using more energy-intensive sorting technology. WIEGO 2020.

The survey sample is intended to reflect the composition of the participating organizations' members and may not be representative of street vendors, waste pickers, market traders and kayayei in Accra more broadly.

Two participants did not report age.

1 USD is equivalent to 5.86 GHC as of January 2021.

These are gross earnings.

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<table>
<thead>
<tr>
<th>Place of origin:</th>
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<tr>
<td>36% from Accra</td>
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<td>62% domestic migrants</td>
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<td>2% international migrants</td>
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<tr>
<th>Pre-COVID average daily earnings (February 2020)</th>
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<tr>
<td>Market traders: 759 GHC (130 USD)³</td>
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<td>Street vendors: 305 GHC (52 USD)⁴</td>
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<td>Waste pickers: 42 GHC (7 USD)</td>
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<td>Kayayei: 35 GHC (6 USD)</td>
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Henrietta Osei is a trader who sells fresh meat in the Makola Market. Photo credit: Benjamin Forson
Policy responses to COVID-19

**Timeline**

**March**
- **March 12:** The Health Minister announced Ghana’s first two positive cases of COVID, said to have been imported cases from Norway and Turkey. The first contact tracing process in Ghana was initiated.
- **March 15:** The President of Ghana banned all public gatherings including conferences, workshops, funerals, festivals, political rallies, church activities and other related events to contain the spread of COVID-19. At this time, schools were also closed.
- **March 22:** The government of Ghana announced the closure of all borders.
- **March 23:** Mass disinfection of 137 markets in 28 Districts of Greater Accra Region was carried out as a measure to reduce the rate of infection.
- **March 27:** The President announced a partial lockdown in Accra and Kumasi effective Monday 30th March. Exemption was granted to essential workers.

**April**
- **April 5:** The closure of borders was extended by another fortnight.
- **April 5:** The President announced the government’s decision to cover water bills for all Ghanaians for the months of April, May and June following complaints of lack of potable drinking water in many communities affected by the 14-day lockdown.
- **April 9:** The government announced they would fully absorb electricity bills for the poorest of the poor, providing free electricity for persons consuming from 0-50 kilowatt-hours a month for a period.
- **April 13:** The President extended restrictions on movements in Accra and Kumasi for one week until April 20th.
- **April 19:** The partial lockdown imposed three weeks earlier was lifted, but the other preventive protocols were left in place.

**May**
- **May 10:** The President extended the ban on social gatherings until the last day of May 2020.
- **May 11:** The government of Ghana, through the office of the Ghana Tourism Authority, gave hotels, bars and restaurants permission to reopen but to operate under enhanced social distancing procedures.
- **May 19:** 695 persons tested positive at a fish-processing factory in Tema after a worker contracted the virus and infected over 500 workers there.

**July**
- **July 20:** The President gave an order for the second phase of a nationwide disinfection exercise to limit the spread of COVID-19 in Ghana.
- **July 23:** The government announced GHC 600 million coronavirus poverty alleviation fund to support micro, small and medium enterprises.

**September**
- **September 23:** The government extended its free water supply package for all Ghanaians for another three months effective October 1, 2020.

"If there is no conscious effort to support informal workers, they go back to square one and they will be left behind. Their situation could get worse."

– Owusu Boampong, Informal Sector Specialist, Accra
**Income, Work and Food**

During the lockdown period, market traders and street vendors selling food products received essential designations, and almost half of market traders were able to continue working. However, street vendors reported a different experience – many were prevented from working by authorities, despite having permissions to do so.

Some waste pickers continued to work during the lockdown period but, without a market for selling their products, their work was focused only on stockpiling goods for later sale.

Kayayei were most affected by the lockdown – without customers at the market, they were shut out of their livelihoods almost entirely.

![Graph of respondents who continued to work](image)

*Elizabeth Ankomah. Photo credit: Benjamin Forson*
Impact on days worked and earnings

Since the lockdown was lifted, the majority of informal workers in all sectors have gone back to work; however, their earnings have not recovered. Workers in all sectors saw their earnings fall at the start of lockdown. Even those continuing to work saw an immediate decrease in demand and, as a result, in earnings. Average earnings across sectors continued to remain below pre-crisis levels three months after lockdown was lifted.

The degree and reasons for impact on earnings vary significantly by sector.

Market traders were the highest earners prior to lockdown, and saw their earnings reduced almost by half during lockdown: In April, market traders were earning 54% of their average pre-crisis (February) earnings, with 55% of those surveyed earning zero. By June, although most were back at work (only 8% reported earning zero during this period), average earnings continued on a steep decline: market traders were earning only 30% of pre-crisis levels. Market traders described being affected by a sustained drop in demand, as restrictions remained on public events and schools, leading to fewer sales, compounded with customers staying away from markets for fear of contracting the virus.

In April, street vendors were earning only 8% of their average February earnings, with 88% of respondents earning zero. By June, most vendors were back at work – only 2% continued to earn zero – but earnings remained severely impacted, with respondents earning only 32% of what they were earning in February before the crisis. Like market traders, street vendors were impacted by drops in demand, but they faced additional difficulties in the form of harassment and conflicting directives from authorities. Many were made to leave their original vending locations, and have had to work from new, less desirable locations with reduced demand and pedestrian flow.

Waste pickers and kayayei had the lowest average earnings at the start of the crisis period, with waste pickers earning an average of 42 GHC per day, and kayayei earning 35 GHC per day. Although they experienced less of a percentage change in earnings, at very low baseline levels of earnings any reduction can mean losing the ability to meet basic needs.

In April, waste pickers were earning only 9% of their average February earnings, with 88% of respondents reporting zero. By June, with 14% continuing to earn zero, waste pickers began to earn again, but only at 60% of pre-crisis levels. This reflects the breakdown in the recycling supply chain which started during the lockdown period and continued after, with a drop in demand for recyclable materials, particularly for plastics. Where middlemen continued to purchase from waste pickers, they did so at reduced prices.
In April, all but one kayayei interviewed was out of work and earning zero. In June, 27% continued to earn zero, and kayayei were earning only 29% of what they had been earning in February, which was a significantly lower amount than any other sector group to begin with.

“We the traders are mostly subsistence traders living on our daily earnings, so in effect we spent all our little savings in this period. If you had credited goods and sold them and had to pay the creditor, you were forced to spend that too, because you did not have any other source of income to live on. So many went through difficulties.”

– Anas Ibrahim, President of IHVAG, Accra

“Traders have learned to save when selling because no one knows what might happen... But most members lost their properties and money, and this loss will be there for long before they recover.”

– Margaret Ankamah, Market Trader, GAMA, Accra

“During COVID now you can work the whole week and you can only get a day’s earnings”

– Johnson Doe, Chairperson of Kpone Landfill Waste Pickers Association, Accra

“Work has been adversely affected. We came here to work so that we can learn a trade or further our education. That is not possible now because our incomes are so low.”

– Rukaya Abdulai, Old Fadama Kayayei Association, Accra
Food Security
Food insecurity varied by sector. Kayayei were particularly affected, with 96% reporting having experienced instances of hunger among adults in their households in the month prior to the survey.

“I visited a Kayayo at the hospital today. She said she hadn’t eaten since morning and she carried some things. She fell into a gutter because she could not see properly.”
– Rukaya Abdulai, Old Fadama Kayayei Association, Accra

Health and Safety
In June/July, most informal workers had relatively limited exposure to COVID-19 within their own households. Although COVID-19 exposure was low among respondents, many reported avoiding pharmacies and other medical offices during the crisis for fear of being tested and stigmatized for COVID-19 infection. Many also had difficulties in accessing medications and other medical services.

“When I went to the hospital, they did a COVID test for me. If I knew, I would not have gone. That is why some of us don’t want to go to the hospital. If they test you and you are positive, it will create rumours.”
– Rukaya Abdulai, Old Fadama Kayayei Association, Accra

Although informal workers have been stigmatized as vectors of COVID-19, the reality is that informal workers and their organizations are model citizens in the use of Personal Protective Equipment (PPE). 88% of workers reported having used PPE (such as masks, gloves and shields) in the 7 days prior to the survey. Informal workers’ widespread use of PPE is particularly notable considering the source – 88% of respondents reported having purchased or procured their PPE on their own, despite resource constraints. Some workers noted that they were using PPE despite difficulties performing manual labour and breathing freely while wearing a mask. This was particularly the case for kayayei who carry heavy loads in the market. Others noted that, although they are committed to the use of PPE, if earnings continue to be depressed, it will be difficult to purchase their own PPE in the future.

In the absence of widespread government provision, membership-based organizations (MBOs) of informal workers are helping to fill the gap – 22% of workers reported having received PPE from their MBO.

“With the identity card a Kayayo is entitled to food, PPEs and any skills training that the Association embarks upon.”
– Rukaya Abdulai, Old Fadama Kayayei Association, Accra
Household stress

While earnings have fallen, changes in household structures and the closure of schools and child care centers have increased unpaid, household labor for informal workers.

Significant numbers of workers reported that the crisis had increased their cooking, cleaning and child care responsibilities. This may be due to several factors, including more family members at home, and children at home who would have previously received some meals from their schools. Though both women and men report an increase in their care responsibilities, the increase in women’s care responsibilities is on top of an already unequal distribution of these responsibilities where women take on the majority of the work.

Compounding the stress of increasing care responsibilities in the home is the fact that household incomes have been reduced. 96% of respondents reported that their total household income was less than the pre-crisis period in February. As a result, in some cases households reported struggling to cover rent and other household expenses.

"Most Kayayei must put their children at their back as they work because schools are closed....This is one of the effects of COVID-19, if schools were in session, we would just send them there and pick them up after work."

– Rukaya Abdulai, Old Fadama Kayayei Association, Accra
Despite severe impacts on earnings, food security and household stress, informal workers have been left out of relief measures from the government during the COVID-19 crisis. While a 600 million GHC fund to support small businesses was created under the Coronavirus Alleviation Programme (CAP), no parallel cash relief programme was developed for the informal economy. Some market traders and street vendors attempted to access the small business programme but most have been unable. Out of about 800 applicants from the Greater Accra Markets Association (GAMA) who had applications approved, less than 100 have reported actually receiving the promised cash transfers in the bracket of GHC 450 to 1500. Of street vendors in this study, 28% applied for relief but none were approved. The program was not designed to be easily accessible by informal workers – there was no office to visit for assistance, the entire application process was online, and it required a taxpayer identification number (TIN), which many workers would not have.

Food assistance in the form of dry goods was provided to some areas, but workers noted problems with distribution and political favoritism in distribution of food as major challenges to securing access. For workers who did receive food, they reported that it was distributed in an ad-hoc fashion and on a first come, first served basis, making it difficult to access.

Although the government provided free access to water and electricity during the height of lockdown, there was no concrete policy on rent relief. Landlords were encouraged to be flexible with renters about late payments, but many did not abide by this guidance and evicted tenants at the first missed payment.

“The percentage of vendors renting is like 70% and less than 30% have their own homes. The government did not intervene wholesale for tenants. I heard that the government asked landlords to lessen the terms of the tenancy agreements. The government appealed to them but did not compel them to. I learnt that there were a lot of cases at the rent control for resolution because people had lots of issues with their landlords regarding rent payments.”

– Anas Ibrahim, President of IHVAG, Accra

“I have not seen that government has given us any relief because, in the first place, government doesn’t know the role we play. During the COVID time, we didn’t hear anything from the government, even the general news they are giving that government is providing food, is doing this and doing that, we never got anything that we can say this thing has been given to us by the government; we have not received any support from the government”

– Divine, Secretary of the Kpone Landfill Waste Pickers Association, Accra
Impacts and coping

In order to cope with the economic difficulties of the COVID-19 crisis, 93% of informal workers surveyed reported taking some measures to cope. The most common coping measure, used by 70% of total respondents, was to draw down savings. However, this was most common among market traders and street vendors, as they were the highest pre-crisis earners and thus the groups most likely to have savings to begin with. Waste pickers relied equally on borrowing money and seeking support from friends, family or neighbors, while kayayei relied primarily on seeking support from friends, family or neighbors.

In interviews with workers, additional collective coping measures were mentioned, including strategies such as sharing resources and labor. For example, waste pickers living close to the Kpone dumpsite reported opening up their homes to waste pickers who lived farther away, in order to facilitate access to the dump during lockdown when they would have been prohibited from traveling, either by restrictions or by expense. Street vendors began to innovate by selling products online.

Janet Adoma is a dealer in second hand goods and has done this business for about 10 years. Photo credit: Benjamin Forson
A Roadmap to Recovery: 
Informal Workers’ Needs and Demands

The recent crisis underscores the need for rights and protections which informal workers in Accra have been calling for long before COVID-19: access to social and legal protections, supportive regulatory frameworks, recognition for their social and economic contributions, the elimination of stigmatization and discrimination, and representation in policy-making and governance, among other demands.

These critical rights and protections have never been more urgent for informal workers, who have been hit hardest by the COVID-19 crisis and will take the longest to recover without proper support.

Local and national governments must act now to support Accra’s informal workforce.

All sectors would benefit from the following measures:

- **Ensure universal access to social protection**: All informal workers need access to social protection – health care, child care and income security – that will prevent, protect and mitigate against risks to their incomes and help them cope after an event or shock like COVID-19. Although building out a comprehensive social protection system may take time, the government could take immediate steps in this direction in the following ways:
  - The National Board for Small Scale Industries (NBSSI) should provide immediate support to offset massive losses in earnings through extension of cash grants and food aid to informal workers.
  - The Ministry of Gender and Social Protection should permanently extend the LEAP program to informal workers and other vulnerable groups in urban areas.
  - The NHIS Secretariat of the Ministry of Health should remove all financial and administrative barriers to registering for the National Health Insurance System (NHIS); NHIS registration should be free and simple for all informal workers.
  - Government support for more quality child care services in and around markets for women informal workers should be included in the new Early Childhood Care and Development Policy.

- **Create a registry of informal workers**: A major barrier in providing immediate relief to informal workers during lockdown was the lack of data on informal workers and other vulnerable groups. As a result, where relief was provided it was often ad-hoc and often did not reach those who needed it most. Registration of informal workers and other vulnerable groups into a regularly maintained database would allow for channeling relief measures during and beyond crisis periods.

- **Provide immediate relief, de-linked from onerous requirements**: Relief that has been made available through the stimulus package (CAP) has included requirements which effectively exclude informal workers, including TIN and business registration certificates and online applications. Informal workers should be permitted to apply for cash grants, not credit, in person and without requirements which would exclude them.

- **Improve occupational health and safety**: Support is needed for informal workers to access PPE. Municipal governments must also invest in infrastructure improvements at places of work to allow for better ventilation and sanitation and an overall safe and secure working environment.

- **Commit to do no harm**: All levels of government must commit to put an end to measures that exacerbate the vulnerability of informal workers and which often violate their rights. This should include: ending all evictions (including from place of work or home) and ending harassment, confiscations and fines by Accra Metropolitan Assembly (AMA) task forces. Where relocations from place of work are absolutely necessary, AMA must work with workers’ organizations to find appropriate and feasible alternative places of work and trade. In addition, women informal workers should not face harassment for bringing children to the markets as they lack access to child care services.
• **Decriminalize and promote informal livelihoods through supportive legislation:** Informal workers can gradually transition to the formal economy through supportive legislation which recognizes them as legitimate economic actors, and which promotes and supports, rather than criminalizes their work. See sector-based recommendations below for more information.

• **Include informal workers’ organizations as partners in recovery:** Government should involve informal workers and their organizations as key stakeholders in all decision-making that impacts their work, including by designating informal worker representatives to serve on recovery-related task forces or committees, and social protection policies such as the extension of cash transfers, registration, health care and child care.

As this study has shown, different sectors in the informal economy have been impacted differently, and sector-based approaches are needed in addition to the general measures listed above.

**Kayayei:** Of all sectors covered in this study, kayayei were the most vulnerable pre-crisis, and have been the most severely impacted by the crisis, with unsustainably low earnings reduced further and many struggling to meet basic needs. The Ministry of Gender and relevant municipal assembly departments should act now to:

- Provide temporary child care measures in the Central Business Districts when schools are closed.
- Assign dedicated social workers to provide support to organizations of kayayei in the following areas:
  - Securing access to scholarships for kayayei to continue their studies where it is their desire to do so.
  - Counseling for expectant mothers on where to access relevant support and prenatal care.
  - Support to kayayei in enrolling children in school.
- Provide livelihood support to kayayei through:
  - Skills training in alternative livelihood areas.
  - Access to capital to start a new livelihood activity.

*Kayayei in Accra. (This photo was taken prior to the start of the COVID-19 pandemic)*
*Photo credit: Jenna Harvey*
Street vendors: As this study has shown, street vendors have been effectively excluded from the small business support programme designed under CAP to provide relief to small and micro enterprises. At the same time, vendors have struggled to get back to work amidst depressed demand and conflicting and confusing regulations about where and when they are permitted to vend. For years, street vendors’ organizations, like the Informal Hawkers and Vendors Association of Ghana (IHVAG), have been advocating for a simplified and clear regulatory framework which would support rather than penalize work in public space, creating benefits for vendors and pedestrians alike. Now, without clear and supportive regulations, vendors may not recover from this crisis. The NBSSI, relevant municipal assembly departments and the Ministry of Local Government and Rural Development should act now to:

- Provide support to build back capital through access to small business support, including interest-free loans.
- Provide PPE and clear health and safety guidelines, while allowing vendors to work free from harassment from authorities.
- Expand markets to create space for vendors.
- Revise the current vending by-laws in collaboration with street vendors’ representative organizations, in order to create a more supportive and effective regulatory framework.

Market traders: Like street vendors, market traders have been left out of small business relief. Traders continue to earn a fraction of pre-crisis earnings as customer demand remains low and, in many cases, debts for market stalls, capital and tolls and fees are mounting. The NBSSI, relevant municipal assembly departments and the Ministry of Local Government and Rural Development should act now to:

- Provide support to build back capital through access to small business support, including interest-free loans.
- Provide a full moratorium on rents for market stalls, and forgiveness of tolls and fees.
Waste pickers: Waste pickers have continued to provide environmental services to the greater Accra region – diverting waste from overflowing landfills – without any relief or support from government for their services. Waste pickers have seen their supply chains stressed to the point of breaking during the crisis, as buyers stop purchasing materials or purchase at severely depressed prices. The national government should act now to:

- Provide tax incentives to recycling companies to stimulate demand for recyclables.
- Develop an Extended Producer Responsibility policy that supports the integration and formalization of the informal waste sector, which fully funds waste and litter collection for all residents, including low-income neighborhoods which are currently underserviced, and which includes minimum recycled content mandates for producers.
- Coordinate with and support municipal governments to ensure full coverage of waste collection services, including and especially in low-income communities, and facilitate the transition of waste pickers from the informal to the formal economy through the provision of contracts, material recovery facilities and tricycles for doorstep waste collection.
- Provide PPE to protect against constant exposure to contaminated waste.
- Work with local governments and with informal waste pickers’ organizations and allies to establish a clear policy framework for informal waste sector integration that outlines strategies and funding mechanisms for the integration of the informal sector.
- Ensure that any restrictions on public access to waste materials, including through the closure of dumpsites and source segregation schemes, should invoke livelihoods safeguarding processes for informal workers who lose access to materials. These processes should be developed in collaboration with informal workers and their allies.
- Ensure that waste picking, processing and recycling should be declared an official employment category, and registration under this status should include the provision of government social welfare benefits as well as automatic eligibility for emergency relief during crises like COVID-19.

Waste Pickers on a landfill in Accra. (This photo was taken prior to the start of the COVID-19 pandemic) Photo credit: Dean Saffron
COVID-19 Crisis and the Informal Economy is a collaboration between Women in the Informal Economy: Globalizing and Organizing and partner organizations representing informal workers in 12 cities: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Dar es Salaam, Tanzania; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York City, USA; Pleven, Bulgaria; and Tiruppur, India. The mixed methods, longitudinal study encompasses phone questionnaires of informal workers and semi-structured interviews conducted with informal worker leaders and other key informants. Round 2 will be conducted in the first half of 2021. For more information, visit wiego.org/COVID-19-Global-Impact-Study.

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

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