COVID-19 Crisis and the Informal Economy in Accra, Ghana: Lasting Impacts and an Agenda for Recovery

Photo: Informal trader Elizabeth Ankomah in Accra, Ghana.
Credit: Benjamin Forson

Key Findings

No recovery, no relief: Informal workers in Accra are working fewer days and earning less than before the pandemic. By mid-2021, the median monthly earnings of workers in all sectors were only one-third of their pre-COVID earnings. They are facing new obstacles to working and earning, especially related to lack of customers, rising prices and increased competition. The government has provided no cash grant relief for informal workers to help rebuild capital and cope with losses.

Food insecurity is rising: Rather than improving, food insecurity has increased since last year. 44% of workers are reporting adult hunger in the household and more than half reported skipping a meal or eating a smaller variety of foods in the past month. Despite high levels of food insecurity, only 5% received food relief from the government. Food insecurity levels are most severe for the kayayei - 100% of kayayei reported incidents of adult hunger.

Assets have been eroded: More than half of workers reported drawing down savings as a coping strategy, and 92% were unable to rebuild at least half of savings lost. Half of workers reported borrowing money to cope.

Background

COVID-19 Crisis and the Informal Economy is a WIEGO-led longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households.[1] Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis in April 2020 and mid- 2020 compared to February 2020 (the pre-COVID-19 period).[2] Round 2 was conducted in mid-2021 to assess how workers were experiencing COVID-19 resurgences and ongoing economic strains, and to what extent (if any) they had recovered. This report presents the summary findings of Round 2 of the study in Accra, Ghana. Researchers in Accra surveyed 186 of the original Round 1 respondents to assess how their situation had changed roughly a year after the initial survey. Five additional respondents were surveyed to replace previous Round 1 respondents who could not be contacted. Researchers also conducted in-depth interviews with 7 informal worker leaders. The research was conducted in collaboration with the Kpone Landfill Waste Pickers Association, Greater Accra Markets Association (GAMA), Informal Hawkers and Vendors of Ghana (IHVAG) and the Kayayei Youth Association.

All findings that compare Round 2 findings to Round 1 findings consist of unbalanced panels, meaning that they include all participants from Round 2 and all participants from Round 1.

[1] Study cities are 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), Tiruppur (India).

[2] Results from Round 1 in Accra are available at: *https://www.wiego.org/publications/covid-19-crisis-and-informal-economy-informal-workers-accra-ghana*

Informal Economy in Accra, Ghana

Informal workers are the majority of workers in Greater Accra, accounting for 56% of total employment.[3] 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 kayayei – 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.[4] 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).[5] 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 largely been left out of government relief measures and who have not been included in economic recovery policy.

Study Dates and Sample

Dates of study in Accra, Ghana

- **Round 1:** June–July 2020
- **Round 2:** June–July 2021

Total Sample: 191

Sample by sector[6] and new versus Round 1 respondents

Sector	n	% of Total sample	% Women	% New respondents
Kayayei	45	24	100	11
Street Vendors	50	26	68	0
Waste Pickers	48	25	34	0
Market Traders	48	25	91	0
Total	191		73	11

[3] Boateng, William and Joann Vanek. 2020. "Informal Workers in Ghana: A Statistical Snapshot."
[4] Kpone Landfill Waste Pickers 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.
[5] Boateng, William and Joann Vanek. 2020. "Informal Workers in Ghana: A Statistical Snapshot."
[6] Round 1 Respondents who changed their primary occupation are categorized as "Other", unless they have become one of the other main sectors, in which case they are included as a member of this group. Round 1 respondents who have stopped working entirely or were not working at the time of survey are tabulated with their Round 1 sector.

Age distribution

	n	%
18-25	32	17
26-35	44	24
36-45	39	21
46-55	43	23
56-65	22	12
>65	6	3

The sample is not intended to be representative of informal workers in each city or even of the membership of each organization.

COVID-19 in Accra, Ghana: Key Dates

March 12, 2020: First two cases of COVID-19 confirmed in Accra when two infected people came to Ghana; one from Norway and the other from Turkey.

March 15, 2020: President Nana Akufo-Addo banned all public gatherings in Ghana, including funerals, festivals, conferences, workshops, political rallies, church activities and other events to reduce the rate of spread of the virus. Schools and universities were also closed down.

March 21, 2020: The President of Ghana announced certain measures restricting movement under the Imposition of Restrictions Acts, (Act 1012) in line with article 21 of the Constitution of Ghana.

March 22, 2020: All borders of the country were closed by midnight of Sunday, March 22.

June 5, 2020: The first stage of easing restrictions on religious services, funerals and weddings took effect but these were only allowed with reduced capacity and time length.

September 23, 2020: The Ministry of Education and Ghana Education Service collaborated with Zoomlion to fumigate and disinfect all senior high schools across the country to pave the way for the reopening of schools. The Greater Accra region alone had over 3,000 schools fumigated.

January 15, 2021: The government announced the reopening of schools at all levels to begin the 2021 academic calendar.

February 24, 2021: Ghana received delivery of its first set of vaccines, about 600,000 doses of AstraZeneca as part of World Health Organizations (WHO) global sharing programme.

March 30, 2020: The announced Partial Lockdown of Accra and Kumasi took effect with some exceptions. Officers of the executive, legislature and judiciary arms of government and others declared as essential service providers were exempted from the restrictions. These included people involved in the production and distribution of medicine, food and media.

April 3, 2020: Over 460 markets were disinfected across the country, including in Accra.

April 19, 2020: The three-week partial lockdown imposed on Accra and Kumasi was lifted but other preventive protocols were still in effect.

May 19, 2020: The President launched the Coronavirus Alleviation Program Business Support Scheme (CAPBuSS) in Accra. The National Board for Small Scale Industries, an agency under the Ministry of Trade and Industry, was put in charge of the scheme.

June 2021: Ghana's COVID-19 cases rose by 1,903 with the total death toll at 796 as Africa saw the third wave surge.

August 8, 2021: The country received over 177,600 doses of the Johnson & Johnson vaccine. By this time, about 1.2 million Ghanaians had already been vaccinated, with about 406,000 having received two doses.

October 6, 2021: The governments of Iceland, Denmark, Norway and Germany donated a total of 530,000 doses of AstraZeneca to Ghana.

October 8, 2021: About 1.3 million doses of Pfizer COVID-19 vaccines were donated to the country by the government of the United States.

November 26, 2021: 6% of the population of Ghana was fully vaccinated. 20% of the population had received at least one shot.

December 2, 2021: The Noguchi Memorial Institute for Medical Research said it had detected 34 cases of the Omicron variant in Ghana. These were found in 120 samples collected from travellers arriving at the Kotoka International Airport, Accra, between November 21 and 24, 2021.

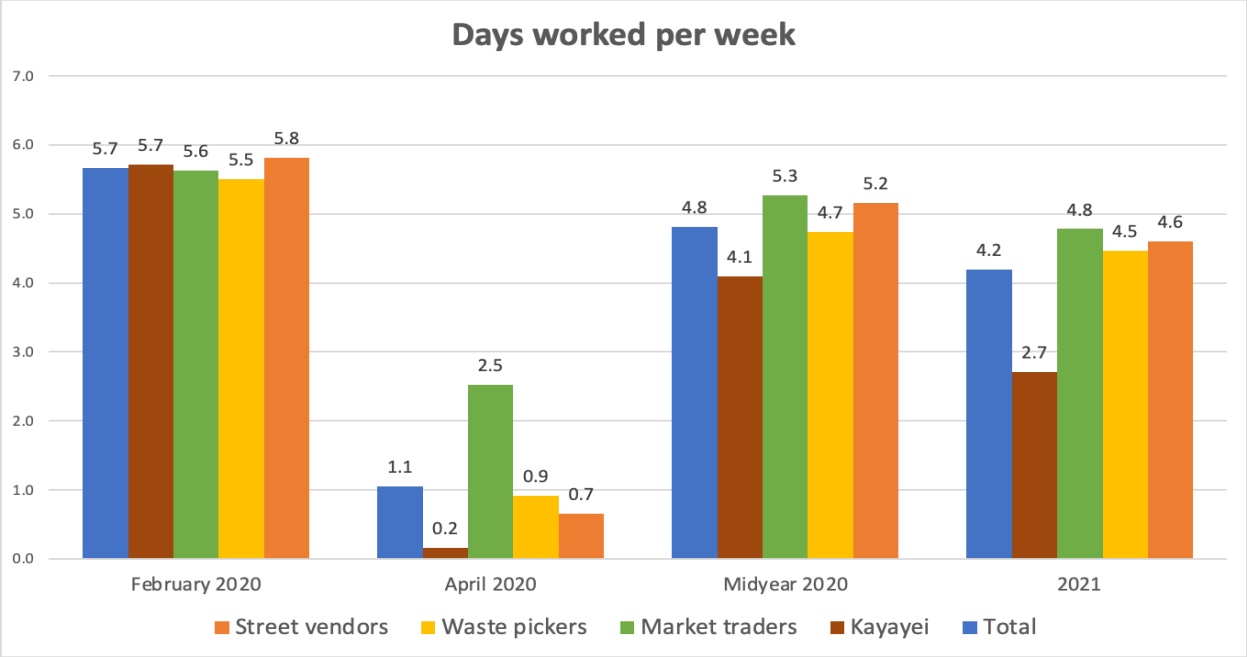
Impacts of and Responses to the Crisis

Work, Earnings and Food

Work

Although informal workers' ability to work improved from the period of strictest restrictions in April 2020 to mid-2020 when restrictions were lifted, the situation has in fact worsened for informal workers. In mid-2020, 9% reported an inability to work and this rose slightly to 13% in mid-2021.

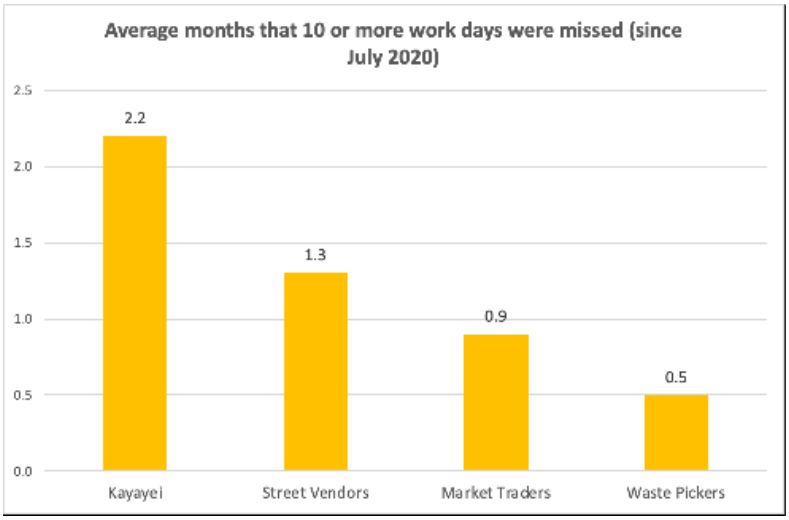
Those who are working are working fewer days and earning less when compared to pre-crisis levels (February 2020). In fact, average working days have even declined in comparison to mid-2020 – workers in all sectors are working fewer days one year later – indicating a lack of recovery for informal workers.



Note: Respondents were asked to report work days in the last seven days, including days during which they worked part-time.

The largest decline in days worked was experienced by kayayei – who are now working 3 days less per week than they were before the crisis, and 1.4 days less per week than they were in mid-2020. As one kayayei leader explained of the shift in working dynamics: *"Formerly, we woke up at dawn and worked throughout the day. This is because some of our customers were coming to the market very early to buy stuff in bulk. These days we close by 12 noon."*

When asked how many months since July 2020 workers had to miss work for 10 days or more, kayayei were also most affected – kayayei had to miss 10 days or more for an average of 2.2 months.



The COVID-19 crisis has created many new challenges for informal workers to be able to work and earn. When asked to identify the single greatest impact of the crisis on their livelihoods, workers in all sectors cited obstacles to work and earnings, and specifically those obstacles related to changes in market supply and demand.

Specifically, for street vendors, market traders and kayayei, who work in and around markets, a drop off in customer demand was cited as the principal obstacle to working and earning. This was reported as an obstacle by 98% of kayayei, 90% of street vendors and 79% of market traders. Kayayei have been most acutely affected, evidenced by their reduced working days described above.

Some workers attributed lack of customer demand to the overall economic situation in the country – because many households have lost jobs and income, they are unable to consume in the markets as before, or hold events, celebrations or funerals like they used to. Other workers explained that customers may be avoiding the markets due to health concerns. However, lack of customer demand is also due to recent actions by the government that have made an already difficult situation worse. As one kayayo explained, recent market evictions have disrupted long-standing networks of traders, kayayei and their clients: *"The market is not moving because of COVID and they have relocated some parts of the Agbogbloshie market (onion market and scrap metal) to Kotoku. Some kayayei had customers who come to buy the onion in bulk so we carry it for them. Unfortunately, we can't afford to transport ourselves to Kotoku neither do we have accommodation there, so we don't have access to our customers."*

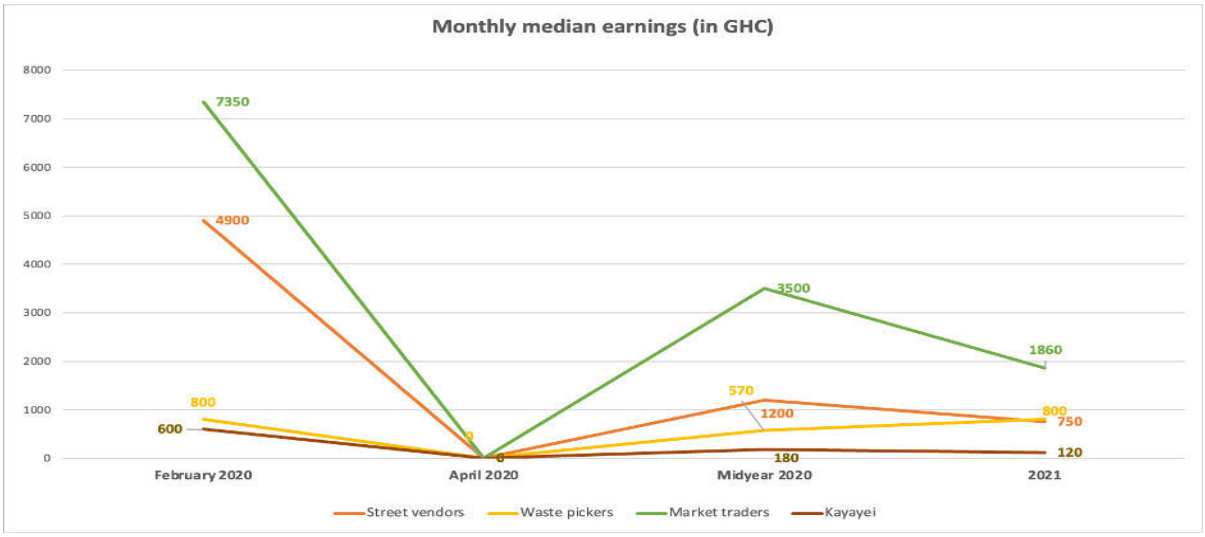
For street vendors and market traders, rising prices of raw materials, supplies or stock proved to be the second most significant barrier – this was reported as an obstacle by 76% of street vendors and 57% of market traders. Almost three-quarters of street vendors and market traders reported having more difficulty accessing stock when compared to mid-2020. As one market trader said of the price increases: *"The problem is that the cost of items have gone up. People have stock but they cannot make sales. As of today, we're selling a box of tomatoes for over GHC1,800 and maize is like 450 a bag.""*

Workers in both groups described frustration that they are often blamed for rising prices in the markets, when they are simply responding to increased prices in the supply chain and are in need of support to cope with rising prices themselves: *"The prices of items have really gone up. You can even attest to the fact that when prices of fuel go up it affects goods on the market as well. We recently met the council of state where I was in attendance. Our [GAMA] president made the statement that when prices of items go up, traders are blamed for artificial increases in prices, and she explained that's not the case. But rather traders transport their goods with vehicles who charge them more and this affects the price of food."* Market traders emphasized the importance of government officials spending time in markets and speaking to workers to understand the supply chain dynamics that are affecting their work and earnings: *"There's food but the cost is too much. The government must come into the markets and know what's going on in the markets. It's only through that experience that will make things clearer to the government regarding the real issues on the ground."*

In contrast, waste pickers should be benefitting from the rise in prices – the recyclable materials they collect are now worth more on the market than before. Unfortunately, because waste pickers are excluded from the formal waste management system, they have not been able to benefit from these gains – the middlemen they sell to have kept prices low. As one waste picker explained: *"As everything keeps on increasing in the bigger market, we also assume that our materials should also have an increment, but it is not like that in our situation… You can hear an increment today, then the next day... Because we are not dealing directly with the manufacturing companies so the middlemen that we supply our goods to, we can say they are the one controlling the price."* Also, one-quarter of waste pickers reported that increased competition at the site had become an obstacle.

In interviews with waste pickers, they also spoke of the existential threat they currently face, as their livelihoods could be destroyed by the closure of their worksite at Kpone landfill, and the possible introduction of waste to energy technology. As one waste picker said of the stress caused by this uncertainty: *"The next few months, that is what we are struggling with – the closure of the dumpsite. That is what every day... There is not a single day that we will not think of it. Looking at the trending news, that any moment from now. That would mean a lot to us, because we don't know that particular day. So even tonight when you come home, you are even thinking that, 'What will happen tomorrow morning?' Unless you go to the work tomorrow morning and you don't hear any sudden news, then you assume that then meaning today, you have the opportunity. So the next few months, our worry is the dumpsite closure and what happens next."* To respond to this threat, the Kpone Landfill Waste Pickers Association has been piloting a household waste collection model. But so far government has not formally consulted with the association about the dumpsite closure or livelihood alternatives.

Earnings[7]



[7] All earnings data include Round 2 respondents who have stopped working entirely and/or respondents who were not working in the previous month, whose days of work and earnings are set to 0. All earnings data are reported as gross earnings and do not account for costs of purchasing stocks or other inputs. Earnings data includes only what individuals earn from the primary occupation, not from other sources.

No sector is earning more than they did before the onset of COVID-19, and all sectors except waste pickers are earning at least 75% less than they did in February 2020.

After median monthly earnings for all sectors dropped to zero during the period of strictest restrictions in April 2020, they recovered to a limited degree in mid-2020. However, in a sign of deepening economic hardship and lack of relief for informal workers, between mid-2020 and mid-2021, earnings for all sectors except waste pickers declined further.

Results vary by sector. While waste pickers are now earning what they did prior to the pandemic – street vendors have only recovered 15% of earnings, and kayayei and street vendors are only earning 20% and 25% of pre-pandemic earnings respectively.

	Median monthly earnings as % of median pre-pandemic[8] earnings, in 2021
Market traders	25%
Street vendors	15%
Waste pickers	100%
Kayayei	20%
Total	34%

Also, it is important to note that although waste pickers' median monthly earnings have reached pre-crisis levels, they remain unsustainably low. Complicating waste pickers' existing vulnerability is the uncertainty of the future of their work.

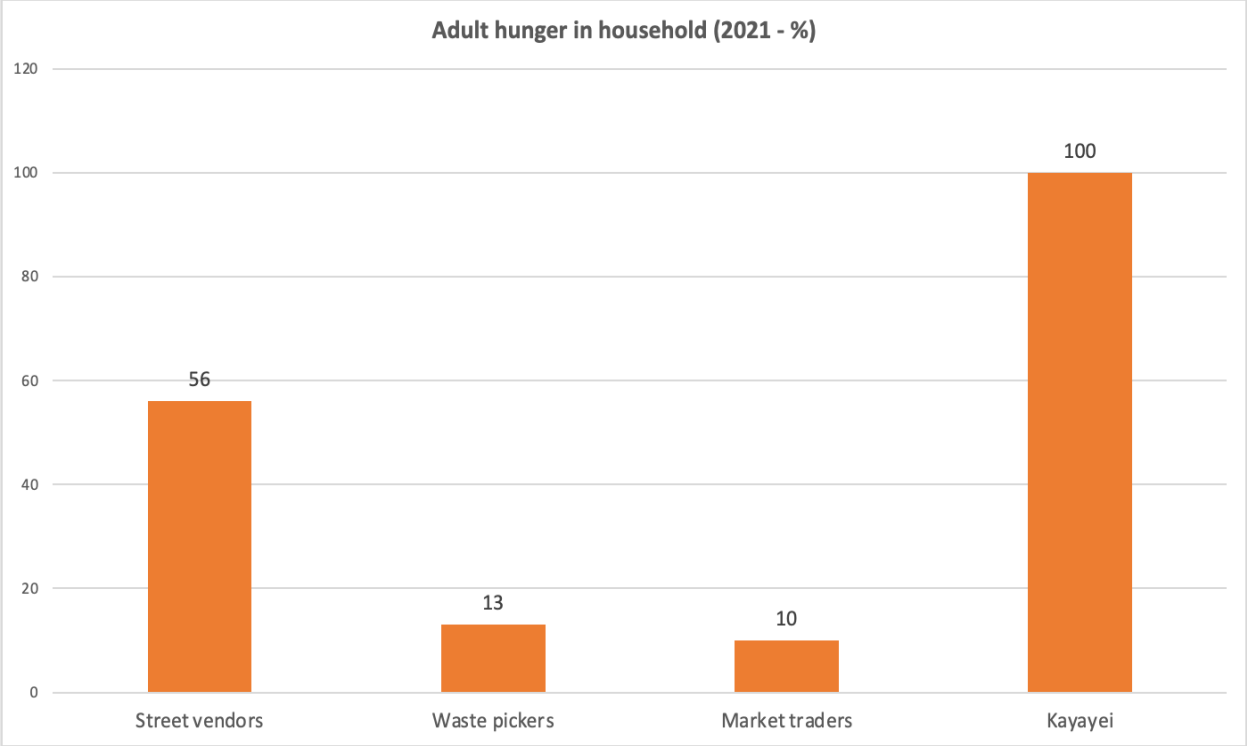
Food Security

Almost half (44%) of respondents reported hunger[9] among adults in their household and 22% of respondents who have children under 16 in their households reported hunger among children. Incidence of adult hunger has slightly increased from mid-2020, when it was reported at 42%.

This figure may also be an underestimate. As one waste picker leader explained, some workers are hesitant to speak about hunger, but it is possible to observe workers changing their behaviours as a result of food insecurity at home: *"It's very true that food insecurity is one of the challenges, because we know ourselves and we know what we do, so when you see a member or worker coming to work site, and at the end of the day even the person can sell the little that he has, but still he want to borrow in addition to what he has just to buy foodstuff or something for their family, it means it should tell you that what the person is getting is not enough for him to buy proper food or a balanced food for the family. So it's a challenge."*

[8] February 2020.
[9] Respondents were asked whether in the last calendar month any adults of children in their households went "hungry because there wasn't enough food."

Respondents also reported other forms of food insecurity. For example, over half of all respondents reported skipping a meal or eating a smaller variety of foods in the past month, and 14% reported reducing food consumption as a coping strategy. As one street vendor explained of the adjustments workers had made to cope: *"They get food to eat but the quantity has reduced. The amount of food they cook at home have also reduced."*



Levels of food insecurity varied significantly by sector, with kayayei experiencing the most severe levels of insecurity – 100% of kayayei reported adult hunger in the household, and 100% reported skipping a meal or eating a smaller variety of foods in the past month.

Despite the incidence of food insecurity, only 5% of all workers reported having received government food relief in the past 12 months.

At the same time, market traders, street vendors and kayayei play a critical role in preventing food insecurity in the population at large. As one woman market leader explained: *"Traders are making sure there are no shortage of foods. While others are home, they move out to travel to get food for sale to the public."*

Health and Safety

Incidence of COVID-19 in households was relatively low, with only 7% reporting that they or a household member had received positive COVID test results in the last 12 months. No respondents reported needing to take days off work to care for themselves or a family member due to COVID-19. Only 14% of workers (primarily market traders and street vendors) reported having received the vaccine. The main reason cited for not having received a vaccine was lack of access.

Some workers reported feeling that the vaccine was being distributed in an inequitable way that made it difficult for poor workers to gain access. One street vendor leader from IHVAG suggested that the government could use membership-based organizations of informal workers as a resource and partner to better reach workers in need of the vaccine: *"Makola for instance they came for a week, Monday to Friday, and this generated a long queue of people going for the jab and, as you know, there were lots of prominent persons around, and in Ghana protocol takes lead in a lot of things, so the working vulnerable people couldn't get to vaccinate due to the rich and prominent in society who were also around to take the vaccine… If it's organized for our association it will help. We can organize for our members who will be willing to come. If they are working and have to queue long hours and be disappointed in that way it is very worrying. And if this trend should continue, we will have a lot of people left behind."*

The use of personal protective equipment (PPE) among informal workers remains extremely high – 99% of workers reported using PPE. Even with reduced earnings and limited support, workers prioritized the purchase of PPE – 94% reported having bought their own equipment, while only 1% of workers reported having received PPE from government sources. MBOs like GAMA, IHVAG and the Kpone Waste Pickers Association have played a critical role in educating members on the use of PPE, and in establishing and enforcing safety guidelines. Workers in all sectors reported an increased awareness of occupational health and safety as a positive outcome from the crisis period, and one that they felt was a permanent change. As one market trader reported: *"I always say that COVID has had a negative and positive side… the positive is that we wash our hands frequently now, put on nose masks and it amazes us the dust we find when we remove the mask… We have really learnt a lot… Now we know we must be neat or improve upon the neatness."*

However, workers also flagged PPE as a major area of support needed from the government. All sectors need to use PPE in their day-to-day work, and the cost of constantly procuring it themselves creates an additional financial burden at a time when they are struggling to earn and cover existing costs. As one waste picker leader explained: *"For the support, I'll say right now, because of the nature of the work we are doing, the protective gears must be something that we have in a large quantity that, at least, we can use it and change it often. So if I would say we need support, that would be some PPEs that we'll need for our work. Yes, because buying it every day with your little income is very, very challenging."*

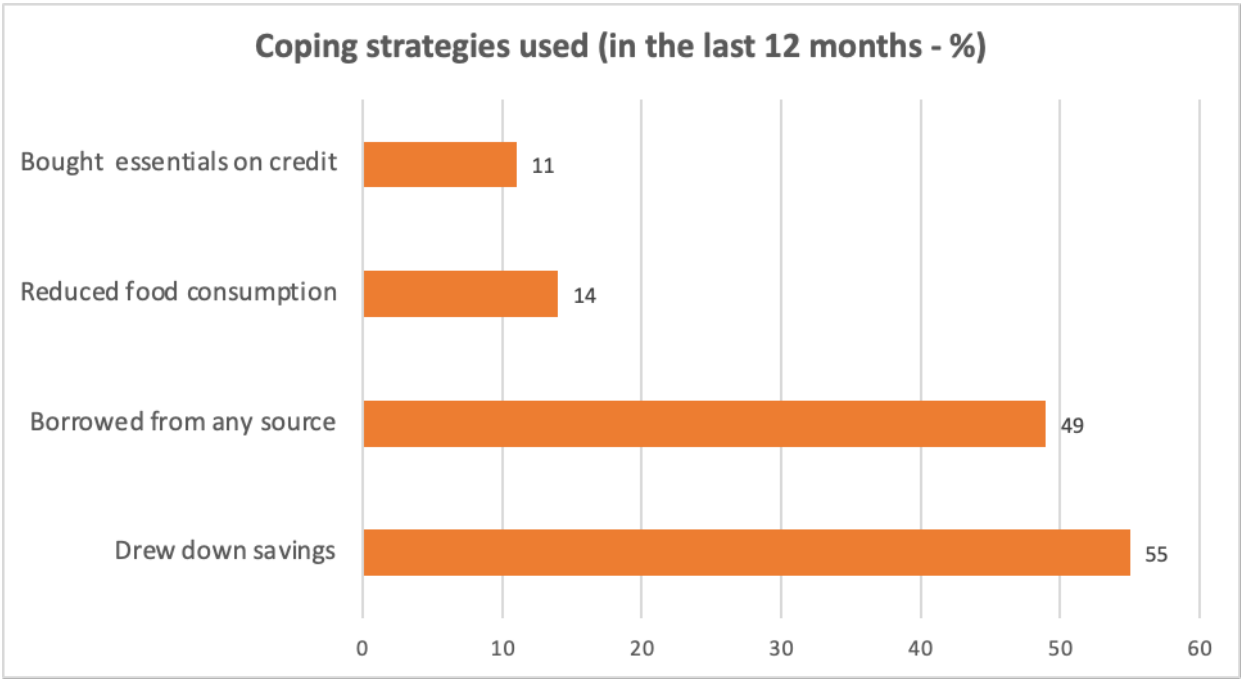
Household Stress

Care and Other Household Responsibilities

Lengthy school closures and more family members at home have put additional strains on households – 20% of workers surveyed reported an increase in cooking and cleaning, and 22% reported an increase in child care since February 2020. Household responsibilities are impacting women's ability to work more than men – 31% of women reported that at least one household responsibility had kept them from working compared to only 6% of men.

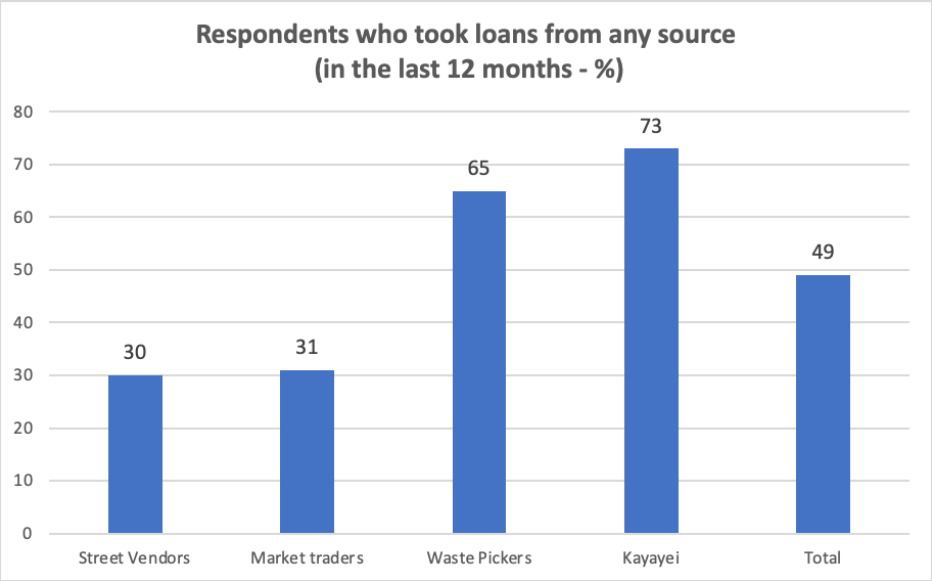
At the same time, 76% of workers are reporting less household income compared to pre-COVID-19, leaving families less equipped to deal with increased care responsibilities.

Adaptation and Coping Strategies



*** Respondents could select more than one response**

Almost all respondents – 92% - reported using at least one coping strategy during the last 12 months to deal with losses incurred by the crisis. The most common coping mechanism – used by over half of total respondents – was to draw down savings. This was most common among worker groups who had higher earnings prior to the crisis – street vendors and market traders. 78% of street vendors and 81% of market traders reported using this strategy. For workers who reported depleting savings, only 3% reported having had the ability to replace more than half.



The second most common coping strategy – used by almost half of respondents – was to borrow money. This was most common among waste pickers and kayayei – 65% of waste pickers and 73% of kayayei reported borrowing money to cope. Workers who borrowed money borrowed an average of GHC746 over the past 12 months, and had an average amount of GHC278 outstanding, although borrowing dynamics differed by sector.

	Average outstanding loan amount (GHC)
Kayayei	171
Street vendors	187
Waste pickers	300
Market traders	452
All sectors	278

Relief Measures

In most cities where this study was conducted (9 out of 11) cash grants were made available to informal workers to cope with the crisis. In Accra, no cash grant relief measures were offered to workers during the crisis period. While a loan programme for small businesses was created under the Coronavirus Alleviation Programme, access to application for this fund was limited by bureaucratic hurdles like an extensive online application process and requirements for a TIN number. It was not designed with informal traders in mind. Workers had to painstakingly solicit for technological services to be able to apply for the loan. And even then, very few workers who were

able to successfully apply received a loan. As one market trader explained: *"No relief has been given to workers again and not all have received the earlier reliefs. The request process was online, so by the time we were able to put in our applications, the others who knew about the online application had already applied."*

Also, workers who were able to access the fund did not find it sufficient to meet their needs. Many workers underscored the fact that, during a moment of crisis, what is most needed is grants, or soft loans with low or no interest. One market trader explained what he would have done differently to provide workers with relief in a way that accounted for different levels of need: *"Now what I will do different is that the loan through NBSSI would have been a grant and given 1,000 cedis to people as a grant and take details of such people to confirm their low income status and be given the 1,000 cedis. The second category would be like 2,500 cedis in the middle category and make it interest free. So those who will be given 10,000 cedis and over will have to pay interest on what they receive."*

Recovery and Beyond

Informal Worker Needs and Demands

Informal workers representing market trader members of the Greater Accra Markets Association (GAMA), street vendor members of Informal Hawkers and Vendors of Ghana (IHVAG), waste picker members of the Kpone Waste Pickers Association, and kayayei of the Kayayei Youth Association demand:

Recognize and protect informal workers' right to work:

- Informal workers' contributions to food security and waste management must be recognized. Informal workers feed Ghana and provide vital recycling services to keep Ghana's environment clean.
- Government must immediately stop all actions that threaten informal workers' livelihoods and worksites, including: market evictions, police harassment and violence and displacement from landfills. Damage done by past actions should be remedied in partnership with informal workers' organizations.

Improve the safety and security of informal workers' places of work:

- Informal workers' places of work, including public space and landfills, must be recognized as legitimate worksites and protected as such.
- Market infrastructure should be upgraded in partnership with market traders' organizations, to improve lighting, drainage, security, child-care facilities and to allow for social distancing and prevention of fire outbreaks.

- Kayayei should be provided access to secure housing close to places of work to ensure safety for kayayei workers and their children, who are currently subject to physical and sexual violence sleeping outside.
- Waste pickers should never be displaced from work sites – on landfills or other locations – without prior agreement on a suitable alternative.

Provide immediate support to help informal workers recover economically:

- Informal workers need cash grants and soft loans to recover. Government should expand the existing loan programme to include soft loans with low or no interest, and establish an application process that is simple, accessible, transparent and open to all.
- Government should provide immediate relief in the form of food aid and PPE, distributed in an equitable way, on an ongoing basis.

Treat informal workers as stakeholders and partners:

- Treat informal workers as stakeholders and partners, not criminals. Informal workers must be invited to engage with government and other stakeholders about any decisions impacting on their work.
- Governments should come to informal workers' worksites, listen and learn about their working conditions, and look for opportunities to work in partnership, for example on: vaccine distribution, ensuring safety protocols in markets, development or improvement of child-care facilities and connecting informal workers with relief.

COVID-19 Crisis and the Informal Economy is a collaboration between the global network Women in Informal Employment: Globalizing and Organizing (WIEGO) and local 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, with support from the International Development Research Centre (IDRC/CRDI), Canada. The mixed-methods longitudinal study includes survey questionnaires of informal workers and semi-structured interviews with informal worker leaders and other key informants, all conducted by phone. 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

This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada. The views expressed herein do not necessarily represent those of IDRC or its Board of Governors

IDRC · CRDI
International Development Research Centre
Centre de recherches pour le développement international

Canada