

Is COVID-19 Exacerbating Inequality in Ghana? An Interrogation of the Evidence

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“...COVID-19 has negatively affected the poverty and living standards of households. The adverse effect was much greater for the unemployed compared to the employed. While female-headed households were worse off in terms of poverty and living standards compared to their male-headed counterparts, rural households were largely affected than the urban households.it has widened the gender equality gap...”

[1] Bukari, C, et al, June, 2020, Impact of COVID-19 on Poverty and Living Standards in Ghana: Micro-Perspective

Introduction

In this post, I will show that the Government of Ghana (GOG) has not adequately used the COVID-19 Alleviation Programme (CAP, relief for the urban poor, utility bill payment and economic stimulus) to cushion vulnerable groups (VG) to mitigate declining standards of living [2]. Vulnerable groups here include: lower income and slum urban residents, informal small scale business operators, small scale food crop farmers, rural women, unemployed youth, persons living with HIV-AIDs, person with disability, under-fives, adolescent boys and girls, female sex workers, orphans, widows, and widowers. Drawing on secondary literature, I will demonstrate that 12 months of COVID-19 has deepened existing inequalities in Ghanaian society. The weaknesses in the use of the CAP have worsened inequalities in Ghana’s economy and social service delivery system (i.e., education, health, water, and sanitation facilities) and is aggravating gender-based violence (GBV). Inappropriate targeting of vulnerable groups by the CAP is pushing Ghana’s poor further to the margins of society. It is for this reason that the organization I lead, SEND Ghana (www.sendwestafrica.org), and its allies are advocating for the GOG to pursue a pro-poor CAP that deliberately targets and invests in vulnerable Ghanaians through the Livelihood Empowerment Against Poverty (LEAP) of the Social Protection Programme [3].

The Key Types of Inequalities in Ghana [4]

There are four forms of inequality that COVID-19 is exacerbating and they are: economic prosperity and improved social services provision in southern Ghana as against increasing poverty and insufficient social infrastructures in the Northern regions; lower access of women as opposed to men in terms of social services[5]; rising disparity in income and social services in favor of the

urbanized population versus rural dwellers;[\[6\]](#) and high incidence of multidimensional poverty among the youth as opposed to the elderly.[\[7\]](#) Worried about these socio-economic inequalities, the 7th Ghana Living Standard Survey (GLSS 7) Report warned policy makers that *“if the challenge with inequality in the country is not resolved, all efforts aimed at spurring up economic growth may not translate into poverty reduction at the expected rate.”*[\[8\]](#) UNICEF’s calculations of the cost of poverty reduction with rising inequality for the period 1992 to 2000 is shocking. In 14 years, poverty fell by 23 percentage points, the highest in the nation’s development history. Yet, according to UNICEF’s Ghana Poverty and Inequality Report (2016) calculation *“if inequality had not increased, the reduction would have been 2.5 percentage points higher - equivalent to maintaining around 555,422 people in poverty by 2006 who could have otherwise exited it.”* [\[9\]](#)

It is precisely for this reason that I take the view that COVID-19 mitigation strategies should **not** take a Whole Ghana Approach (WGA). The WGA, as announced by the President, is premised on the wrong assumption that the lives of all Ghanaians have been affected in similar fashion and magnitude by COVID-19. In the words of the President, *“it is about Ghana, and we should be in it together”*.[\[10\]](#) To the contrary, I argue that GOG-sponsored CAP should, as a matter of policy, deliberately invest in the *social* and economic capabilities and felt needs of vulnerable Ghanaians, who according to the 2020 Multidimensional Poverty Indicators (MPI) Report are lacking basic social amenities for decent life. My stance is predicated on four inter-related social and economic forces unleashed by COVID-19 that are aggravating inequalities:

1. disruption of macro and micro economy,
2. inadequate targeting of vulnerable groups with the CAP,
3. limited access of vulnerable Ghanaians to essential social services, and
4. perpetuation of sexual and gender-based violence (SGBV).

Disruption of the Macro and Micro Economy [\[11\]](#)

“Inequality will get worse” Fareed Zakaria warned in his 2020 insightful book *Ten Lessons for a Post Pandemic World*, because COVID-19 disrupts institutions and strangles productive forces in the macro and micro economic spheres. At the macro-level, the dislocation in the economic sectors caused by COVID-19 in Ghana was abrupt, severe, and with long-lasting consequential impacts.[\[12\]](#) Ghana’s GDP, which for more than a decade was growing at annual rate of between 6-7%, dropped to 0.9% in 2020, leaving in its tracks a staggering impact on government revenue and expenditure. The 2021 Budget Statement reported that in 2020 GOG revenue shortfall amounted to GHC13.7 billion, which was further accompanied by a rise in unplanned expenditures of GHC11.7 billion.[\[13\]](#) Also, Ghana’s indebtedness jumped by approximately 18% from 2019 to 2020.[\[14\]](#) The implications of the growing indebtedness, especially to international commercial lenders including China, in the fight against inequality is ominous. Historically, high indebtedness tends to limit the fiscal space for government to make and sustain pro-poor development policy choices.[\[15\]](#)

The Ghana Statistical Services (GSS) Business Tracker Survey for June, 2020 reported 36% of firms were closed during the partial lock down in April and over 38% reduced their workers' wages.[16] According to the Acting Secretary General of the Industrial and Commercial Union, Mr. Morgan Ayawine, *"about 42,000 Ghanaian workers lost their jobs while 770,000 had their wages and salaries cutdown during the outbreak of the coronavirus disease."*[17]

In Ghana's micro economy sector, the social distancing protocols, have been the greatest disruptor of lives and livelihoods.[18] Even though the lockdown was for only 3 weeks, the economic disturbance it triggered in the informal sector has been disastrous for the poor. As bemoaned by this micro-entrepreneur: *"I have used the merger capital that I was using to run my business to take care of the family during the lock down period. Now I have borrowed from some friends and I am indebted. I am wondering how I can kick start my business again after the lockdown. I am finished! 20/3/2020."*[19] Even more worrying is that micro-lending, the supplier of the capital that fuels the dynamism in the informal economy suffered serious disruption. The Credit Union Association of Ghana (CCA) assessed the effects of COVID-19 on 510 local credit unions and found: low deposit mobilization, high demand for loans, high loan delinquency, high saving withdrawal, and liquidity challenges.[20] This implies that over 700,000 credit union members', the majority of whom are low-income earners, access to financial services is in jeopardy as COVID-19 eats deep into Ghana's micro economy. Similarly, ID Ghana, a micro financial NGO with investment portfolio of about 500,000 USD and reaching 4,500 beneficiaries in southern Ghana, stopped lending. In March 2020, according to ID Executive Director, Stephen Dugbazah *"until the organization can reinstate in-person meetings with their client groups, it could not lend to both old and new clients."*[21] Efforts by GOG to address the deterioration in the macro- and micro-economic activities through a WGA has rather exacerbated than curbed inequality.[22]

Inadequate Targeting of the Poor with the CAP

Inadequate targeting of vulnerable groups (VGs) has translated into the poor not being able to access the various CAP rolled out under the WGA. The CAP falls into three broad categories: relief (cash and hot meals), utility bill payment (water and electricity), and small, medium size, and large-scale business financial support.[23] The targeting of the CAP suffers serious defects that have undermined access of VGs to the services.

First, the politicization of the distribution of relief for the poor deterred large segments of the poor from going for the items. All the officials who were championing distribution were politicians.[24] In the words of an indignant informal sector worker: *"The underserved persons are getting economic relief; it is the rich and famous in society.... They also distribute to their relatives' friends and party supporters."*[25]

Second, communication was weak between the relief distributors and the poor. For example, the poor were going to relief distribution centers expecting to get money, only to be given prepared food items.

Third, the President of Ghana promised all citizens that the GOG could cover water and electricity bill payment initially for 3 months and later it was extended to December 2020.[26] However, as

Godfreed Amankwaa et al. emphasized, the poor were short-changed because: “...*vulnerable households without access to water are unlikely to fully benefit from this initiative compared with those who already had water access and grid connection. Even when water is made free for everyone, the everyday inequalities that characterize water access are still at play.*”[\[27\]](#)

Fourth, to qualify for the micro, small, and medium size enterprises (MSME) credit facility established by GOG, a small business owner must satisfy the following conditions: proof of business operations, description of business, financial details, and demonstrated negative impact of COVID-19.[\[28\]](#) Undoubtedly, thousands of small-scale entrepreneurs are accessing this facility, investing in their businesses and turning their lives around. However, there exists an even larger pool of informal entities whose owners cannot meet the criteria developed by National Board for Small Scale Industries (NBSSI) to access the MSME credit facility.

Finally, weak targeting is worsened by the fact that the CAP is based on the wrong assumption that all vulnerable Ghanaians are micro-entrepreneurs. To the contrary, as the GLSS 7 reminds us, the extreme poor have little physical assets and social capital and they live on about GHC792 per annum (US\$137, which is less than 37 US cents per day). The consequence is that more than 2.2 million Ghanaians who need COVID-19 CAP the most are not being reached.

Limited Access of Vulnerable Ghanaians to Essential Social Services

Inequality in the social services sector has been worsened by the limitations placed on in-person interactions followed by insufficient supply of Personal Protective Equipment (PPE). Limited access of vulnerable Ghanaians to information, communication and technologies (ICT- radio, television, and mobile phones) was the greatest driver of inequality in the education sector during the past 12 months.[\[29\]](#)

The Ministry of Education promised over 9 million Ghanaian students who were sent home in March, 2020 that the GOG could make online teaching and learning platforms available to them.[\[30\]](#) However, as various reviews of post COVID-19 education in Ghana have shown, ICT and internet connectivity are not universally accessible to all Ghanaian families.[\[31\]](#) Urban, employed, and literate families are most likely to possess ICT devices at home as compared to their rural, illiterate, and unemployed counterparts. Ghana’s extreme poor definitely do not have ICT facility at home for their children to use for learning purposes, yet their need for quality education cannot be overemphasized. This was confirmed by the GSS national survey of June, 2020 on the impact of COVID-19 on online learning. It found out that as high as 35% and 28% of basic schools and senior high students respectively were not enrolled in continuing learning.[\[32\]](#) The GSS report stressed that the biggest challenge facing online learning was access to a computer or mobile phone.

A survey by UNICEF (Primary and Secondary Impacts of the COVID-19 Pandemic on Children in Ghana, 2021) also assessed the online teaching and learning situation in post COVID-19 and came to the conclusion that it was definitely not working for VGs. The survey describes how “...*these services are not equitably accessed, such as by children without access to televisions, mobile devices, and internet (14-17% of school-age children) and service stations, such as postal*

offices for receiving remote learning materials. Even for children able to access distance and online learning programmes, the quality of learning is highly impacted as a result of numerous factors, including learning difficulties at home.” [33]

Similarly, access of the vulnerable population to quality health care during the 12 months of COVID-19 was put at risk. [34] First, the restriction on movement interrupted access to health services, especially during the partial lockdown of Greater Accra and Ashanti Regions. Even though there was no constraint placed on the travel of health workers, access to a means of transport to and from most parts of rural Ghana became difficult. Secondly, PPEs were frequently in short supply at the Community Based Health Planning Services (CHPS), where most poor Ghanaians access health care. For example, nurses at 60 CHPS working with People for Health, a USAID funded project implemented by a SEND Ghana-led consortium, repeatedly complained of not having PPEs and hence were not conducting outreach services in their catchment communities. [35]

It was therefore not surprising that the findings of the UNICEF survey cited above make a depressive reading about the impact of COVID-19 on Ghanaian children and youth. [36] First, it found out that *“14.4% of the surveyed households. ... having overdue and unobtained vaccination for their youngest child of 2 years or younger.”* Over half of those involved in the survey provided the following reasons: fear of contracting the virus, lack of the vaccine, and limitations placed on movement. Second, the report described the adverse psychological effects of COVID-19 on Ghanaian children, with chilling statistics, such as: *“30.4% of household, children aged between 6-17 years reported feeling sad, 26 % anxious, 18.5 % afraid, 15.5 % irritated and 13.1% distressed.”* Third, it drew attention to the devastating effects of COVID-19 on the nutritional status of school children. Over 2,939,555 pupils in 9,162 public basic schools in all 16 regions lost access to the School Feeding Programme because of the school closure. Also, 24% of children between 6 months and 14 years experienced reduction in meals at home.

Finally, even more disturbing is that COVID-19 has created a new group of stigmatized and vulnerable people in Ghana. [37] Victims of COVID-19 were discriminated against in market places where customers refused to purchase their goods. Ghana Health Service COVID-19 staff had to be accompanied by security officers to take positive patients away from their communities because they were being attacked and rejected by their own communities. The implications of stigma and discrimination against COVID-positive persons were aptly described by Mr. President in the 8th COVID-19 Update Address: *“stories of some people who have recovered from the virus, being confronted with... stigmatization, this is not right, it will rather drive people away from being screened, tested and treated; it must be stopped ... if the virus did not end their lives and livelihoods, stigma from members of their families and communities should not.”* [38]

According to the Mental Health Society of Ghana (MHSOG) cases of anxiety, distress, depression, fear, and confusion affecting health workers as well as victims of COVID-19 are definitely on the ascendency. [39] Meanwhile, mental health patients are highly stigmatized in Ghana and among the least funded in the health sector. Victims of COVID-19 are swelling the ranks of the stigmatized vulnerable population groups whose access to family care or public services in Ghana is tenuous. Yet, there is no evidence of mental health being prioritized by the CAP.

Perpetuation of Gender Inequality through Rising Gender-based Violence

In addition to widening the economic gap between women and men, COVID-19 prevention protocols are perpetuating GBV.^[40] Niyi Ojuolape, UNFPA's Resident Representative in Ghana, noted in an article entitled "The Fight Against Gender Based Violence" that "*gender-based violence has increased, at the same time, diversion of critical resources away from the maternal health and protection of women against GBV, consequently leads to a rise in unwanted pregnancies, HIV and STI.*"^[41]

It was concern about GBV that led the Domestic Violence and Victim Support Unit (DOVVSU) of the Ghana Police in Accra to establish during the lockdown a hotline to encourage victims of GBV to report. After the lockdown the hotline continues to receive on average 225 calls per day.^[42] Furthermore, the Daily Graphic of 24th February, 2021 reported in a story entitled "UNFPA Calls for Emergency Response Plan for Domestic Violence" that "*different organizations confirmed that because family members had to be confined to their homes and rooms, the level of intolerance for one another increased; children, women and girls, ...were disproportionately affected by domestic violence due to closure of schools and lockdown.*"^[43] Finally, the Ghanaian Times of 1st March, 2021, cited an 82% rise in SGBV, equivalent to 932 cases in 2020 against 512 in 2019 in the Volta Region of Ghana.^[44] Though limited, the data indicates that women and adolescent girls are being adversely impacted compared to other groups in Ghana.

Conclusion

This growing inequality in post COVID-19 Ghana has prompted SEND Ghana and its allies in civil society to advocate to have the GOG strengthen the LEAP to scale up and provide economic empowerment services targeted to vulnerable groups. Vulnerable Ghanaians require investment in their educational, health, nutrition, and water and sanitation needs so they are equipped with the knowledge and technical skills to improve their economic and social situation in society. The LEAP is the existing GOG Programme with the mandate not only to provide an immediate safety net to vulnerable Ghanaians, but more importantly, to enable them to obtain the knowledge, skills, and resources to lift themselves from poverty.



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