

Socio-economic impact of COVID-19 on Ghana's economy: challenges and prospects

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The impact of
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economy

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Abstract

Purpose – The world's economies are on their knees following the negative impact of the coronavirus pandemic over the past 8 months. Growing number of researches has been conducted on the impact of COVID-19 pandemic on developed countries with little attention on developing countries, who are still grappling with the negative impact of the coronavirus. The rationale for this study is to assess the socio-economic impact of COVID-19 on Ghana's economy and government response to the pandemic as well as policy options to revive the ailing economy.

Design/methodology/approach – This study explored the socio-economic impact of the coronavirus on Ghana's economy using a discourse analysis with data from various secondary sources to analyze the impact of the pandemic from the Ghanaian perspective.

Findings – The findings from the discourse analysis revealed that the coronavirus pandemic has negatively impacted on the socio-economic situation of the citizens of Ghana. While an estimated 42,000 people lost their jobs in the first two months of the pandemic in Ghana, tourist attraction sector of the country alone lost \$171 million dollars in the past three months due to the partial lockdown and closure of tourism and hospitality centers in the country. The study revealed that Ghana's healthcare system has been overwhelmed by the number of increasing cases in the country to extent of making use of temporary structures as isolation and treatment centers of the pandemic. The study revealed that Ghana may convert these challenges posed by the COVID-19 pandemic into prospects and opportunities by investing massively in the health sector and creating support for the SMEs which creates massive employment for many Ghanaians.

Research limitations/implications – This study focuses on the impact of the COVID-19 on Ghana's economy and how the pandemic has negatively affected the country. The study is an exploratory study that makes use of secondary data. However, conducting a study with primary data sources from specific communities or regions in the country may not produce the same results. The results from the primary level or community level may be different from the general results obtained from the study. In future it is expected that the study focuses specifically on the extent of the coronavirus pandemic on Ghana's fiscal deficit which seems to have ballooned in recent times.

Originality/value – The study is the first of its kind to extensively explore the socio-economic impact of the COVID-19 pandemic on the Ghanaian economy. The novelty of this paper is that it recognizes governments response to the pandemic and proposes three practical measures adopted to put the country's economy back on its feet through survive, revive and ensuring growth in all sectors of the economy.

Keywords Ghana's economy, Socio-economic impact, COVID-19, Government policy

Paper type Research paper

1. Introduction

Coronaviruses are a group of common viruses causing infection ranging from the regular cold to more severe diseases including the Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV). The coronavirus (COVID-19) outbreak is a new strain that has not affected humanity before. This coronavirus outbreak remains a historical challenge and has resulted in a drastic change in human history across the globe that will forever be remembered across the globe. Thomas Friedman, a columnist from the New York Times, recently pronounced that a new historical divide between the current generation, which will very soon realize the global space Before Corona (B.C.) and After Corona (A.C.), thus, there is a world B.C. and A.C. (Friedman, 2020). The COVID-19 pandemic was first diagnosed on 1st December 2019 in Wuhan city of China and reported to the World



Health Organization's (WHO) regional office in China on 31st December 2019 (Gossling *et al.*, 2020). The COVID-19 was recognized by the World Health Organization as a Public Health Emergency of International concern on 30th January 2020. The central point of infections shifted from China to the European countries in the early weeks of March 2020. The most affected countries in Europe were Italy, Spain, the United Kingdom and France. Currently over 213 countries and territories around the world have been affected by the coronavirus pandemic as at the end of July 2020. The coronavirus shifted to the United States following the evacuation of citizens from the Wuhan province by the US government. According to the [Worldometer \(2020\)](#), the USA has recorded a total of five million, seven hundred and one thousand, one hundred and sixty two cases (5, 701, 162) with One hundred seventy six thousand, three hundred and forty two (176, 342) as at the end of 19th August, 2020. To date, over 22 million people have been affected by this pandemic, and more than 790,000 people have died worldwide from the COVID-19 pandemic.

According to the [United Nations Framework Report \(2020\)](#), the COVID-19 pandemic has been recognized as one of the world's most serious pandemics that has resulted into crisis around the world plunging the world's economy into a recession with historical levels of unemployment, restrictions on the free movement of people and increased levels of deprivation. According to the [International Labor Organization report \(2020\)](#), partial or full lockdown affects almost 2.7 billion workers representing about 81% of the workforce worldwide. Therefore, this crisis will also threaten the sustainable development goal of the United Nation due to the loss of jobs and livelihood opportunities for many people who engage in the small and medium-sized enterprises (SMEs). The category of employees who were hardly hit by the COVID-19 pandemic is daily wage earners, self-employed individuals, migrant workers and refugees across the globe. Also, the manufacturing and service industries' jobs that have been massively affected, includes tourism, aviation and the hotel industry. This global economic recession will affect the movements of the global population across the globe and hence affect the countries like Ghana with high levels of migration and high remittance flows contributing to the country's GDP.

Ghana has also been affected by the pandemic and is listed as the fifth country in Africa with the highest reported number of coronavirus cases behind South Africa, Egypt, Nigeria and Morocco. The first case of COVID-19 virus was recorded in Ghana on 12th March 2020. The cases were imported by two travelers from European countries Turkey and Norway. The country's inability to contain the recorded cases after few weeks led to an increase in the number of cases from 2 cases to 566 cases as of 12th April 2020. As the end of 31st May 2020, Ghana had recorded 7,881 coronavirus cases. However, a total of 43,094 cases have been recorded in Ghana with 40, 963 recoveries and 256 deaths. The country's daily recorded cases have been on the decline in recent times though the stringent measures initially introduced by the government have been eased. [Figure 1](#) represents the 6-month trend for COVID-19 cases in Ghana using data from the Ministry of Health and the Worldometers.

The outbreak of the COVID-19 pandemic on a global scale has revealed a potential impact of the pandemic on the social and economic life of people and unprecedented collapse in the Ghanaian economy. For a better comprehension of the devastating effects of the measures introduced by the government of Ghana curb the spread of the virus such as the lockdown in the Greater Accra and Greater Kumasi regions and travel restrictions on the economic sector, this study summarizes the socio-economic impact of COVID-19 on the Ghanaian economy. This study has tried to analyze the challenges of COVID-19 and assess the potential impact on various industries of the Ghanaian economy. This study makes several contributions. First, this study shows how social policies and measures introduced by the Ministry of Health and government, such as social distancing, frequent handwashing, travel ban and lockdown affect the Ghanaian economy. Next, this paper has assessed the impact of government policy and relief packaged announced by the government during the COVID-19 pandemic. And last, it explores

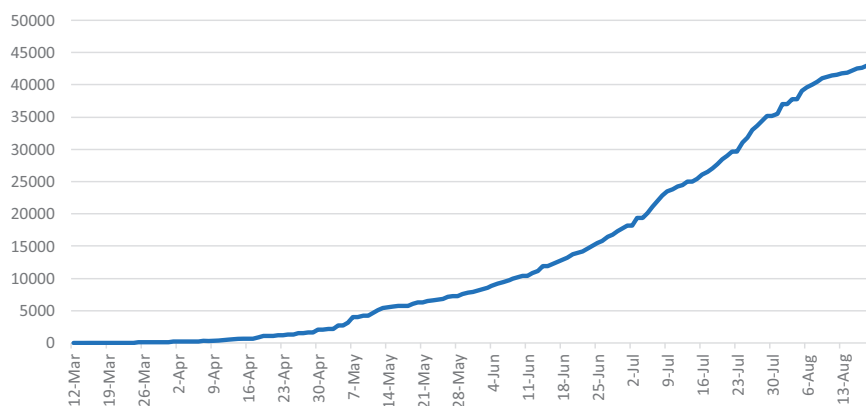


Figure 1.
Daily reported cases of
COVID-19 in Ghana

the social impact of COVID-19 on Ghanaian businesses and industries. Finally, this study will contribute to the recent literature by exploring the effect of COVID-19 in the Ghanaian context. This study is organized as follows. [Section 2](#) describes the methodology, and [section 3](#) discusses the social and economic impact of COVID-19 on the economy of Ghana Next; [section 4](#) presents the government policy to support the public and uplift the economic crisis through financial and non-financial measures. [Section 5](#) discusses the three phases of supporting businesses and the poor as well as vulnerable citizens to survive and revive and then begin to grow to accelerate the Ghanaian economy, and [section 6](#) explores the post-COVID-19 challenges and opportunities for Ghana, and finally, [section 7](#) concludes the study with policy recommendations.

2. Methodology

This study uses a comprehensive discourse analysis to analyze the socio-economic impact of COVID-19 on the Ghanaian economy The study relies on secondary data from several reputable secondary resources, including the World Health Organization, WTTC (World Travel Tourism Council), International Labor Organization (ILO), Ministry of Health, Government of Ghana , Worldometers and online news articles. Also, this study analyzed the report of the impact of COVID-19 from the conducted research in several companies, including KPMG, Association of Ghana Industries (AGI), Institute of Statistical Social and Economic Research (ISSER) and Deloitte. Few of the recent articles published on COVID-19 has also been retrieved referred to conduct this study.

The period of the analysis is primarily focused from March 2020 to August 2020, while to explore the economic impact in different sectors, the data from various reports have been taken from the last year. The short period from March to August allows the study to highlight the events occurring at present and especially identify the social and economic effects of coronaviruses in Ghana when all countries across the globe have been affected due to the rapid spread of COVID-19. Finally, the study has highlighted the challenges of COVID-19 and suggested post-COVID-19 opportunities for government policy to respond to COVID-19.

3. Results and analysis

3.1 Socio-economic impact of COVID-19 in Ghana

According to [Chakraborty and Maity \(2020\)](#) the loss of lives because of disaster and pandemic causes definite irreplaceable damage to human society). But apart from the loss of human lives, the COVID-19 pandemic has severely destabilized the global economy. To break further community transmission, WHO declared COVID-19 a global pandemic in March 2020, and a growing number of countries have restricted the movement of their citizens, aviation,

transports and the closure of non-essential businesses and factories ([Williams and Kayaoglu, 2020](#)). The overall impact of COVID-19 on service and manufacturing industries has considered adverse effects across the globe, which has affected the broader economy of countries like the, China, Russia, Brazil, France, the UK and Ghana. This section deals with the social and economic impact of the COVID-19 pandemic on Ghana's economy.

3.1.1 Social impact. The imposition of an unprecedented lockdown in the Greater Accra and Greater Kumasi regions of the country to prevent coronaviruses' transmission led to a significant adverse impact on the various communities within the catchment areas of the country. The introduction of the executive instrument vested in the President of the country to enact new forms of rules and regulations like social distancing, avoidance of social gathering, lockdown and travel ban on the Ghanaian economy resulted in stress, fear, social stigma, increased level of depression, confusion and anxiety in human behaviors. This section discusses the potential social impact of the COVID-19 pandemic on Ghanaian societies.

3.1.1.1 Labor migrant issue. The lockdown of the Greater Accra and the Greater Kumasi regions has not created only the crisis of labor forces, but indeed, it has created a huge labor migrant issue especially for migrant workers from the Northern part of the country. The tragedy of migrant workers was one of the most crucial and highlighted issues in Ghana after the pronouncement of the lockdown by the government of Ghana. Hundreds of people decided to return to the Northern region of the country following the imposition of the lockdown in two most populated regions of Ghana. An estimated number of over 200 migrants returned to the Nantumba North Municipality following the imposition of the lockdown in the country. Since the Independence of Ghana in 1956, this would be the first reverse migration in the country in this huge amount. According to the assessment made by Municipal Assembly and the government, about 30 head porters (Kayaye) migrant workers were left stranded at Ejisu in the Ashanti region after they decided to return to the Northern part of Ghana due to imposed lockdown ([Citi newsroom report, 2020](#)). The stranded migrants need to be supported with relevant help, food packets, protection of life and safe return to their homes. Thus, there is an urgent need for an effective and fair governance system for domestic migrant workers across the country. Additionally, due to labor migrant issues, marine fishing, fish processing activities, infrastructure development, manufacturing and construction activities would be profoundly affected in urban areas, impacting the nation's economic growth and development soon.

Ghana has become a major destination for many international migrants within the West Africa sub-region. According to the United Nations report ([UN report, 2020](#)), over 466,780 international migrants are residents in Ghana following the free cross border agreement within the sub-region. With the introduction of the COVID-19 lockdown measures to stop the spread of the coronavirus, over 20,000 international migrants were stranded at the border towns of the continent in Western and Central African countries. It is also estimated that about 1,800 Ghanaians were also stranded in Niger who were to be transported through the various borders of the country such as Aflao, Elubo and Sampa. The lockdown and closure of borders of Ghana led to the influx of illegal routes through the borders of the country for migrants either leaving the country or coming into Ghana due to the inaccessibility of the regular border ways into the country. The labor migrants who found themselves in such situations became vulnerable to the traffickers and smugglers who were using unapproved routes to make monies from these stranded labor migrants of Ghana ([UN report, 2020](#)).

The informal nature of the Ghanaian economy makes it easier for people with low skills and low level of education to be employed without any formal and long bureaucratic processes. The Agriculture sector and the engagement in trade has become a major source of livelihood for many poor and vulnerable. The limited level of social protection for the poor makes it difficult for migrants who do not have access to any work during the employment

very impoverished and poor. The labor migrant livelihoods are negatively affected due to the lack of natural social protection from their communities or families who could have provided for them in times of need. The increased in the lockdown measures by the government to prevent the spread is significant to cause a reduction in the level of labour migrants remittances flow which accounted for 5.2% of the country's Gross Domestic Product (GDP) in 2019.

3.1.1.2 Employment issue. The COVID-19 pandemic has exposed the unemployment rate of the labor workforce in Ghana. According to the Trade Union Congress report, about 42,000 people lost their jobs by April only in Ghana where an estimated 75% of them were small traders, daily workers and wage-laborers. This pandemic has constrained to a significant number of salaried workers who lost their jobs, and over 400,000 businessmen and women have lost their businesses July 2020. However, small traders like hawkers would return to their work, but the salaried workers will face difficulty to get their jobs back after lockdown with some also facing a cut of up to 50% in their salaries. The unemployment against the labor participation rate in different regions of the country especially where the lockdown was imposed saw a rise in the unemployment rate as of July 2020. The Trade Union Congress report as of June 2020 shows that Greater Accra and the Greater Kumasi are the hardly hit regions in the country with an unprecedented rise in the unemployment rate in the Ghanaian economy.

3.1.1.3 Education systems. COVID-19 pandemic has affected all levels of the education system across the globe from pre-school to tertiary education level. The closure of schools, churches, drinking bars and beaches as well as air, sea and land travel was imposed by the president of Ghana on 28th March 2020. This action was taken by the government with the intention to prevent the spread of the virus and control the transmission of the virus from high risk towns to vulnerable individuals and families, which will have widespread socio-economic implications. Based on a similar provision in the UK, Italy and Germany, the governments of Ghana completely closed the schools, colleges and institutions. According to [Sudevan \(2020\)](#), UNESCO estimates that, 1,026 billion children worldwide have been affected by school closures due to this pandemic, which is 72% of the world's student population. The World Economic Forum reports that there is an increase in the use of language apps, virtual online classes, video conferencing tools and online learning software in the few months following the closure of schools. The structure of schooling and e-learning in Ghana is fragile because only a handful of private and government schools and a higher level of technical institutions could adopt online teaching methods. However, Ghana's education sector is experiencing a sharp shift from the brick and mortar system of teaching and learning to a virtual learning system. Ghana is gradually witnessing an e-learning education method by conducting the classes on Zoom, WhatsApp, Google Meet, Microsoft Teams and Sakai Learning Management Systems.

Meanwhile, millions of the students from government schools and colleges, especially in rural areas belonging to villages where the parents are not aware of the technology, could not access e-learning education due to lockdown. Some of the students were also not able to afford data for the e-learning system and therefore could not participate in the learning process during the lockdown. Most of the school going age children who were beneficiaries of the school feeding and capitation grant are no more beneficiaries of the policy and intervention due to the closure of schools in the country. It will have a significant impact on childcare costs in low-income families. Research and development needs of the tertiary education sector of the country have also been affected significantly and this will impact negatively on the country's development. Due to the closure of higher institutions, much non-COVID related research has been delayed in the postgraduate research community. However, another concern is the pandemic's effect on the employment rate and the recent graduates of fear of

being laid off from their places of work due to the low production activities on-going in many businesses in the country.

3.1.1.4 Stress and fear. The number COVID-19 cases recorded within a month of first confirmation in Ghana showed a massive increase. The confirmation of death of 5 deaths resulting from COVID-19 in Ghana as at 1st April, 2020 increased the tension, stress level and the anxiety level among Ghanaians. Most news portals were inundated with hourly cases records and continuous hammering of news around the world on the number of deaths especially in many European countries raised the suspicion that many Ghanaians may also die as result of the virus. The increased level of stigma and tensions among citizens led to psychological and emotional turmoil among many citizens in the country. The endless hammering of COVID-19 news around the globe has created a humiliation, stress and anxiety among the people. Psychologists and psychiatrists suggest that the current time is challenging for everyone, especially when patients experiencing mental health issues continue to hear such news in the media become more vulnerable (Prashar, 2020). Individuals who recovered from the virus after treatment from the various health centers were denied access into certain social places such as the markets, shopping malls etc. Individuals who knew the close family members of COVID-19 patients were stigmatized for the wrong reasons and some were sacked from engaging in public conversation because of the fear that they may be carriers of the virus. The death of a prominent physician in the country aggravated the issue of fear especially among medical professionals in Ghana. Most of their children were denied access to them upon return to the house from the hospitals and the isolation centers.

3.1.2 *Economic impact.* The Ghanaian economy has been categorized into three parts, including primary, secondary and tertiary sectors. The primary sector consists of the agriculture and allied sector such as mining, fishing and forestry. The secondary sector includes all industries involved in the manufacturing and production processes within the country and the tertiary sector involves all service provision industries like information technology, hotels, restaurants, education, real estate, banking, transport, travel and tourism industry.

3.1.2.1 Primary sectors. 3.1.2.1.1 . *Ghana's agriculture sector.* Ghana's agriculture sector has been the backbone of the economy contributing massively to the GDP year on year. The sector employs an estimated 60% of the Ghanaian population (Ghana Statistical Service, 2020). It is the largest sector of the country that provides income for the most households especially the rural residence of the country. According to the Ghana Statistical Service, the prices of agricultural produce increased between 10–20% during the COVID-19 pandemic era due to the restrictions in the movement of people from one place to the central business districts of the affected areas of the country.

The already frail rural-urban food network was negatively affected as fewer middlemen moved into farming communities to buy. The drastic reduction in the number of fresh food retailers in our markets and the decision of some managers to close restaurants, hotels and other local eateries has massively reduced the bulk purchase of fresh food. Due to the lockdown and restrictions from the COVID-19 protocols, numerous market women who were engaged in the carting of fresh foods from rural communities due to fear of spoilage from the slower pace in the purchasing of fresh foods as a result of lockdown measures.

While low-income earning, individuals stay at home adhering to precautionary measures, this affected the income of families as well as their purchasing power. Owing to the poorly managed food supply chains, price hikes set in. As a result, many people were deterred from buying fresh food. A typical scenario is where people buy tomato paste, which has relatively not increased in price, rather than buying a fresh tomato that is more expensive. Livestock farmers were adversely affected by the low sales during the pandemic era where most people were not able to gather for their usual Easter celebrations. Most poultry farmers were affected

badly due to low sales and increased pressure from the financial institutions to pay back borrowed loans (GSS, 2020).

3.1.2.2 Secondary Sector. 3.1.2.2.1. *Manufacturing sector.* Ghana's manufacturing sector has been on the rise since the last quarter of 2019. The manufacturing sector experienced an unprecedented growth from GHS 4548.69 million cedis to GHS 5112.15 million cedis in the first quarter of 2020. The first case of coronavirus which was recorded on 12th March 2020 with its associated lockdown measures slowed down the level of the contribution of the manufacturing sector to the GDP of the country. Though certain vital and essential producers of personal protective equipment (PPE) were exempted from the lockdown, many other companies that were not involved in the production of the PPEs were closed. The COVID-19 significantly affected the manufacturing and extractive sectors of the Ghanaian economy leading to a fall in the prices of extractive items on the global market and in Ghana (Laing, 2020). Many investments in the manufacturing sector of the country were moved from the sector into the hoarding of hard currency leaving the manufacturing sector to be suffocating. In Ghana, some AngloGold Ashanti mine workers tested positive for the virus and the site was closed for some weeks pending results from the contact tracing, testing and treating. The impact of the COVID-19 on Ghana's manufacturing sector continues to ravage on with a downward review of Ghana's economic growth from 5.8% to 1.5% by the International Monetary Fund (Bamfo *et al.*, 2020).

3.1.2.3 Tertiary sectors. 3.1.2.3.1. *Healthcare systems and the pharmaceutical industries.* Ordinary citizens were asked to practice social distancing, but the doctors and other frontline healthcare workers are being applauded across the globe and have been heroes in this pandemic period. Most of the service industry employees have embraced the work from home while the healthcare workers are at tremendous risk due to their daily contacts with the COVID-19 carriers. The COVID-19 pandemic has created an unprecedented challenge for the healthcare industry with cases increasing every time. In common, the risk to doctors and healthcare frontline workers is one of the most significant vulnerabilities in healthcare systems across the globe (Nicola *et al.*, 2020). Ghana has a fragile healthcare system and highly vulnerable compared to the healthcare systems of other developed countries. However, the healthcare structure has faced shortages of PPE, including PPE kit, N95 face masks, ICU beds, testing kits, medical hospitals and ventilators, which have exposed the weakness and real scenario of healthcare systems in the country. The government should realize about healthcare systems that need to lead the massive investment into medical infrastructure and disease prevention steps. The healthcare system and the economic have both been negatively affected by the coronavirus pandemic due to the limited financial resources and increasing overload on the health delivery system.

Temporary isolation and treatment centers were established across the various districts and regional offices of the metropolitan Municipal and District Assemblies (MMDAs). These isolation centers received positive cases of COVID-19 and patients were treated there due to the inability of the already existing hospitals to accommodate the increasing number of cases. Medical facilities that were near completion were used to ensure that patients were accommodated and treated in such facilities to prevent the spread of the virus.

The COVID-19 impact on the pharmaceutical industry in Ghana has been more pronounced. The industry shifted from the production of the usual medical supplies into the supply of PPEs, hand sanitizers and other COVID-19 fighting anti-bacterial drugs since they were in high demand. The establishment of the COVID-19 fund also had the contribution of the pharmaceutical companies with some of the companies donating a whopping GHS 100,000 cedis in the form of cash and procurement of PPEs for frontline workers and the security agencies during the lockdown period. The pharmaceutical companies in Ghana also contributed to the education on the COVID-19 with various press release on the use of hydroxychloroquine tablets which was still under clinical trials. An estimated 80% of the

pharmacy companies in the country ventured into the production of PPEs and other COVID-19 protocol products such as hand sanitizers, face masks and hand gloves for the medical practitioners and the ordinary citizens.

3.1.2.3.2. Hospitality and the tourism industry. Ghana's tourism sector is a massive market for travel and tourism; however, the pandemic will have a significant impact on the tourism and hospitality industry of the country. This industry has been a significant contributor to the nation's GDP, and as of the 2019 Ghana Tourism Authority recorded an unprecedented influx of over 1 million foreigners who visited the country due to the country's celebration of Year of Return. The sector creates employment for all categories of people including cooks, craftsmen, tour guards and other ancillary opportunities for the teeming youth in the country. Almost all tourism destinations points of the country have imposed restrictions on access to these facilities due to the low patronage during the lockdown and the travel ban in the country since March 2020 in Ghana, including complete bans on international flights and social gatherings.

The lockdown of cities and industries, travel restrictions and border shutdowns by countries have resulted in a major decline in service sectors such as retail, tourism, hospitality and aviation globally. According to the Tourism Ministry, the tourism and hospitality industry in Ghana lost \$171 million dollars due to the lock down of the tourism centers of the country. The COVID-19 pandemic has drastically reduced the hotel occupancy rate which recorded more than 100% occupancy rate in 2019 due to the year of return festive occasion. Though government has proposed a support scheme of GHS 3 billion and GHS 600 million support facilities for the ailing industries in the country, the tourism industry still needs time to be revived for its contribution to the GDP of the country to be felt.

4. Government's response to COVID-19

The section assesses the government's response to contain the novel coronavirus pandemic in Ghana. The responses of the government are categorized into two main concepts. These are the non-financial response and the financial response.

4.1 Non-financial response to COVID-19

The government sector employees, including health workers, doctors, security agencies (police and soldiers) and bureaucrats, have been the focal center of the fight against COVID-19 from mandating social distancing to the imposition of lockdown in the Greater Accra and Greater Kumasi regions of Ghana. These people have performed a crucial role in quarantine centers, manufacturing PPE kits, face masks and hand sanitizers, working with pharmaceutical companies to supply the needed medical equipment, medicines and delivering the food packages. During this crisis, the government has taken quick decisions instead of the traditional stereotype of slow-moving bureaucratic processes that are usually experienced in the public sector businesses. The first imposition of lockdown was on the 30th March 2020 in the two major cities of the country Accra and Kumasi as well as its adjoining towns. The lockdown was necessary to reduce the rate of the virus spread among citizens of the country from the hot spots of the country to non-hotspot areas of the country. The government of Ghana has taken several relaxation measures in non-hotspot geographical areas to respond to the COVID-19 and support the economic activities in these areas.

The borders of the country remained closed as at the end of July 2020 except for Ghanaians and foreigners who have resident permit in the country. This measure was introduced by the government to reduce the spread of the virus from foreign countries since the first two cases recorded in the country were imported cases from Norway and Turkey; whereas on April 21st, the government granted permission to the inter-city movement of

stranded people, including essential workers. The geographic areas have been categorized into green, red and orange zones, and domestic air transport has been restarted on 25th May. Meanwhile, the government has also launched the COVID-19 tracker App, which is a mobile application to spread awareness of novel coronaviruses, contact tracing of COVID-19 cases and provide information about patients to essential health services providers in the country. During the lockdown, vulnerable households had organizations such as churches and the non-governmental organizations engaging in the distribution of foods and hand sanitizers to the poor and vulnerable households who cannot afford them. The government continued to enforce the lockdown of beaches, churches and other social gathering places such as the beaches in the country to prevent the spread of the virus.

4.2 Financial measures

4.2.1 Fiscal policies. The COVID-19 pandemic significantly shifted government's attention from the usual spending on infrastructure to ad hoc financial policies that tend to revive the economy. The government established the COVID-19 Trust Fund. The COVID-19 Trust Fund inaugurated by the government received GHS 45 million cedis in cash transfer from various institutions and organizations as well as individuals in the country within two months. The accumulated funds were used to provide food for the vulnerable in the country. The COVID-19 trust fund further procured some PPEs for the healthcare workers and healthcare facilities in the country to ensure they have adequate PPE to fight the coronavirus pandemic. It is disclosed by the government that as at the end of June 2020, the COVID-19 Trust Fund has accumulated an amount of GHS 53,911,249.87. A total amount of GHS 32,820,564.97 have been spent by the government out of the accumulated amount in the COVID-19 Trust Fund. As part of government spending on the procurement of PPEs for frontline workers, the fund transferred GH¢10,257,360.00 into the COVID-19 Private Sector Fund for acquisition of PPEs and other medical items to resource the country's frontline workers. The National Commission for Civic Education (NCCE) was also supported with GH¢2,500,000.00 to enhance COVID-19-related public sensitization. To make concrete decisions on the COVID-19 based on accurate data, the Institute of Statistical, Social and Economic Research (ISSER) was provided with an amount of GH¢ 297,920.00 to conduct studies on the impact of the pandemic in 80 districts across the country. As part of government's effort to ensure the support for SMEs an amount of GHS 600 million cedis was announced by the government to support these businesses who were virtually on their knees.

4.2.2 Monetary and macro-financial policies. The central Bank of Ghana as a regulator of the banking and financial industry in Ghana, has announced several unconventional measures to support the commercial needs of the Ghanaian economy and making accessible the regulations to help the banks in response to COVID-19 (KPMG report, 2020). At the very early stage of the first lockdown on 30th March, the central Bank of Ghana (BOG) reduced the charges on mobile money transfer from one user to the other for the next three months. Any amount transfer to another customer came which is below GHS 100 cedis came with no charge and this eased the pressure on customers. The key interest rate in Ghana was 16%–14.5% and this is recorded the lowest interest rate in the last 8 years. The required reserve rate was reduced to 10%–8% to provide enough liquidity for the commercial banks to support critical sectors of the Ghanaian economy. The bank also decreased in the conservation buffer from 3% to 1.5%, which cuts the capital-adequacy ratio from 13% to 11.5%. The Bank of Ghana asked the IMF for a rapid disbursement of a credit facility to help the country face the negative economic impact caused by the COVID-19 outbreak.

5. Challenges and suggestions from recovering from the COVID-19 in Ghana

A study conducted by Eggers *et al.* (2020) recommended that governments should respond to the COVID-19 pandemic through quick decision process to curtail the negative impact of the

COVID-19 pandemic on the economies of the world. The government of Ghana adopted three main procedures for fighting the coronavirus cases in the country. The three (3) phases for fighting the pandemic in Ghana includes tracing, testing and treating. The processes enabled the government to trace the positive cases in the country, test them and then treat them off the virus. To revive the Ghanaian economy, the analysis proposed by Deloitte epitomizes a timeline for COVID-19 government responses into three parts, respond, recover and thrive. Respond is the first phase to deal with an instantaneous crisis. Recover is the next stage to mitigate the larger impacts of the crisis. Thrive is the final stage for the long-term development in public operations and speed up the economy. Based on Deloitte's insights, our study has suggested three phases survive, revive and growth process, to respond to the COVID-19 in the Ghanaian perspective.

5.1 Survival

Survival is the number one phase to fight with coronaviruses. Currently, the government is dealing with an immediate crisis and passing through diverse typical measures, including imposing lockdown of some social centers such as beaches, large funeral practices, restricting travel, authorizing social distancing, supplying urgent medical needs, the safety of health workers, making available food packages to students in the various basic educational institutions in the country for them to prepare for the Basic Education Certificate Examination (BECE) and providing immediate financial assistance to businesses and frontline workers in the fight against the COVID-19. The considerable challenges during this phase are to flatten the increasing curve of COVID-19 cases, enhance proper healthcare system capacity and increase the tracing, testing and treatment capacity level of the positive cases in the country.

The next challenge is to overcome the scarcities of masks, PPE kits, ICU beds, testing kits and respirators and provide in each region across the country without any delay. The central government should provide relief packages and financial assistance to regional and district health service providers in the fight against COVID-19. Next, the government system should reach out to the public and provide awareness and guidance to avoid the spread of community transmission. The compulsory use of masks in public places should be enforced to ensure that the country's number of cases reduce drastically in the coming months to enable economic activities to go and ensure life also returns to normal.

5.2 Revive

Revival is the second stage to come out from the COVID-19 crisis. While countries that were hardly hit by the virus are recovering from the virus, others in the South American continent are still battling with it. Countries like Spain, Italy, France and Germany are in the recovery phase because they have been able to manage the new COVID-19 cases and are trying to recuperate gradually. The government's measure to unlock-1 the economy in April 2020 was to save the ailing Ghanaian economy from further collapse. After the easing of restrictions, the number of coronavirus cases increased in massive amounts from 8,070 cases to 10,358 cases as of 10th June 2020 and the curve is continuously rising. However, this phase needs to be ready with medical support and continuously monitor for the second wave of crisis. So far, government procedures have been facing primarily with necessary medical supplies and economic issues. The next pressure is to open the public sector organizations and bring back day-to-day operations with safety protocols and precautions in the offices, churches and public places. Currently shuttered offices, including schools, colleges, licensing offices will need to be sanitized and move into the operation phase. According to [Eggers et al. \(2020\)](#) one interesting challenge for the government is that COVID-19 is a slow-motion crisis transmitting over weeks and periods, and it has a high degree of ambiguity regarding timing, spread and final effects. Despite such uncertainty, governments must handle this critical situation to recover human life on the track and return life to normal.

The government should continue to support the management of vaccines treatments of remaining active patients and be ready for any unpredictable circumstances to curtail the increment in the level of death cases in the country. The healthcare regulating bodies such as the Ghana Medical Association, Pharmaceutical council of Ghana, Ministry of Health and the district health committees should assess the health and various hospitals' financial status and health systems and plan the future to strengthen its public health preparedness. Because the healthcare systems of the USA, China and Europe's leading countries are extremely developed, and they spend a vast amount of per capita income on healthcare systems they have been able to withstand the increased number of cases of the COVID-19. The Ministry of Health report for 2019 suggests that the government of Ghana spends only 3.25% of GDP on public healthcare which is less than neighboring countries such as Nigeria (3.75%), Burkina Faso (6.9%) and Cote D'Ivoire (4.5%), Contrary to this, the United States of America spends 18% of its GDP, which is the maximum expenditure on public health in the world. Therefore, Ghana needs to emphasize more investment in public health infrastructure development and stimulate the research and development base in the pharmaceutical industry to boost the production of drugs that can be used for the treatment of various sicknesses in the country.

5.3 Growth

Aside responding to the survival and revival phase of the COVID-19 pandemic, governments need to concentrate on long-term improvements of the healthcare system because the full-fledged revival of economic activities still depends on the preparedness of the healthcare system. The government needs to strengthen the public health infrastructure and monitor health data, including new cases, hospital facilities and treatment responses and go on to support future vaccination efforts (Eggers *et al.*, 2020). The healthcare systems ought to concentrate on slowing down the spread of new cases, control the pandemic from indispensable medical pressure and adopt extensive mass testing in Ghana. The public should follow social distancing and mass gathering protocols to prevent transmission speed and flatten the curve to the barest minimum. Additionally, the number of healthcare professional doctors and nurses should be increased to boost the healthcare system capacity through the establishment of medical schools in all the regions of the country to train medical professionals. This will equip the medical professionals to respond to cases of other sicknesses and diseases such as the Cerebrospinal Meningitis (CSM) which usually break out in the Northern part of the country.

This phase can set the groundwork for companies to grow the business resulting in sustained economic growth. Potential companies may diversify businesses and be more reliant on indigenous production and export the finished products to contribute to economic growth. However, the government has announced the stimulus package of GHS 600 million cedis for self-reliant Ghanaian companies and encouraged the use of local products. Additionally, there could be some instances where COVID-19 may spillover for longer times, and Ghana may explore the possibilities of exporting essential items and medicines to the affected countries (KPMG, 2020). KPMG report expects that at the time of the growth phase, India's economic recovery will be quicker and faster than many other advanced developed countries

6. Post-COVID-19 challenges and prospects for the Ghanaian economy

There is no doubt that the COVID-19 pandemic has slowed down the level of economic growth and infrastructural development of the country. The economy has been hardly hit by the virus leading to the revision of the economic growth of the country from 5.8% to 1.5%. The loss of lives, livelihoods and the shutdown of many facilities are some of the major challenges

this pandemic has brought on the global economy and in Ghana specifically (Nicola *et al.*, 2020). At the beginning of COVID-19, Ghana was not prepared for this pandemic at an unprecedented level and faced the shortage of intensive care beds, hospitals, testing kits, bed capacity and ventilators. Ghana spends as low as 3.57% on public health system of the country which is not enough making it fragile.

6.1 Investment in the public healthcare system

Government in its fight against the COVID-19 announced the establishment of one hundred and ten (110) district hospitals to consolidate the major healthcare facilities in the country. This is a major landmark in the healthcare system which needs to be commended once the government can fulfill its promise. The private sector contributed immensely toward the establishment of 100-bed health facility within three (3) months through crowd funding and donations from the private individuals. This is an opportunity for the country to invest more in the training of health professionals to deliver quality healthcare services to the citizens of the country. Motivation of the health professional through the increase by 50% of their basic salaries remains one of the opportunities for people to be educated in the health sector. This will boost and motivate people to effectively participate in the study of medicine and healthcare delivery courses that will reduce the patient to doctor ratio in the coming years.

6.2 Small and medium scale enterprises support

The COVID-19 pandemic exposed the weak medium scale businesses in the country. Most of the people who dwelled on the SMEs in the country lost their livelihoods through the increased level of consumption of their savings due to partial lockdowns imposed on the two major business centers of the country. The COVID-19 provides the opportunity for the government to finance the SMEs which employs more than 70% of Ghanaians. The government in its support to businesses released an estimated GHS 600 million cedis to support businesses in the country. It is expected that the SMEs in Ghana benefit immensely from the amount carted by the government to support these businesses since many livelihoods in Ghana have been affected due to the partial lockdown. According to the AGI, over 42,000 people lost their jobs in the first two months of the coronavirus pandemic. This means that financial support for these SMEs will go a long way to revive the economy and provide employment opportunities for many people who lost their jobs during the height of the COVID-19 pandemic.

6.3 Support to the agriculture sector

The agriculture sector is the guardian of the Ghanaian economy and has provided a lot of job opportunities for the citizens. Most of the policies of the government in recent time have been toward the industrial sector of the Ghanaian economy. The government must not tolerate any interruption in the agriculture sector. The governments should come to the fore and ensure farmers' requirements, which should not be taken for granted. There should be a policy where farmers can easily take the loan from the bank to engage in agriculture work at the right time, and there should be no interruption in the agriculture sector during the crisis.

Reverse migration due to COVID-19 from the Southern part of Ghana to the Northern part where agriculture is most employed sector within these regions may provide an opportunity for the government and the district assemblies to engage the returned migrant workers in self-employment, leverage the potential of agriculture and contribute to Ghana's economic growth and development. Especially labor-intensive sectors like fisheries, livestock, farming and food processing have not developed and stimulated over the years in rural areas (Dagunga *et al.*, 2020). These activities may be possible with the support of government and

district assemblies who can identify the needs of the residents and provide the needed support for them to engage in agriculture activities. It is necessary to throw light into the policies and revisit the role of agriculture to revive economic development.

7. Conclusion

The coronavirus pandemic has introduced a new normal in the lives of the ordinary citizens of countries across the world. As citizens continue to adhere to the safety protocols of social distancing, frequent washing of hands and the use of face masks, it is expected the impact of the pandemic will last not less than 2 years. The continuous increase in the number of COVID-19 case counts in Ghana poses threat to the livelihoods of many people employed in the agriculture, industrial and health sector. Ghana's economic growth rate has been hit by the pandemic with government attention now focused on rebuilding of the country's economic following the negative impact of the coronavirus pandemic on the country. For the economy to fully recover from the negative impact, it is recommended that financial support to the SMEs should be provided to these businesses to ensure their continuous operations in the country. As at the end of August, 25,000 SMEs have been provided with financial support to the Medium and Small-scale Loans (MASLOC) to support SMEs which remains one of the largest employment creation avenues in the country. This financial support has been able to revive some of the businesses who were virtually on their knees to collapse following the lockdown measures by the government. Government must actively involve the private sector in the establishment of healthcare units across the country. In the heat of the COVID-19, the government in partnership with the private sector was able to establish an infectious hospital to cater for COVID-19 patients in the country. This was done within three (3) months when the lockdown measures were fully in place. It was recognized as a major boost for the health sector of the country as the country battles the COVID-19. However, the government through the Ministry of Finance has announced huge investment in the District Health facilities where the government has promised one hundred and ten (110) hospitals to take care of the residents of the country in the healthcare system. The Agriculture sector must not be left out of government policies in this pandemic era due to the food price fluctuations in the few months the country was hit by the COVID-19 pandemic.

7.1 Limitations of the study

This study focuses on the impact of the COVID-19 on Ghana's economy and how the pandemic has negatively affected the country. The study is an exploratory study that makes use of secondary data. However, conducting a study with primary data sources from specific communities or regions in the country may not produce the same results. The results from the primary level or community level may be different from the general results obtained from the study. In future it is expected that the study focuses specifically on the extent of the coronavirus pandemic on Ghana's fiscal deficit which seems to have ballooned in recent times.

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