

Title: Dynamics of household consumption after the COVID-19 pandemic in Ghana using input–output analysis

Abstract:

Purpose

This study analyzes the dynamic impact of the COVID-19 pandemic on consumption among Ghanaian households, by identifying the existing consumption inequalities in the households according to the different age categories of the household head changes in consumption patterns among the household constituents. In particular, the study examines the effects of the coronavirus pandemic (COVID and -19) on household consumption and the differing impact on the different age categories of the household.

Design/methodology/approach

The research methodology of the study is based on the input–output analysis of the Ghanaian economy during the years 2015 and 2021 by using data on household consumption disaggregated by age. Economic impact is estimated through multi-sector modeling, specifically a demand model expressed based on a money metric measure valued in Ghanaian cedis. This model allows us to obtain the direct impact of the COVID-19 pandemic on the manufacturing sector, professional, scientific and technical activities, Water supply, sewerage, and waste management within Ghanaian households. The model also observed a negative impact of the COVID-19 pandemic on the public sector works and defense, and SSNIT sectors of the Ghanaian economy.

Findings

The findings of the study revealed that for the category of age group between the ages of 15–29 years, the consumption of manufacturing products experienced an increase of 6.20% while that of electricity consumption, air conditioning and heating reduced by 2.26% for the period under consideration. However, public sector works and defense, and SSNIT experienced a decline by 8.24%. For the age group between 30 and 45 years, the highest and most positive percentage change in household consumption was noted to be professional, scientific and technical activities (6.20%), Water supply, sewerage, waste management (5.98%), as well as manufacturing (5.65%). However, there was a decline in the consumption level of education by Ghanaian households during the lockdown especially among people within the age group of 46–65 years. There was a decline of 6.11% for the administrative and support services and there was also a decline the services of

defense and SSNIT service consumption by 2.10%. For the final age group of 66 years and above, there was an increase of 6.94% in the consumption of such essential utilities in Ghana between 2015 and 2021. The demand for education however showed a drastic reduction of 8.1% over the study period due to this category of age group with majority of them retiring from work.

Research limitations/implications

The findings from this study will help in understanding the effects caused by the pandemic on household consumption and the differing impact on different age category of the household, especially on young households. This can potentially shape future policy by especially helping policymakers to device a more targeted social safety-net policies not only to speed-up recovery, but also to mitigate the negative impact of any future outbreak of a pandemic on household consumption and limit the age gaps in consumptions. However, the study does not consider the income levels of the different age groups. This becomes a limitation of the study and can be further explored in future studies.

Originality/value

This study measures the impact of a global health pandemic on the consumption of all households, with its accompanying impact of this variation. It can be noted that analyzing household consumption and quantifying the positive and negative impact on different age category of the household and the different sectors of the Ghanaian economy add to the limited knowledge of the impact of the COVID-19 pandemic at the household level