

The Impact of Oil Exploitation on a Ghanaian Fishing Community

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This thesis is submitted to Cardiff University in fulfilment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

SCHOOL OF SOCIAL SCIENCES



June 2018

DEDICATION

In loving memory of my dad *George Lovelace Yao Darkey*, February 1949 – May 2011.
You always believed in me and you were confident I would finish this programme.
Papa, continue resting in peace.

ACKNOWLEDGEMENTS

My foremost thanks go to the almighty God for sustaining me through this PhD journey. The successful completion of this thesis has been aided by a number of people and organisations some of whom cannot be named because of ethical consideration. A special gratitude goes to the Nippon foundation for funding this research and for giving me the opportunity to be part of the wonderful family of Nippon Fellows. To my supervisors, Professor Helen Sampson and Dr. Nelson Turgo, you have offered me guidance and support throughout the period of research and the writing up stages and I am forever indebted. I feel so privileged to have been under your tutelage and I will carry the qualities of research you have embedded in me throughout my career.

To the oil company officials, officials of government agencies, officials of the NGO and inhabitants of the fishing community of *Apyam*, I say a big thank you, without your support, this research would not have been possible. Special thanks to Justice Pobee and Jacob for the logistical support during the field work to *Apyam*, without you the task would have been way harder. A big thank you also goes to the Regional Maritime University for granting me the time off work to undertake the PhD and for providing top-up funds which enabled me to complete this thesis.

To my husband, Maximus and son, Prince you are my real super heroes. Thanks so much for allowing me to leave you behind in Ghana for five long years, your constant support and encouragement was priceless. To my latest son, Jadon, you are my special gift from God and a testimony that God is indeed faithful. Special thanks to my mum, Patience Darkey and to my siblings for your prayers and support, God richly bless you all. To Apostle Richard Buafor and wife Mrs. Rejoice Buafor, thanks for your visit to Cardiff and for your spiritual guidance through this long journey. A special thank you to my uncles, Chris, Frank and Akunu, your support and guidance after the demise of daddy has been so important to me. Thanks to SIRC staff, Loiose, Maria, Sarah and Kate for your support throughout my stay in Cardiff. To fellow SIRC colleagues I say a big thank you for giving me valuable feedback on my research. To my office mate and friend Jean, God richly bless you for always keeping me on my toes and thank you Iris for providing valuable feedback on my chapters. Special thanks go to my house mate and friend Dacia, when the going got tough, we stuck together and

encouraged each other, knowing that we will cross the finish line one day. This work is the beginning of greater things to come.

Abstract:

The likelihood that natural resource extraction will deliver benefits to inhabitants of local communities which host the extraction venture has become a salient point in the sub-Saharan African context. It is because although the continent has seen an upsurge in resource extraction activities, the continent still features prominently in the “resource curse” debate. The “resource curse” is a phenomenon where countries which have abundant natural resources such as oil and gas, perform badly in economic development and governance compared to countries with fewer resources (Humphreys et al., 2007). Although the “resource curse” is a global occurrence it is particularly prevalent in resource-rich countries in sub-Saharan Africa. Despite the prevalence of the resource curse in Africa, international financial institutions, national governments, leaders and inhabitants of the region continue to see the extraction of natural resource as a route out of poverty, especially for local communities which host extraction activities. This thesis focuses on the case of Ghana, a new addition to the bloc of oil-producing countries to assess whether expectations of resource benefits by inhabitants of the oil region will materialise.

I used a qualitative approach, so I conducted semi-structured interviews with key stakeholders in Ghana’s oil and gas industry. The exploration of the social, economic and environmental impact of oil drilling and exploitation on the study community revealed that contrary to expectations of benefits, no beneficial outcomes accrued to inhabitants of the community. There were instead reports of challenges with fishing activities such as decreased fish catch levels, longer time spent at sea and the presence of seaweed which affected fishing activities negatively. The main conclusion of this thesis is that resource-rich communities who do not have the “power” cannot compel governments of developing countries to institute resource intervention projects

for them. This thesis, therefore, recommends that communities must capitalise on elections which gives them “power” over governments.

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CHAPTER ONE

INTRODUCTION

1.1 Thesis

This thesis examines the social, economic and environmental impact of resource extraction activities. The primary analysis centres on whether local communities benefit from resource extraction activities. To achieve this aim, I have highlighted the case of Ghana, a country in West Africa which has recently discovered crude oil and gas in commercial quantities, for the first time in its history. In June 2007, crude oil was found offshore in the Western Region of the country, making Ghana a part of the prestigious league of oil-producing nations. The oil and gas discovery is a boost to the country's already successful status on the African continent. Indeed, a former President of Ghana, John Agyekum Kufuor told the BBC in an oft-quoted interview that the oil discovery would make Ghana an 'African Tiger' since the country was already doing well (BBC, 2007). The specific point of discussion in this thesis rests on the impact of the oil and gas discovery, and subsequent exploitation, on a fishing community located close to the offshore oil field. *Apyam* (a pseudonym for the community that was studied) is a deprived small-scale fishing community whose inhabitants saw the oil discovery as an avenue for solving the community's pressing needs of employment and infrastructure development.

French-speaking countries, surround Ghana which is an English speaking country in the West African continent including Ivory Coast to the West, Burkina Faso to the North and Togo to the East. The Gulf of Guinea and the Atlantic Ocean lie south of the

country which makes fishing an essential sector of the economy. The fishing sector is vital to the Ghanaian economy regarding employment and foreign exchange. The fishing sector is also a crucial sector to coastal communities, and about "10% of the nation's population depend on fishing and related upstream and downstream activities for their livelihood and as dependants" (Neiland and Afenyadu, 2009, pg.12). The discovery of oil and gas offshore, in the "Jubilee oil field," brings forth the issue of the interference of oil and gas extraction with livelihoods. In the midst of expectations of benefits from the oil and gas discovery, inhabitants of coastal communities in the Western Region including *Apyam* were also wary of the interference of resource extraction with fishing activities which serves as a lifeline for their communities. The extractive industries sector is not new to Ghana; the country has a long history of gold mining, and as of 2009, Ghana ranked the second most significant African producer of gold and the ninth largest producer of the commodity in the world (Bloch and Owusu, 2012). Although the mining sector has generated significant royalty payments to the Ghanaian government, only limited funds are for rural development (Hilson and Banchirigah, 2009). The large-scale mining sector in Ghana has tended to make promises of resource development delivering benefits to local communities. However, these mining projects have provided fewer benefits than promised (Garvin et al. 2009). Since these promises are often not documented, they are not legally binding on companies (ibid).

With the backdrop of the extractive sector having failed to deliver benefits to local communities in Ghana which suffer the day to day detrimental effects of resource extraction (in the case of mining), it is perhaps surprising that there were expectations that the oil discovery would result in benefits for local communities. Such expectations

demonstrate that resource exploitation is convincingly portrayed as a way out of poverty for developing countries by proponents of resource-led development such as host governments, international finance institutions and donor governments (see Alstine and Barkemeyer, 2004) despite past negative experiences. Unfortunately, the ability of developing countries to put in place robust policy frameworks for the industry receives less attention. Firm policy framework for the oil sector is particularly important in a climate where resource extraction is mostly carried out by multinational companies who have vast experience and expertise in limiting the benefits of resource extraction which accrue to the host country. Evidence provided by the "resource curse" which is a phenomenon where countries which have abundant natural resources such as oil and gas, perform poorly in economic development and governance compared to countries with fewer resources (Humphreys et al., 2007). In the wake of the excitement about revenues to be derived from resource extraction, governments of developing countries often fail to put in place policy frameworks to avoid the adverse outcomes and safeguard local community interests.

Therefore this thesis explores whether oil exploration in Ghana will provide positive outcomes in line with community expectations of benefits from oil production activities. The aim is to find out if Ghana's oil discovery will deliver benefits to ordinary citizens, especially communities in the oil region. Specifically, the research will consider the impact of exploitation of oil and gas on a fishing community close to the newly discovered oil field. 'Apyam' is predominantly a small fishing community in the Ahanta West District of the Western Region of Ghana. Of the wide media frenzy, both locally and internationally which accompanied the announcement of Ghana's oil find, it was a documentary aired by the Cable News Network (CNN) that particularly aroused my

curiosity. The documentary which centred on *Apyam* highlighted fishermen's expectations of securing jobs in the oil and gas sector. I wondered if this expectation by the fisherfolk interviewed in the documentary was an 'illusion'. At the time, fishing activities in *Apyam* were of a small-scale, and the skills needed in the highly specialised and technical oil and gas sector were undoubtedly not available in the community.

The situation in neighbouring Nigeria also renders an examination of the benefits from resource extraction in Ghana worthwhile. The Delta region of Nigeria houses a lot of crude oil and gas making the country one of the largest oil producers in the world. However, studies (see Idemudia and Ite, 2006, Ukaga et al., 2012 and Ikelegbe, 2001) of the Delta region have highlighted a growing conflict in the area which has become a site of prolonged antagonism between local communities and oil companies. Tensions in the Niger Delta region stem from the fact that local communities believe multinational oil companies operating in the area have not fulfilled their promises of benefits to hosting communities (Omofonmwan and Odia, 2009). In Ghana, experiences in the mining sector have exposed the inability of public institutions to hold multinational companies accountable for their social responsibility to communities, making it instructive to explore arrangements in the oil and gas sector.

The study is a mainly qualitative study which examines the social, economic and environmental impact of resource extraction activities on the community of focus. The study utilised semi-structured interviews to obtain information from inhabitants of *Apyam* and key stakeholders involved in the oil and gas sector in Ghana. Information

obtained from research participants dwelt on the impact of the oil discovery on the community of *Apyam* with particular attention given to whether expectations of jobs and infrastructure development are materialising. The study also incorporated a brief survey to provide a picture of the demographic characteristics of *Apyam's* residents.

1.2 Objective and Research Questions

The thesis examines the social, economic and environmental impact of natural resource extraction on the community of *Apyam*. The research asks whether natural resource extraction (in this case oil and gas) can deliver positive outcomes for a local deprived community like *Apyam*. The study will examine the social, economic and environmental impacts that have ensued in the area of resource extraction. It will also highlight any adverse consequences relating to the local environment, fishing activities, social cohesion and social inequality. The research further addresses what happens when resource extraction activities fail to deliver the benefits envisaged. The following four fundamental research questions guide this study:

- 1) What is the social, economic and environmental impact on the community of study of the oil and gas discovery and its subsequent exploitation?
- 2) To what extent was the local fishing community involved in the planning, implementing, monitoring and evaluating sustainable resource management and alternative livelihood activities?
- 3) To what extent is the government of Ghana committed to implementing the provisions of the "local participation in petroleum activity" policy document concerning the oil discovery?

- 4) What is the nature of the relationship that exists between the government of Ghana and the various oil companies?

1.3 Thesis Structure

This thesis is made up of eight (8) chapters. This introductory section has provided background information on the discovery of commercial quantities of oil offshore in the Western Region of Ghana. It includes a justification for the study and an outline of the questions leading the research. The second chapter reviews extant literature on the social, economic and environmental impact of the extractive industry sector on local communities. It provides an overview of the resource curse phenomenon and examines the effects of resource extraction and residents' attitudes toward extraction activities. The chapter also highlights debates concerning Corporate Social Responsibility (CSR) and the role of CSR policies in ensuring economic benefits.

The methodology is the focus of chapter three. This section describes the fieldwork approach adopted in the study and a discussion of the data collection procedure. Chapters four, five, and six provide the three data chapters of the thesis. These sections outline the main findings of the study. Chapter seven is a discussion of the main conclusions. Chapter eight provides final thoughts on the research as well as the research limitations.

CHAPTER TWO

A Clash of Oil and Fish? The Potential Implications of Natural Resource Extraction in Ghana

2.0 Introduction

This thesis is concerned with the implications of oil extraction for a small fishing village in Ghana. This chapter critically reviews the literature on the impact of resource extraction on communities in developing economies.

The extraction of natural resources¹ can be expected to provide additional revenue for nation states. Bornhorst et al. (2009), for instance, attest that governments with hydrocarbon endowments usually receive revenues from taxes and royalties paid by extraction companies and through production sharing arrangements. Also, mining, a key extractive sector, contributes significantly to national revenues and foreign exchange earnings for countries (Hilson, 2002a, and Hilson 2002b). The massive revenue stream from natural resources can help eradicate poverty (Pegg, 2006). The proper management of the wealth from mining and oil and gas activities could be especially beneficial for developing countries regarding raising the standards of living for the poor as well as for the establishment of manufacturing and service sector industries (Hilson, 2012). However, although the substantial increase in the prices of natural resources since the mid-2000s has provided higher revenues for traditional and emerging resource-rich countries, a gap has developed between citizens' expectations of improved living conditions and more significant economic opportunities vis- a- vis the capacity of states to meet development challenges

¹Natural resources in this case refers to non-renewable resources such as oil, gas, minerals and metals.

(Acosta, 2013). Thus, while natural resource extraction is expected to provide additional revenue for the nation-state, it does not necessarily seem to offer developmental benefits for the citizenry because many states are unable or reluctant to monitor and regulate the activities of extractive companies (Darby, 2010). It might be particularly constraining for those communities which host extraction activities because recent studies suggest that local resource-rich communities located in the periphery of the national economy suffer the brunt of resource extraction activities while the national level reaps benefits (Davis and Tilton, 2005 and O’Faircheallaigh, 2012). The bone of contention of resource extraction seems to lie with its inability to offer developmental benefits to the citizenry especially for local communities which are the geographical site of intense extraction activity.

Opinions relating to the relationship between natural resource abundance and development is divided. While neoclassical economic development scholars believe in resource-related prosperity, dependency theorists are pessimistic about the socio-economic benefits of natural resource exploitation (see Frickel and Freudenburg, 1996). Neoclassical economists such as Hirschman (1977) and North (1955) speak of the benefits of “input linkages” in the form of industries, which are set up in resource extraction areas to provide goods and services to the sector as well as “output linkages”, which encompass the processing of raw materials from the industry (see Frickel and Freudenburg, 1996). This argument also extends to public sector investments in development-oriented infrastructures, such as roads, hospitals, schools and so forth. On the opposing end, dependency theorists argue that even if a region succeeds in attracting “input” and “output” linkages (which they regard as an uncertain outcome), when extraction activities come to an end, regions are saddled with local businesses that are no longer linked to anything and infrastructure that no

longer has any economic activity to support it (see Frickel and Freudenburg, 1996). Also, one of the critiques of resource-related prosperity relates to the fact that “peripheral” regions of the world have greater challenges in capturing the linkages related to resource extraction. It is because the raw materials from these regions have, over time, declined in their relative cash value compared to manufactured goods produced in "core" regions (Frickel and Freudenburg, 1996). The lack of a theoretical consensus on the development implications of resource extraction, as discussed above, suggests that there is an on-going need for the development of new empirically-based insights and this thesis attempts to make such a contribution. In doing so, the research represents an effort to add to the literature on the local impacts of resource extraction. Therefore this thesis explores the impact of natural resource extraction activities at the community level and sheds light on whether resource-rich communities derive benefits such as jobs/ wages, royalties, compensation payments, infrastructure and so on from these activities. Although the literature (see Frickel and Freudenburg, 1996) cautions against a view of resource extraction activities as having straightforwardly positive development effects for rural communities in both developed and developing regions of the world, weak institutions mean that it is developing regions that seem particularly susceptible to missing out on the potential benefits arising from extraction activities (Hilson, 2014). This study offers insights into the development implications of resource extraction for *Apyam*, a rural community in Ghana. Ghana, which is a new addition to the bloc of oil-producing countries offers the platform for exploring the possibility of resource-related prosperity for rural communities in the country’s oil region. In the case of Ghana’s existing mining activities, there is accumulating evidence (see Hilson and Yakovleva, 2007 and Garvin et al., 2009) suggesting that development has largely eluded local communities to the

benefit of the nation-state and “foreign capital”. Nevertheless, about the ‘promise of oil revenues’, Ghana still harbours sentiments of natural resource extraction activities benefitting local communities. Ghana, therefore, presents an opportunity for examining whether optimism about oil extraction is justified and whether beneficial outcomes remain feasible for communities which host oil extraction.

Another area that features prominently in discussions of resource extraction activities is the potential development of tensions resulting from extraction activities. Michael Watts, for instance, writes extensively on the conflict that has plagued the Niger Delta oil-producing region in Nigeria (see Watts 2004, 2007), Banks (2002) also examines controversies arising from mining activities in Melanesia while Arellano-Yanguas (2011) analyses mining conflicts in Peru. Since natural resource extraction can result in tensions among government, companies and local communities who are often the key stakeholders, this thesis also examines whether Ghana can prevent conflict in its oil region. Ghana’s oil and gas discovery has sparked debate about whether the country can chart a course that is different from its West African neighbour, Nigeria, where resource wealth has become synonymous with corruption and conflict (see Obi, 2010), hence examining the possibility of conflict in the case of Ghana is timely.

I organise the chapter as follows; this first section is the introduction to the chapter. The second section then offers an overview of the resource curse, a phenomenon which features prominently in discussions on the developmental implications of resource extraction. A review of the literature on the social, economic and environmental impact of resource extraction at the community level is the focus of the third section of the chapter. The fourth section of the chapter examines residents’ attitudes to resource extraction in the light of the impacts identified at the community level. I discuss the CSR strategies of companies in the fifth section of the chapter while

the sixth section deals with stakeholder engagement programs which appear to have become a norm in natural resource management activities. The last section of the chapter then explores the research areas to be addressed in this thesis.

2.1 Introducing the Resource Curse in sub-Saharan Africa

The “resource curse” phenomenon is often advanced in the literature to shed light on resource extraction and its outcome in resource-rich regions. The “resource curse”; is a term social scientists use to describe the phenomenon where countries which have abundant natural resources, such as oil and gas, perform poorly in economic development and governance compared to countries with fewer resources (Humphreys et al., 2007). According to Soros (2007), the “resource curse” is a complex phenomenon which involves three different processes. The first is what is known as “Dutch Disease” which results when resource revenues increase the value of the local currency making local exports uncompetitive. Secondly, a country that is dependent on a natural resource is prone to global fluctuations in commodity prices which can have disruptive effects. Thirdly natural resource wealth can affect political conditions in a country since rulers of resource-rich countries have greater financial means at their disposal hence they have greater incentives to remain in power. While the “resource curse” is a global phenomenon, it is particularly associated with countries in Africa such as The Democratic Republic of Congo, Angola, Sudan and Nigeria (Soros, 2007). The World Bank maintains that the resource curse is not inevitable, and that *good governance* and *sound economic policies* are measures that can guard against it (Pegg, 2006). This stance of the World Bank stems from the example of Botswana, a country in Africa which authors like Obeng-Odoom (2014a) see as problematizing the resource curse doctrine. Officials of the World Bank believe

“the case of Botswana illustrates how a natural resource curse is not necessarily the fate of all abundant resource countries and that prudent economic management can help avoid or mitigate the detrimental effects of the resource curse” (Scott, 2005 pg. 20). In line with this argument, scholars such as Amundsen (2013) contend that a country is cursed when the discovery of petroleum resources precedes the adoption and consolidation of *democratic* institutions. The author notes that countries like Norway and UK had *democratic* institutions in place before subsequent oil and gas discoveries, with these supporting the distribution of the resultant economic benefit. On the other hand, countries such as Nigeria, Sudan, Sierra Leone and Equatorial Guinea were *authoritarian* regimes, and that this accounts for their negative economic performance although the massive resource wealth (ibid). Hilson (2012) similarly identifies *constitutional* challenges as one of the two main issues that have confronted developing countries who have attempted to develop their extractive industries. The author notes that most developing countries made decisions about their extractive industries shortly after they had gained independence or when countries were in transition to independence hence these countries could not handle the enormous wealth from resource extraction. The wealth from mining and oil, therefore, transformed these fragile *democracies* into *autocracies* since the ready wealth from resource extraction freed governments from the need to tax their citizens. Heilbrunn (2014) similarly argues that the political and economic conditions present in a country before the discovery of hydrocarbons influence that country’s development and political trajectories. If the argument put forth by Amundsen (2013), Hilson (2012) and Heilbrunn (2014) is accurate then a country that is *democratic* stands a better chance of ensuring resource revenues result in widespread economic and political benefits. Ghana is often touted as a model of *democracy* in Africa (see Heilbrunn, 2014) and

hence provides us with an interesting case study about these issues and the question of whether *democratic* institutions improve policy choices when it comes to the handling of resource revenues. The next section of the chapter explores the literature on the impact of extraction activities focusing on impacts at the community level. Before I examine community-level impacts of extraction, it is important to review the debates about the definition of community.

2.2 Definition of Community

The notion of community appears to be a contested term in the literature. For Cohen (1985), a community has two characteristics. First of all, a group of people who have something in common with each other. Secondly, this commonality distinguishes them in a significant way from members of another group. A boundary marks the beginning and end of a community typically because communities intermingle with others from which they are, or they wish to be distinguished (Cohen, 1985). Community boundaries are according to national or administrative boundaries, racial, linguistic or religious. Also, boundaries can exist in the minds of people depending on how people perceive it (ibid). The community was classically a village or a rural agricultural settlement or a small town (see Bhattacharyaa, 2004). However new concepts of community advocate either a place-based definition (followed the *Gemeinschaft* tradition built on the concept of the village or small town) or non-place definition (followed the *Gesellschaft* tradition built on the concept of the urban or industrial city) of the community (Bradshaw, 2008). Scholars (see Bradshaw, 2008) who advocate a place-based definition of community, are of the opinion that the concept of community is according the formal institutions of a place such as government, economy,

education and religion. Government planners and developers, therefore, value place when they draw programs around community building and conflict mitigation that help people forge an identity within a geographical area (Bradshaw, 2008). Other scholars who advocate for a non-place concept of community argue that interest links people instead of ancestral hometowns, and this is made possible by technology (ibid). Also, people need not live close to each other before they can have meaningful relationships (Sasson, 2002). Other variations of the concept of the community are possible. For instance, Bradshaw (2008) posits that the definition of community is a continuing debate in community studies where people question whether the concept should comprise people who have shared interests but who are not in the same geographical locality. Bradshaw (2008) therefore develops a concept of post-place in which social relations between people is the most important benchmark. Bradshaw (2008) is of the opinion that the loss of place identity in this modern world does not mean the loss of community since cohesion among people should not be restricted to place. In this study, I adopt the definition of community as place-based because of two reasons. First of all, the community of study is a typical rural agricultural community where people have language, occupation and similar expectations of resource benefits in common. It fits the classic definition of community highlighted earlier. Also, the government of Ghana and oil companies recognised communities as stakeholders based on physical boundaries. Officials of government and oil companies categorised communities according to their location in the geographical region of the oil rig. Social projects for communities, in turn, implemented for communities in the Western Region. Formal planning in Ghana is according to a geographical area, and later sections of this study will show that the government undertakes social projects for the nation on a district basis. Local authorities in charge of districts also implement projects on a city

and village basis. I now examine the impact of extraction activities on local communities.

2.3 Impact of Extractive Industries

The impact of extractive activities reviewed in this chapter spans the mining and petroleum sectors. The chapter focuses on these two sectors because they dominate resource extraction activities in sub-Saharan Africa. These two sectors are similar regarding their ability to create job opportunities and also their ability to attract migrant labour as detailed by Seydlitz et al., (1995). The impact of the mining and petroleum sectors examined in the literature is often along social, economic and environmental lines as this section highlights. Since the economic and social effects are intertwined, they will be discussed together in this thesis.

2.3.1 Socio-Economic Impact

The literature on the socio-economic impact of resource extraction on communities indicates that rural residents in specific regions believe that the negative impacts overshadow the benefits. For instance, Fentiman's (1996) study which examined the impact of oil exploitation on the lives of people in a small fishing community in the Niger Delta found that revenue from the oil industry is for building infrastructure such as post offices, banks, and police stations among others. Despite this positive development, Fentiman (1996) found that the lives of the average resident in fishing villages worsened due to alteration of the landscape, oil pollution, migration and other factors. Similarly, Okoli's (2006) study conducted in Rivers State in Nigeria revealed that rural residents perceived oil exploitation to have impacted negatively on their

socio-economic activities. As a consequence, people were forced to undertake to trade as an alternative to their fishing and farming activities. Although respondents recognised road, electricity, education and water as developmental benefits of oil exploitation activities, they believed that the negative impacts of oil exploitation overshadowed the benefits derived from the industry. The overall adverse effect of oil exploitation activities as perceived by respondents in Okoli's study stemmed from the fact that farming, fishing and hunting which represented the primary occupation of the people is threatened by dispossession of land and pollution of water bodies by oil exploitation activities. Bernal (2011) also sheds light on how the Amazon's indigenous people bore the costs of the oil boom in Ecuador without benefiting from the shares of the oil revenue. Although the oil boom seemed to have brought prosperity to the previously impoverished nation, the benefit was at the expense of the vulnerable population.

In the Ghanaian context, Kumah (2006) observed that mining activities in Teberebie in the Western Region in Ghana had had a negative socio-economic impact on the community where relocation schemes resulted in the loss of land and other livelihood resources, impoverishment and social disruption. There were also complaints that a company did not fulfil an agreement to provide housing units, a school complex, community centre, electricity, medical clinic and potable water. Additionally, a recent study by Ayelazuno (2014) in the mining communities of Prestea, Dumasi and Teberebi in the Western Region of Ghana found that people could not produce enough food for consumption and sale because of the destruction of their crops and fish ponds by surface mining. Although residents in the mining communities had lost lands which were their primary source of livelihood, there were no commensurate jobs created in the mining sector to compensate for this loss (ibid). Ayelazuno (2014) also recognised

that artisanal and small-scale miners had lost the primary source of their livelihoods because government policies and regulation favoured large-scale mining companies. Ayelazuno (2014) concludes that since the dispossession of lands that represent the livelihoods of peasants and the displacement of artisanal and small-scale miners did not create jobs in the extractive, agriculture and manufacturing sectors, the “trade-off is too costly for Ghana” (pg. 301). A particularly relevant study conducted by Andrews (2013) dwelt on community expectations from Ghana’s oil find. The research examined the perspective of inhabitants of a community close to Ghana’s newly discovered offshore oil field. Regarding expectations of employment and other socio-economic benefits from oil drilling, community inhabitants were of the opinion that if there would be any benefits, then they would be likely to be felt by people in the city and not rural folks. The people were pessimistic about benefiting from oil extraction activities because their community had been neglected for a long time, leaving them without electricity, drinking water and a health post.

Overall, the adverse socio-economic effects of resource extraction activities on communities are not unique to the African region. In Australia for example, coal mining in the Bowen Basin, which is the premier coal-producing region of Australia, created positive economic and social impacts by way of increased employment, income and expenditure (Rolfe et al., 2007). However, there were fears that local communities might be bearing many of the costs of accommodating new developments while the benefits went to regional and state centres. Rolfe et al., (2007) explained that regional and state centres primarily benefitted from the mining sector because the move to more flexible work patterns ensured that large numbers of employees lived in coastal and urban centres and then commuted to work in mining communities. Also, although there was growth in the mining support sector, these activities were mostly based in

larger communities and strategic centres which served as service centres. Meanwhile, it was severe for residents on lower incomes to continue living in their communities due to high rental prices. Mining companies no longer provided accommodation for their staff hence the rent of the few accommodation facilities available in communities was high.

On the other hand, some studies point to an overall positive socio-economic effect on communities which host extractive activities. For instance, Suarez et al. (2009) found in their study that the construction of a road and other oil extraction related infrastructure resulted in the integration of a community in North-eastern Ecuador into the market economy. It changed the subsistence nature of the livelihood of community members. Hunters in the community were able to exploit larger hunting areas, killing more significant numbers of animals which local communities transported to local communities or market centres through free transportation schemes provided by oil companies. The author also observed that local people were employed by oil companies which introduced new money into the local system since oil companies paid comparatively higher salaries than local ones. It also introduced large amounts of money into the region because of compensation provided to local communities as compensation for the use of indigenous territories.

Other studies (e.g. Brasier et al., 2011) offer a mixed picture of both the positive and negative effects of resource extraction activities. For instance, regarding economic benefits, respondents from all four counties in Pennsylvania and New York in the United States were of the opinion that the development of natural gas could diversify their local economies and prevent the out-migration of their youth. However,

respondents were also apparently concerned that gas development could potentially result in a “gap between the haves and the have-nots.” (pg.48). The primary concern was that people who were likely to benefit from the large-scale energy development would be property owners, entrepreneurs and business owners leaving economically disadvantaged people who did not have acres of land for leasing less well off. Gilberthorpe and Banks (2012) similarly describe the scenario where the compensation payments from developers which go to landowners create a system of regional ‘haves’ and ‘have-nots’. It has a substantial impact on the security maintained by established socio-political exchange network (ibid).

In summary, the perceived socio-economic impact of resource extraction activities on communities as reviewed above presents a mixed picture. The studies indicate positive, negative or a combination of positive and negative socio-economic effects on the communities’ highlighted. It shows that resource extraction activities are not guaranteed to provide straightforward benefits regarding infrastructure, jobs, healthcare, and increased economic activity, to host communities in both developed and developing economies. One of the arguments made at the beginning of this chapter is that some authors consider *democratic* institutions to support the distribution of resultant economic benefits from resource extraction activities. For instance, Hilson (2012) maintains that most developing countries have been unable to manage the wealth from resource extraction because they lacked democratic institutions at the time of resource discovery. Following this argument, it seems local resource-rich communities in democratic countries stand a better chance of reaping benefits because robust democratic institutions in these countries should ensure the proper disbursement and management of resource wealth. However the literature on how local communities perceive the socio-economic impact of resource extraction activities

suggests a contrary view; that democracy might not be the deciding factor in ensuring that resource extraction activities benefit communities. The case studies on oil and mining activities examined earlier point to benefits as well as drawbacks of extractive activities for communities in both developing and developed countries. For instance, residents in all regions indicate that resource communities bear the brunt of resource extraction activities while benefits flow to regional centres and capital cities (see Rolfe et al., 2007 and Andrews, 2013). It implies that resource communities all over the world appear to be predisposed to the negative tendencies of extractive industries. It could take the form of government policies and regulation favouring large-scale companies, pressure on social amenities as a result of the influx of people to resource communities and the inability of locals to get jobs in the resource sector because of the specialised nature of resource activities.

The two main reasons cited earlier for why communities fail to derive socio-economic benefits from resource extraction are that firstly, in some instances government policies and regulations favour large-scale companies. Secondly, people in resource-rich communities were pessimistic about benefiting from extraction activities because government officials neglected communities for a long time. Multinational oil companies and host country governments usually negotiate oil contracts. Hence to explore why government regulations appear to favour large foreign entities at the expense of local communities, then it is necessary to determine the bargaining arrangements that characterise the relationship between these two key stakeholders. Also, because local communities were pessimistic about benefitting from extraction activities, then it appears instructive to interrogate why local communities harbour such sentiments. I, therefore, argue that during periods of extraction activities, actions of host country governments and companies involved in extraction activities to a large

extent determine whether or not local host communities benefit from the resource. It means that MNC-host government relationship is key to any discussion on whether or not resource benefits accrue to local communities. Hence to be able to understand fully how these two stakeholders can influence resource distribution issues, it is necessary to explore MNC and Host government relations in detail. Any discussion on MNC-Host Government interaction needs to begin with an understanding of the different notions of the nation-state and multinational companies.

2.3.1.1 Conceptualising the Nation-state

According to Di John (2008), "In international law, a given 'state' exists when a political entity is recognised by other states as the highest political authority in a given territory and is an 'equal' among the international 'community' of states". The author also emphasises that statehood exist when a given political entity possesses a permanent population, a defined territory, a government, and the capacity to enter into relations with other states. Steinbockova (2007) on his part draws attention to the fact that it is not easy to define a state. In his view depending on the stance of the researcher the state can either represent an internationally recognised entity as defined in international law, a country with a community of people interacting in the same political system sharing the same values or also as a government covering the legislature, administration, judiciary, armed force and police. This thesis adopts the definition used by Steinbockova (2007) in his work where the nation-state has three characteristics of territory, population and government. This work is particularly interested in the concept of government where the government "covers the control of the means of violence (monopoly of the use of force), sovereignty, the rule of law, administration

and bureaucracy” (Stembockova, 2007, pg20). This definition of the state is adopted because due to the internal sovereignty the government of Ghana enjoys from its citizens, it was the negotiator during contract negotiation with oil companies prospecting for Ghana’s oil.

2.3.1.2 Conceptualising Multinational Companies

According to Dunning and Lundan (2008, pg.3), “a multinational or transnational enterprise is an enterprise that engages in foreign direct investment (FDI) and owns or, in some way, controls value-added activities in more than one country”. An MNE may be privately or publicly (that is, state) owned and managed. If the former, the stock can be privately held by a small group of owner-investors, or widely held and traded on a stock exchange.

2.3.1.3 The History of MNCs-Host Governments Relations

Dunning and Lundan (2008) identify three phases in the relationship between MNCs and the state. These are the Honeymoon phase (the early 1950s to mid-1960s), the Confrontation phase (mid-1960s to late 1970s) and the Reconciliation phase (late 1970s till present time). The authors describe the honeymoon phase as an era where newly emerging developing nations and war-ravaged Western European countries desperately needed the technology, capital, entrepreneurship, managerial and organisational skills of foreign-owned firms. Dunning and Lundan (2008) saw this as a win-win situation for both MNCs and host countries since companies also found ready markets for their products and host countries served as a source of raw

materials for company activities. There was, however, a change in attitude towards MNCs in the Confrontation phase mostly due to the growing independence of many developing economies and the citizens' belief that their governments had the resources and organisational skills to attend to their needs. During this confrontation phase, it also occurred to governments that the contribution made by companies regarding economic development did not constitute their greatest need. Also, companies earned high economic rent due to their market power as well as minimising the host country's share of economic rents. During this period, MNCs contributed to some woes of nation-states such as uneven economic development and unfair distribution of world wealth. During this period, nation-states took specific drastic measures against MNCs such as expropriations, restrictions on new investment flows and burdensome regulation of MNCs performance. It ushered in the era of the concept of bargaining power which became a salient point in negotiations and confrontations between the state and MNCs. The MNCs-state relationship, therefore, became heavily dictated by the social implications of the activities of MNCs such as environmental protection. The 1980s which Dunning and Lundan (2008) recognise as the Reconciliation phase is a period where the relationship between MNCs and governments became more mature resulting in the building of trust, mutual commitment and productive partnership.

The exploration of the history of MNC-host government relationship above gives us an idea of how the relationship between these two stakeholders has developed over the years. Having looked at the history of MNCs-Host government relations, it is critical to explore whether the nation states are still relevant in the current world configuration where there has been much debate on the relevance of the nation-state.

2.3.1.4 The decline of the Nation-State in an Era of Globalisation?

Globalisation has raised questions about whether the nation-state still yields influence in MNE-Host Government relations. For instance, authors like Vernon (1971) insinuate that because nation-states desperately needed technology, capital, and organisational skills among others that MNCs possessed, then the acceptance of these offerings by nation-states can result in the sense of loss of national control. Ohmae (1990) on his part has championed the idea of the 'borderless world' on the following basis:

- 1) Capital is no longer constrained because it can flow to places that generate the highest return or offer the best opportunities.
- 2) Capital can flow without any hindrance across borders because regulations are no longer sufficient because the state cannot monitor the whereabouts of capital.
- 3) Revolutions in information and transportation technologies have aided corporations to operate anywhere in the world without restrictions.
- 4) Individual consumers are developing global appetites and orientation.

However, the views by Vernon and Ohmae have faced a barrage of criticisms (see Boyer and Drache 1996, Hirst and Thompson 1996, Cox 1997, Dicken 1998 and Weiss 1998). One of the main points of critique has to do with the fact that Vernon and his counterparts assumed that MNCs had the ultimate bargaining power while nation-states had no bargaining right. The critics were also of the view that Vernon and his counterparts forgot that the success of MNCs was heavily dependent on governments creating a favourable political environment for MNC activities. In this light, Yeung (1998) for instance has called attention to the fact that the globalisation of economic activity and the activities of transnational corporations has given us the impetus to think that we are approaching an era of a 'borderless' world. The author stresses that

to proponents of globalisation; the state is no longer capable of applying influences on the activities of transnational capital. He, however, concludes that “the notion of a ‘borderless’ world is more folklore than reality” with the explanation that despite the hastened process of globalisation, national boundaries still matter. One of the key arguments given to support the relevance of the state in the globalisation of capital is that the state sometimes intrudes when an investment or production decision affects ‘national interests’. A clear example is offered by Osland and Bjorkman (1998) who bring to the fore some of the pressures faced by companies from the government using a case study of MNCs operating in China. The authors define government pressure as “perceived attempts of government officials to influence firms to take certain actions” (pg.92). Some of these pressure include attempts to acquire technology from foreign-invested firms, increase in local content and the setting of minimum export levels. Hence it seems apt when Osland and Bjorkman (1998) insinuate that how effectively foreign companies deal with the government in a particular jurisdiction and the actions of the government in question to a large extent largely determines the success of many companies.

The divergent views expressed by both proponents and opponents of globalisation on the question of the decline of the nation-state calls for a discussion on the interplay of power between multinational companies and host country governments during resource extraction activities. The central question that should guide this discussion is whether host governments are weak when faced with foreign companies who prospect for resources in extractive areas because of the immense power yielded by this group.

2.3.1.5 Attracting Foreign Direct Invest (FDI): Impact on the Negotiating Power of Host Country Governments

The issue of FDI has become a salient point in any discussion on the relationship between nation states and multinational corporations. The contribution of FDI to development remains uncertain (Kuswanto, 2017). Bloostrom and Kokko (1998) for instance argue that the reason why countries try to entice foreign investment is the likelihood of acquiring modern technology, management and marketing skills. The authors also recognise what they term as 'production spillovers' as a favourable impact of foreign investment and is through forwarding or backward linkages with MNC affiliates. FDI can also enable governments to improve the quality of life for citizens (see Moran, 2011; Colen, Maertens & Swinnen, 2009; Baghirzade, 2012). Moran (2011) however stresses that the contribution of FDI to economic development is dependent on the economic sector. For example, in extractive industries, it may often result in more damaging local impacts than in other sectors. Evidence of this provided by the review of the literature on the socio-economic impact of resource extraction activities on local communities presented earlier. Does the adverse effect of resource extraction activities on communities lay credence to the fact that host country governments in their quest to entice foreign firms to invest in their countries fail to obtain the maximum benefit from the negotiation process? For instance, Skippari and Pajunen (2010) attest that decisions to do with FDI will automatically entail a political bargaining relationship between a multinational enterprise (MNE) and a host government.

The earlier review on the historical account of MNE-Government relations recognised that the "confrontation phase" as termed by Dunning introduced the concept of the bargaining power models. Kobrin (1987) thus asserts that in the natural resource

industry, outcomes are a function of the relative bargaining between MNCs and Host governments and also for MNC, the bargain obsolesces overtime because of power shifts to Host governments of developing nations. Korbin (1987) further explains that in the natural resource industry, MNCs have immense advantages relative to the often isolated developing host countries hence the bargains arrived at is consistent with the asymmetry of power and the high risk of extractive industries. Some of the advantages MNCs have are their highly mobile status meaning they can invest in several locations and also they have the capacity and resources to extract raw materials (Eden, Lenway and Schuler, 2005). However once negotiations have been completed, and MNCs have constructed physical facilities (e.g. plants and equipment) then through the development and foreign direct investment transfers, the value possessed by foreign firms decreases because the host country obtains technological and managerial skills (Korbin,1987). This phenomenon is the Obsolescing Bargaining Model (OBM). Abdelrehim and Toms (2017) further assert that in OBM, relative bargaining power transfers to the Host Country government over time when the MNC transfers assets to the HC. This transfers can be in the form of sunk investments, and this ensures that the original bargain possessed by MNCs obsolesce. However, the OBM has been described by scholars such as Eden, Lenway and Schuler (2005) as having outlived its usefulness. It is because MNCs and host country governments rarely negotiate entry conditions because few governments restrict inward FDI and in cases where entry bargains occur they seldom obsolesce. Other scholars (see Abdelrehim and Toms, 2017) are also of the view that OBM has outlasted its usefulness because Host Country governments have since become more co-operative towards MNE investors. What seems to be without a doubt is that the deal arrived at through negotiation between foreign investors and host governments reveal the need for the scarcity of

the resources offered by the two stakeholders in addition to perhaps their bargaining skills (Fagre and Wells, 1982). Factors that can affect the bargaining position of a multinational firm is access to capital, technology, market access, product diversity or marketing skills (ibid). On the other hand, a host country has strong bargaining power when it has unique, and location bound country-specific advantages (such as that sought for by the MNC (Eden, Lenway and Schuler, 2005).

Other studies (Eden & Molot, 2002, Ramamurti, 2001, Keim, 2003; Teegen, Doh, and Vachani, 2004) point out the inadequacy of the bilateral bargaining models used to explain the relationship between MNC and Host country governments. Such studies incorporate other actors other than business and governments. For instance, some studies look at the role of multilateral institutions in the MNE-HC bargaining process (Doh and Ramamurti, 2003 and Henisz and Zelner, 2005). Also, Doh and Teegen (2002), Teegen (2003), and Teegen et al. (2004) examine the importance of non-governmental organisations (NGOs) in the relations between MNEs and host governments. Again some scholars also include issues other than FDI (Eden, Lenway, & Schuler, 2005).

Although the widely held view among international business scholars (see Eden and Molot, 2002) is that the OB model is no longer relevant, it will be instructive to determine if the OB model discussed above applies to the Ghanaian situation. This evaluation is essential because Vivoda (2011) for instance asserts that although little formal bargaining has lately occurred between MNCs and host government in most industries, in the international oil industry, bargaining still occurs among host states, oil companies and other stakeholders. Also, the OB model which was developed by Vernon (1971) assumed that the host country was a developing country while the MNC was thought to have entered the country to extract the country's natural resources

(Eden and Molot, 2002). It is therefore apt to explore whether the OB model can be applied to the case of Ghana since the parameters fit that proposed by Vernon (1971) in his original model. One way of determining this is to explore in subsequent sections of this work whether sunk investments made in the oil and gas sector gave sufficient grounds for government instituting higher tax measures or asset expropriation which are some of the ways through which bargain power shifts to host countries (Vivoda, 2011). Some of the questions are whether the oil companies had an immense advantage over the government during initial negotiations? Did the oil companies maintain their advantage over the government or did the power of the oil companies obsolesce with time as explained by the OBM? Addressing these questions will enable us to determine whether the case of Ghana fits with the OBM or whether it calls for a rethinking of some aspects of the bargaining models. Also, applying the OBM model to the Ghanaian case will help us understand better whether host governments' abrogate their power to MNCs to entice these firms. Since the concept of power will feature in this study, it is essential to rehearse the various theorisations of power in the social science literature briefly.

Clearly as reiterated above, power manifests in MNC and host country government relations. Nebus and Rufin (2010) elaborate on the theorisation of power in the classic bargaining theory which explores bilateral bargaining relations between MNCs and host country governments concerning FDI. This bargaining relationship focuses on the "first face" of power (ibid). The first face of power is the power to coerce or constrain (Barnett and Duvall, 2005). The "first phase" of power as conceptualised by Robert Dahl is that "A has power over B to the extent that he can get B to do something that B would not otherwise do" (Digeser, 1992). Moon and Lado (2000) therefore suggest that an MNC's power in the classic bargaining theory is in the nature and size of the

bargaining outcomes that the MNCs realise through their interactions with host governments. Other studies (see Vivoda, 2011) on the other hand consider the relative power of actors in the bargaining process based on the concept of power as utilised by Bennett and Sharpe (1979). This concept cautions that the relative power of actors should not be determined merely from the bargaining outcome since this approach deters one from any meaningful analysis of why a particular outcome occurred and also the fact that one party had the potential power it did not exercise (Vivoda, 2011).

Power is often a contested concept in the social science literature. For instance, Weber's approach to power is on bureaucracy, which means power is similar to concepts of authority and rule (Sadan, 2004). Weber, therefore, defines power as "the probability that an actor within a social relationship would be in a position to carry out his will despite resistance to it" (Sadan, 2004, pg.35). Weber sees power as a feature of domination which is grounded in economic or authoritarian interests (Sadan, 2004). Dahl's theory of power follows the approach of Weber where power is the capacity to make somebody do something that otherwise he or she would not have done (ibid). Sadan (2004) also highlights Bachrach and Baratz (1962) model of power which deals with the interface between the overt face of power – the way decisions are made – and the other, covert face of power, which is the ability to prevent decision making (ibid). This concept of power sheds light on the "mobilising bias" which avoids discussion on certain issues hence determines what is important and unimportant (ibid). Additionally, Sadan (2004) discusses the concept of power according to Luke where power is "measured by the ability to implant in people's minds interests that are contrary to their own good" (pg.37). Foucault's conception of power does not emphasis who possesses power, but rather it is concerned with "the techniques of power which work as some normalising force" (Allen, 2003, pg.65). Another theory of power that is

advanced by Sadan (2004) is that of Gaventa (1980) who researched the phenomenon of quiescence. Gaventa attempted to make sense of why in a state of oppression and discrimination, there is no resistance to the ruling elite. He found that in the face of glaring oppression and discrimination, the social elite averts conflicts through the deliberate use of power mechanisms.

It will, therefore, be instructive to theorise power in the relationship between oil companies and the government of Ghana regarding oil contract negotiation. Also regarding the study community's expectation of resource benefits and what subsequently accrues to the community, it is necessary to explore the power dynamics at play.

To achieve the aim of this thesis which is to explore the impact of oil extraction on local communities, it is crucial also to explore why members of resource-rich communities were pessimistic about benefitting from extraction activities. Local resource-rich communities are at the periphery of the national economy. Residents of these communities do not have the same access to health care and other social amenities as well as better job prospects as their counterparts in larger cities. These communities are underprivileged hence it seems fair for these communities to be pessimistic about resource benefits. What happens to these underprivileged communities in the midst of resource discovery and subsequent exploitation? It is necessary to examine the literature on the socio-economic disparities that exist between rural and urban areas because these communities compare their economic and social status to other communities which they see as better placed to receive resource benefits.

2.3.1.6 Socio-Economic Disparities between Urban and Rural Areas

The literature sheds light on favoured spatial development which has taken place in most parts of colonial Africa (Njoh, 2008, Morton, 2013). A large part of the development literature, therefore, focusses on theories of urban and rural bias. Lipton (1977) for instance in his book *“Why Poor People Stay Poor: A Study of Urban Bias in World Development”* argues that urban elites in developing countries team up with international developers to channel social and economic investment programmes to urban centres. Also, Bates (1981) in what he terms as the “Rational Choice Theory” also argues that the economic policy of African government leaders is based primarily on political expediency. The author further explains that urban actors such as bureaucrats, industrialists and workers because of their superior ability to organise have more political clout and influence than small-scale agricultural workers. Bates (1981) therefore use the term “urban bias” to indicate a deliberate attempt by African governments to interfere in the market with the sole aim of transferring resources from the small-scale agricultural workers to urban actors. In the Ghanaian context, Gyimah-boadi and Jeffries (2000) shed light on how Bates’ “political rationality” theory influences the economic policy of the 1972s to 1982s. The authors explain that since the regime at that time was a military one, their primary concern was to garner the support of urban social groups by attending to their immediate needs because of their political capital. Other strands of the literature gives a vivid account of how the adoption of the World Bank and International Monetary Fund (IMF) sponsored programs (SAPs) by many African economies is the cause of uneven development, decreasing standards of living, increasing poverty and reduced access to essential services (Konadu-Agyemang, 2000 and Bryceson, 2002). For instance, the adoption of Structural Adjustment Programmes (SAPs) by Ghana in the year 1983 which involved

cutbacks in government funding for health services and schools has meant more hardship for people in rural areas due to their incapacity to compete in the market (ibid). Regarding this study, it will be instructive to explore if there exist spatial inequalities regarding the economic development of the various regions in Ghana with *Apyam* as the focus of the discussion. What seems to account for these inequalities and what are the factors that limit governments from addressing existing inequalities which seem further compounded by resource extraction activities?

2.3.2 Environmental Impact

Undoubtedly, aside from the socio-economic effects, another pressing concern relating to the extractive industry sector rests on its environmental impact on communities. The literature on the environmental impact of resource extraction activities suggests a negative impact on communities. For instance, Garvin et al. (2009) in their research in the gold mining sector in the Wassa West District of Ghana recognised that the overall environmental impact on communities is mainly negative because mining activities were noisy, disrupted water, air and land quality and increased diseases. Respondents in the three communities report increased tuberculosis, skin irritations, chronic coughs and similar health consequences which they to the environmental impact of mining activities. Similarly, Bell and York (2010) draw attention to the adverse environmental impact of coal mining experienced in West Virginia where rural communities were besieged by floods, well water contamination, liver cancer, and skin disorders. Beynon et al. (2000) additionally report dust and noise as the usual complaint levelled at the expansion of opencast mining of coal by local communities in the United Kingdom.

About oil and gas drilling activities, environmental concerns are most often in the arena of oil spills. The explosion of the BP-operated Deepwater Horizon oil rig is the second most publicised environmental catastrophe in decades (Jernelov, 2010). However less publicised oil leaks and spills also have a detrimental effect on communities. Oil spills associated with leaks from oil pipelines are one of the adverse environmental impacts that have plagued the Niger Delta oil-producing region of Nigeria. Pegg and Zabbey (2013), for instance, state that Bodo, one of the rural communities in the Niger Delta Region, despite not being actively involved in oil production still suffers regularly from oil spills. Creek-resident fishes and mangroves, which serve as the breeding ground for many commercial fish species, have been destroyed by oil spills from drilling activities (ibid). Bernal (2011) also outlines the environmental damage caused by oil exploitation in the Amazon region of Ecuador. Inhabitants of the region have no choice than to drink polluted water on a daily basis because oil extraction contaminated their water source and also exposure to chemicals has caused high rates of skin-related diseases, gastrointestinal disorders among others (ibid). Inevitably, the catastrophic effect of oil spills causes severe tension between oil companies, the government and communities (see Gill et al. 2011).

The exploration of the environmental impact of extraction activities on communities is useful because concerns over the environment feature in decisions on whether to accept or mobilise against an extraction activity. Brasier et al. (2011) for instance found out that in Pennsylvania and New York people thought that due to the region's troubled environmental history with the coal industry, an impending gas development activity was also deemed to be a disaster waiting to happen. Freudenbeurg and Gramling (1993) also cite environmental issues for both the support for offshore oil in Southern Louisiana and the opposition to it in Northern California in the United States. Reasons

identified for the different experiences in these two areas have to do with how the social actors in these two settings have over time come to use and view the environment in which they live (ibid). For instance, while residents in Louisiana have accepted the two industries (i.e. offshore fishing and oil and gas development) interacting together, in the case of California, offshore oil development, which was new to the area was seen as a competing force about fishing activities (ibid). At the time of offshore oil drilling development in Louisiana people were insensitive to issues of the environment but on the other hand proposals for drilling in California developed at a time when environmental concerns had reached the highest levels ever documented (ibid). The next section of this chapter will highlight various attitudes of communities towards extraction activities.

2.4 Residents' Attitudes toward Extraction Activities

Maconachie and Hilson (2013) recognise that community-level responses to extractive industry activities range from resistance and rejection, assent laced with demands for better labour conditions and community benefits to broad acceptance given expectations of gainful employment and modernisation. Hilson (2002a, pg.66) further explains that community response:

Depends largely upon local circumstances and issues including income, the degree of unemployment, land use and land ownership institutions, perceptions, and political and social values

Giberthorpe and Banks (2012) also point out that local context is critical since it influences ways in which communities respond to corporate intrusions and activities. The authors' argument is because in the case of Papua New Guinea about 97 per cent of land remains under customary tenure meaning local "landowning" communities

have a critical say in allowing developers access to their land. Hence the responses of communities to resource extraction activities in Papua New Guinea can be expected to differ significantly from areas in which land ownership or resource ownership rests with the state.

The management of the relationship between communities and corporations involved in extraction activities is critical to the success of the extraction activity (Hilson, 2002a) because communities are capable of inflicting costs on corporations (Kapelus, 2002). Kapelus (2002) for instance observes that:

Where communities are forced to bear the full brunt of mining [extractive] impacts, they cannot be assumed from the outset to be inherently in favour of local mineral development (ibid).

Local people in natural resource-rich communities tend to undertake a cost-benefit analysis of an impending or existing resource extraction activity, and this will most likely determine their attitude to such a venture. Responses to extraction activities by communities will, therefore, be antagonistic or friendly depending on this assessment.

Rangan and Barton (2010, pg. 242) capture this. They believe that:

The decision of local stakeholders to either accept or mobilise against a resource development project thus depends on their perceptions of the local-term benefits conveyed.

2.4.1 Community Conflicts

As highlighted earlier, tensions can result from resource extraction activities. Jenkins (2004) for instance details a mining conflict between a gold mine in the West Kutai Region of Indonesia and surrounding communities. The author notes that traditional

alluvial gold miners were forcibly evicted to make way for the construction of the mine and villagers also lost their homes, land and sources of food to the mine construction. Although compensation payments went to villagers, Jenkins (2004) maintains that there were various complaints about the process hence aggrieved community members blocked the only access road to the mine. This mining conflict was seen to have caused community divisions since the mining company favoured compensation negotiations with a group led by village officials who were prepared to settle for a lesser payment than a grassroots community organisation agreed on. According to Jenkins (2004), although the mining company pledged their commitment to various community and capacity building projects, community members believed the company was not genuinely committed to dealing with their concerns. Arellano-Yanguas (2011) also highlights local opposition to mining activities in Peru. The author notes that local community opposition forced a mining company and the government to abort planned mining activities in the regions of Tambogrande and Cajamarca in Peru. Local people said the mining operation would threaten their water supply and farming which represented the region's main economic activity. Hilson (2002a) provides a case study of the "Ok Tedi Mine" in Papua New Guinea where intensive mining activities caused severe tensions between native community members and the management of the mine. A representative of community members who had been displaced by mining activities and unable to reach an adequate compensation agreement with the management of the mine, travelled to Holland, Germany, Brazil and the US to protest about the mine's impact and to meet with international conservation agencies. Hilson (2002a) explains that the mining dispute was settled out of court because communities affected by the mine's operations received adequate compensation. Franks (2009) additionally provides a comprehensive overview of cases of mine-community conflicts

which indicates that tensions relating to resource extraction also takes place in developed regions. The first case involves a mine which specialises in the production of copper in Chile. Residents of a community located close to the mine complained of respiratory diseases and also pollution which caused trees to dry up and fruit to become acidic. A conflict then ensued between the community and the mine and this caused the operators of the mine to suspend activities in the community. The second case of mine-community conflict highlighted by Franks (2009) relates to an experimental oil shale plant and mine near the Central Queensland port city of Gladstone, Australia. The author notes that the community had the impression that the project would not pose any risks to the community because of information from the company. However, once mining operations began, community members complained of airborne emissions from the plant which resulted in severe health complications. Operators abandoned the mine because a conflict ensued between the mine and the community because of the adverse impact of mining operations on people's health. A silver and copper mine on the border of Chile and Argentina was the third case of mine-community conflict addressed by Franks (2009). In this instance, agriculturalists feared that the mining project would impact negatively on the sources of water of the valley in which the mine is as well as concerns regarding the use of cyanide in the processing of the ore. Communities held various community demonstrations against the project. The mining company as a result of community demonstrations eventually negotiated a protocol which included a US60 million dollar compensation fund. The agreement provided greater water security through investments in improved irrigation facilities. Beynon et al. (2000) also provide an interesting account of the opposition to the expansion of opencast mining of coal in the United Kingdom by local communities and environmental protestors. The authors note that some of the concerns of local

communities included the fact that opencast mining activities were bound to create a mess of the nearby countryside hence people did not want to live nearby an opencast mine or to work there. Opposition included a protest at public inquiries as well as a direct action which sometimes resulted in a suspension of a planned open cast mine. Additionally, Banks (2002) draws attention to the fact that although mines create widespread environmental effects in areas around the mine, there may be other social, cultural or economic factors in local protests against these mines. The author further explains that framing debates beyond an ecological crisis pave the way for community reactions to the mines and initiatives to be seen as being fundamentally concerned with control over resources. Also, Banks (2002) establishes that highlighting issues between mining activities and local communities as purely environmental or ecological makes it easier to:

Tap into a strong international vein of environmental rhetoric that is more readily accepted and so more likely to attract support in the developed world than a discourse of community development and livelihoods (pg. 42)

The above case studies reinforce the point that resource extraction can result in tensions among critical stakeholders with wide-reaching consequences for governments, communities and companies.

In the next section, I explore resource conflicts that result from unmet *expectations* relating to resource *benefits* because of their significance to this study. Communities in Ghana's oil region were optimistic about receiving *benefits* from the oil resource hence it is necessary to explore tensions that can result from unmet expectations.

2.4.2 The Potential Consequences of “Unmet Expectations”

The *expectations* of local communities in respect of *benefits* from resource extraction are mostly as a result of promises made to communities at the initial stages of resource extraction (see Garvin et al. 2009). When these *expectations* do not materialise, conflicts may arise (see Banks, 1993). It mainly seems worrying for communities where a sense of relative deprivation exists. It is because:

Where a deprived group sees real opportunities for improving its position and has its position slightly improved, its expectations will increase. If, however, further expectations are not realised the group may become more frustrated than before (Birrell, 1972 pg. 372).

Gurr (1970, pg. 24) defines relative deprivation as:

Actors' perception of discrepancy between their value expectations and their value capabilities. Value expectations are the goods and conditions of life to which people believe they are rightfully entitled. Value capabilities are the goods and conditions they think they are capable of getting and keeping.

Discontent arising from the perception of relative deprivation seems to have an essential bearing on local resource-rich communities. Local communities which host resource extraction activities face challenges of poverty and unemployment (see Newenham-Kahindi, 2011). Poverty seems pervasive in these regions and inhabitants may feel deprived compared to their counterparts in other regions of the country. Although inhabitants of these resource communities might have accepted their lot despite their deprived condition, a natural resource extraction activity was seen as an opportunity for improving their condition which can result from promises made during initial stages of resource extraction. Over time, if natural resource extraction does not result in social or economic benefits to resource communities then a sense of relative

deprivation may develop or deepen with the potential to produce potentially violent conflict. Agbiboa (2013), for instance, draws attention to the fact that it is no coincidence that the most socioeconomically deprived parts of Nigeria are the breeding ground for the worst forms of political violence. The author cites the example of the north of the country, which has high levels of unemployment and poverty as well as the Niger Delta region in the south-east to substantiate his claim. A link between relative deprivation and conflict has been established in the literature (see Birrell, 1972, Agbiboa, 2013, Idemudia and Ite, 2006, Runciman, 1996 and Gurr, 1970). Birrell (1972) for instance shows how the conflict in Northern Ireland is related to the concept of relative deprivation. The author argues that most Catholics in Northern Ireland felt unjustly treated in comparison to Protestants regarding economic, social and political means. The relative deprivation hypothesis, therefore, served as the basis for explaining the grievances and the ensuing violence and civil strife which developed (ibid). Agbiboa (2013) on his part notes that poverty and economic deprivation in the north of Nigeria, where inhabitants feel neglected compared to their southern counterparts, was one of the instigating factors in the rise of the radical Islamist group, Boko Haram. Similarly, Idemudia and Ite (2006) identified a widespread sense of relative deprivation as one of the trigger causes of the conflict situation that engulfs the Niger Delta oil region in Nigeria. The frustration-aggression mechanism is used by Gurr (1970) to explain the relationship between relative deprivation and violence where people who are a discontented strike out at the source of their frustration. As has been reiterated earlier, tensions characterise resource extraction activities at the local level which mostly involve local communities, extraction companies and the state. A dissatisfied local group may, therefore, strike at either companies or the state depending on whom they identify as responsible for their “woes”. A feeling of relative

deprivation can result in political violence in extreme cases as Gurr (1970, pg. 12) outlines below:

The primary causal sequence in political violence is first the development of discontent; second the politicisation of that discontent and finally its actualisation in violent action against political objects and actors. Discontent arising from the perception of relative deprivation is the basic, instigating conditions for participants in collective violence.

In a nutshell, (Sadan, 2004) posits that the grievance theory maintains that inequality leans towards more rather than less protest activity among people with lower incomes.

When anger is directed at politicians by communities that host resource extraction activity, then one explanation could be that people have lost faith in politicians to provide social and economic benefits. Unmet expectations of social and economic benefits in the midst of resource extraction could have implications for the legitimacy of governments since citizens most often rely on governments to take care of their welfare needs. A decline in the perceived legitimacy of the government tends to fuel protest (Horowitz, 2009), and a crisis of political legitimacy occurs when citizens lose faith in the government and most importantly in the democratic system through which representatives were elected (ibid). Legitimacy is a sense that it is “right and proper” to respect the authorities and abide by their rules (Easton, 1965 as cited in Horowitz, 2009). Legitimacy is subdivided into three categories: “ideological legitimacy”, the perceived validity of a government due to its moral underpinnings, “structural legitimacy”, based on an acceptance of the rules or norms by which authorities acquire and exercise political power; and “personal legitimacy”, which indicates a willingness to trust and follow individual authorities because of their personal qualities (ibid). Horowitz (2009, pg. 248) proposes that “legitimacy requires the achievement of three elements: representation of people’s interests, coherence with cultural identity and

popular acceptance of methods used to exert power". It means that when a government fails to represent the interests of its people, then it stands at risk of losing the internal legitimacy it has constructed with its people over the years. O'Lear (2007) discusses the establishment of political legitimacy in two folds, where governments strive to maintain external legitimacy in the eyes of the international community; and internal legitimacy with its citizens. These two aspects of legitimacy are considered essential to the peace and stability of a government (ibid). Ways in which governments build external legitimacy with the international community include guidelines for hiring local labour in production sharing agreements, being involved in transparency initiatives among others (see O'Lear, 2007). Regarding building internal legitimacy, O'Lear (2007, pg. 209) is of the opinion that:

Resource wealth offers the necessary means to overhaul the physical infrastructure and to invest in human capital. Either of these efforts would advance economic development and, most likely, would be viewed favourably by citizens to bolster state legitimacy and to enable the state to maintain the status quo

Hence when a government fails to deliver on promises of benefits it makes to its people in the face of resource extraction, then it is likely to lose the trust of its people. Subsequently, people would most likely lose interest in individual leaders who have been elected to represent the government which then means a crisis of personal legitimacy. It may prove detrimental to the internal legitimacy a government has built with its people. Case (2010) sheds light on two dimensions of legitimacy. The first dimension is to do with the institutions and procedures by which a government acquires and exercises state power, and this is the extent to which a government avoids corrupt practices and electoral manipulations. The second dimension comprises the policy outputs of the government with legitimacy depending on perceptions of distributive

fairness and development competence. As has already been highlighted in this chapter, local communities which host resource extraction activities are often deprived communities hence the policy outputs of a government, regarding ensuring fairness in the distribution of social projects that emanate from resource extraction activities, seem critical to a government's legitimacy. Hence "where a government fails to manage the economy and generate welfare in ways that uplift a defined community, it loses legitimacy" (Gilley, 2005, cited in Case 2010, pg.501). The work by Horowitz (2009) also shows how the yardstick for measuring political legitimacy is also applied to other groups apart from the government. It means that during resource extraction, companies are exposed to similar legitimacy criteria.

To ensure cordial relations between government, companies and communities during resource extraction activities, therefore, governments and multinational companies must take into consideration people's constructions of their interests, such as their economic necessities (Horowitz, 2009). Hence about this study, it will be essential to see what happens if a particular resource extraction venture, which is promised to provide life-changing development for communities fails to live up to expectations. What seems to drive the antagonistic relationship that seems to characterise company-community relations in resource extraction developments? Who is the anger most directed at, is it at the companies involved in the extraction process or at the government for renegeing on promises of benefits? These are some of the questions this study will try to address.

Companies at the centre stage of company-community conflict are vulnerable to a suspension of extraction activity, with associated financial consequences. Idemudia (2007) provides an example of the financial cost borne by Chevron Texaco in its Niger Delta operations in Nigeria where it lost about 750 million dollars to community conflict

and oil pipelines bunkering. On the whole, loss of productivity due to delays in companies' operations is the most common cost identified as resulting from conflicts involving local communities and extraction companies (Davis and Franks, 2011). Hence it is not surprising that Kapelus (2002) draws attention to the fact that due to bad press, production delays and crusades prompted by civil society groups, large extractive companies are changing the way they operate in developing countries. The means through which companies have done this is by developing global corporate social responsibility strategies (CSR) (ibid). The next section will elaborate on CSR and its application in the extractive industry sector.

2.5 Corporate Social Responsibility (CSR)

CSR is widely covered in the literature. According to Prieto-Carron et al. (2006, pg. 978):

CSR is a concept whereby companies integrate social and environmental concerns in their business operations in their interaction with their stakeholders on a voluntary basis.

Hence CSR is “commonly understood as the notion that corporations have responsibilities that go beyond those toward shareholders and beyond those prescribed by law or contract” (Parsons and Moffat, 2014 pg. 346). Discourses relating to CSR now seem commonplace in describing the relationship between corporations and the society. While Hilson (2012) observes that the literature has been unable to provide an adequate explanation for the rise in prominence of CSR in recent history, other scholars like Ite (2004) have suggested a link to pressure mounted by stakeholders (see also Sampson and Ellis, 2015). So, for many MNCs, Corporate Social Responsibility (CSR) is a pragmatic response to the pressure mounted by

consumers and civil society groups (Ite, 2004). A revolution in communication technology in the latter decades of the twentieth century meant the larger public (especially consumers in the developed world) became increasingly aware of corporate entity abuses in so-called regulatory “havens” in developing countries (Sampson and Ellis, 2015). It led to the development of voluntary codes and practices by corporate entities as a way of gaining back public trust (ibid).

For the extractive sector, the emergence of CSR is an attempt to legitimise the sector after an extensive period of environmental disasters and the trampling of indigenous rights (Gilberthorpe and Banks, 2012). The focus of CSR activities in the extractive sector is mostly to do with technological improvement to reduce carbon emissions, oil spills and so on but it also includes community development programs such as infrastructure, training programs and credit schemes (ibid). CSR activities take place in both developed and developing countries (Gulbrandsen and Moe, 2005). Typical CSR activities in developed countries include sponsorship of cultural institutions or support for research and science, whereas in developing countries activities include supplying essential services such as schools and hospitals and the provision of clean water supplies (ibid). Although CSR activities encompass companies’ operations globally, activities undertaken in developing is often criticised. A possible reason for this might be because, in developing regions, the state is often unable or unwilling to provide the social needs of resource-rich areas and the onus is on companies to provide these services (see Cash, 2012). Kapelus (2002) for instance questions whether CSR strategies of companies are likely to address the developmental concerns of communities in developing countries. To explore the effectiveness of CSR strategies, the author assesses programmes implemented by Rio Tinto’s subsidiary, a major mining company operating in South Africa. The author concludes that although

the mining company has had some positive development impact on local communities, critics of the company point to the fact that it has not fully lived up to its responsibility and also it has not effectively promoted development because the companies' resource must be apportioned more efficiently. Elaborating further on the inability of companies to satisfy critics regarding their contribution to local development, Kapelus (2002, pgs. 291-292) identifies the following four PR and acceptance measures adopted by companies.

1) try and restrict the number of its projects and the area over which it operates, so as to make its impact appear more impressive (on a per capita basis); 2) to try and retain control over the projects selected (to make certain that they are high profile and provide good PR value for the money spent); 3) to limit participation to symbolic participation (so as not to impose excessive costs) and; 4) to ensure that the interests of the local elites (in terms of selection of projects, public acknowledgment, and so on) are met.

The above PR measures adopted by companies form one of the criticisms levelled at companies whose CSR measures are labelled as a mere PR sham hence not necessarily driven by values. Idemudia and Ite (2006a) also criticise CSR activities of companies in Nigeria. The authors recognise that despite oil companies implementing CSR programmes such as partnership schemes, philanthropic gestures and provision of social infrastructure structures, these have not helped to improve the relationship between communities and companies. The reasons given for this include the failure to seek, understand and integrate community perceptions into CSR policies and practices and the absence of an enabling environment due to government failure. In this case, it also appears as though partnership schemes, social infrastructure and so on are mere formalities hence do not seem to reflect the specific needs of communities. Also, Eweje (2007) draws attention to the weakness of CSR strategies

implemented by companies in developing countries using the example of Nigeria. The author highlights the fact that social initiatives undertaken were those endorsed by specific government officials and did not necessarily represent the needs of host communities. It is an example of the fourth CSR strategy adopted by companies that which Kapelus (2002) recognises as responsible for companies' inability to satisfy their critics regarding contributions to local development. This type of strategy by companies seems geared towards winning the favour of local elites regarding obtaining and securing resource contracts. This thesis argues that the rationale underlying the adoption of CSR strategies by companies is responsible for most of their perceived failure in developing countries. Some aspects of the literature (see Sampson and Ellis, 2015) draw attention to the fact that CSR measures were forced onto the agenda of many corporations to lessen reputational damage as a result of public outrage at corporate abuses in areas where regulation and enforcement are lacking. The efforts of companies were directed at restoring their damaged reputations and not necessarily because of a belief in supporting deprived areas. I can, therefore, argue that the need to appear to be socially responsible has driven a range of corporate 'grand policy statements' in some (but not all) cases and that companies may not be perceived to act in socially responsible ways on the ground.

However, governments of developing countries are also not exonerated for the ineffectiveness of CSR activities in resource-rich regions. Ackah-Baidoo (2012) for instance draws attention to the fact that companies most often have a free hand to pursue their programmes in the developing world which renders CSR activities redundant. The points raised by Ackah-Baidoo (2012) suggest that governments of developing countries do not create the needed drive for corporations to be attracted to implementing genuine CSR measures. Also, governments fail to utilise resource

revenues for the benefit of citizens', especially resource-rich communities. Similarly, Ite (2004) blames government failure for the inability of MNCs to contribute to development in resource-rich regions in which they operate. Ite's study which focuses on the Niger Delta Region in Nigeria draws the conclusion that despite the efforts made by multinational companies in developing Nigeria's oil region through various CSR initiatives, government's failure is likely to downplay the companies' contribution to development. Ite's (2004) observation seems to suggest that in cases where companies are genuinely committed to CSR, government actions may prevent the exercise of CSR.

This study presents an opportunity to examine whether companies are genuinely committed to implementing CSR measures in new resource-rich frontiers or whether they do so merely because of the increasingly focused lens directed at corporate activities in the developing world. The study also seeks to determine whether the government is equally committed to creating the enabling environment for the CSR measures of companies to succeed.

One of the crucial issues to take note of in resource extraction activities is whether local communities are involved in the process of natural resource management. In resource-rich areas where the ownership of land is vested in local community members as highlighted in the Papua New Guinea example discussed earlier, it means local landowners have a significant say in how officials manage resource revenues. In the case of the oil and gas sector where the state is often the custodian of the oil resource, then one of the arguments might be that the views of host communities that bear the brunt of extraction activities are part of resource management plans. Hence, one of the objectives of this study is to find out if members of the study community were involved in natural resource management.

2.6 Stakeholder Engagement

Indigenous participation and co-management in extractive activities is now a standard trend in developing countries (Yakovleva, 2011). Triscritti (2013) draws attention to the report published by the World Bank and the International Development Research Centre (IDRC) which concluded that ensuring sustainable mining practices means increased consultations and participation of local communities in natural resource management. The involvement of communities in stakeholder programmes suggests that people will voice out grievances about the impending and existing project. However, the literature expresses certain misgivings about stakeholder engagement such as prior notice not being given to communities before a public hearing takes place (see Yakovleva, 2011). In this case, public hearings are often held in regional centres, making it difficult for rural residents in the affected communities to be part of the process (ibid). In cases where local groups are involved in project discussions, issues of unequal power relations between the parties get glossed over (Gillespie, 2012). In practice, important decisions about the project are made elsewhere (ibid). In Ghana's context, Bawole (2013) recognises that the public hearings and stakeholder engagement organised during phase one of the Jubilee Fields project were merely "cosmetic and rhetoric" with the aim of fulfilling legal requirements (pg. 385).

2.7 The Theories that Inform this Study

This chapter has critically reviewed the literature on the socioeconomic and environmental impact of extraction activities on communities and the issues that have arisen thereof. The critical argument which drives this chapter and the rest of this thesis is that host country government and companies which undertake extraction activities are the primary stakeholders who determine the fate of local communities.

Whether or not benefits trickle down to local resource communities is highly dependent on the bargain arrived at during the negotiation process as well as the willingness of the two parties to ensure that communities are not worse off. For instance, when the bargaining outcome favours the host country government, then it obtains enough revenue to ensure that local communities benefit from infrastructure and other development initiatives if it has such intentions. Enacting laws for the industry that has a local community bias as well as proper monitoring of resource revenues is also vital to ensure maximum benefit for communities. However, this thesis posits that the initial step towards harnessing benefits for resource communities lies in the bargaining outcome of MNCs and host government contract negotiation. When the bargaining outcome favours the host country, then it stands a better chance at ensuring local resource-rich communities benefit with minimal hindrances. Two main theories will be used to develop this argument further. The OB model (Vernon, 1971) which was introduced earlier in this chapter provides an essential lens for determining whether host country government receive the best deal for the enormous resource wealth of the country. Outcomes of resource extraction can either be positive or negative. When outcomes are favourable for local communities, then it seems there is harmony among communities, host governments and companies. However when outcomes are adverse, then various scenarios arise. The Grievance theory (1970) will, therefore, help to explore how local communities react when outcomes of extraction activities are not favourable. These theories provide the basis for studying the outcome of oil extraction activities for a local community in Ghana's oil region.

The next chapter discusses the methods used in this study.

CHAPTER THREE

“NAVIGATING UNFAMILIAR TERRITORY”

3.0 Introduction

As explained in the preceding sections, this study aims to establish whether local resource-rich communities benefit from extraction activities. Therefore, the thesis explores the perceptions of the inhabitants and leaders of a fishing community near Ghana’s newly discovered offshore oil field. It also considers the views of non-governmental agencies, oil companies and government agencies on the impact of oil and gas exploitation activities on the community of focus.

I begin this chapter by briefly giving a background of the study regarding my research experience before undertaking the research and the bearing this had on the research strategy adopted for the study. I then outline the methods of data collection employed in this study. Following from this, I provide an overview of how access was negotiated to interview my elite participants as well as how I overcame challenges encountered in elite interviews. I go on to discuss my fieldwork experiences in the study community. I provide a chapter summary at the end of the chapter.

3.1 Background to the Study

I did not have any experience with research in a fishing community before embarking on this study hence this was a new area for me. However, my background as Lecturer with a maritime university in Ghana meant that the fishing industry was not unknown to me, even though, seafaring differs significantly from fishing (Sampson, 2013). Coming from a physical sciences background, I had not sufficiently appreciated the

body of knowledge in the social sciences before enrolling in Cardiff University. I had to approach my research and the various social science paradigms that frame it from the perspective of a naïve social science researcher. The different schools of thought or the theoretical frameworks that govern social science research did not influence the study design in the initial stages. The primary considerations in adopting a research design were about obtaining the best strategy for answering my research questions. I could have chosen a research design which would have focused entirely on perceptions of inhabitants of the study community about the social, economic and environmental impact of the oil discovery and subsequent exploitation. However, I incorporated perceptions of other corporate stakeholders in the research design because of my interest in the policy implications of the study. The commercial oil sector is new to Ghana hence during the time of my research, some of the policies of the oil and gas sector were yet to be firmed up making an exploration of the policy implication of this study worthy. To adequately examine how small local communities are affected by a petroleum extraction activity, I felt that it was necessary to include groups which have the mandate to take decisions that will impact on these communities.

3.2 Selection of Stakeholders

The selection of participants for this study followed more of a purposive sampling technique with corporate stakeholders selected due to either their participation in the oil discovery or their role as regulatory agencies for the industry. The study community was also purposively chosen because it is close to the Jubilee oil rig and inhabitants were highly expectant of receiving benefits from the oil. I selected other stakeholders after a lot of reading and consultations. The joint venture agreement between the oil companies involved in the Jubilee oil partnership underwent specific changes hence

some of the oil companies targeted at the initial stages of the research design stage did not form part of the final target group for this study. I, therefore, had to keep abreast with the latest news governing the petroleum contract between the various oil companies and the Government of Ghana to ensure that selected stakeholders could provide views that will help achieve the aim of the research. The oil discovery was an on-going project, and so it was a bit dicey determining which corporate groups to include in the study since there was the possibility that the status of some of these groups might change. A methods chapter submitted for my first progress review after the completion of a Social Science Research Methods (SSRM) course in June 2010 provided a valuable opportunity to receive valuable feedback from my supervisors and my progress reviewer. A brief background of the Jubilee oil field is essential to understand the criteria that informed the selection of the stakeholders for this study.

The partners operate the Jubilee Oil Field under a joint venture agreement which was initially an agreement among four foreign oil companies; a Ghanaian owned private company and a Ghanaian national oil corporation. At the time of undertaking fieldwork for this study, the partnership encompassed four multinational oil companies and a domestic oil corporation because one of the foreign oil companies acquired the interest of the Ghanaian owned private company. Two of the four international oil companies did not have corporate offices in Ghana at the time fieldwork for this study was conducted. According to the joint agreement among the oil companies, the Jubilee Oil Field is operated on a daily basis by one of the foreign oil companies known as the 'Unit operator' with assistance from one of the other foreign companies designated as the 'Technical operator'. The other partners of the joint venture are field partners.

In identifying oil companies for this study, it was necessary to consider accessibility to the oil companies regarding location as this would impact on access negotiation. Thus based on the critical criteria of place, the three (3) Oil companies which have physical corporate offices in Ghana were selected for the study. Having identified the oil companies as a significant player in the oil industry and hence an essential component of this research, I picked other governmental agencies and ministries which have oversight responsibility for the oil and gas industry because of their regulatory role. A lot of Non- Governmental Organisations (NGOs) have sprung up since Ghana's oil discovery, and hence it was necessary to include these groups to examine possible advocacy programmes. I also selected an NGO as one of the stakeholders for this study.

The next section describes the study design adopted for this study and the various research instruments employed to obtain information from participants.

3.3 Research Design

Since this study explores the social, economic and environmental impact of oil exploitation on a fishing community, a qualitative single case study approach was used (Yin, 2003, Baxter and Jack, 2008). I employed a case study because it enabled me to explore the perceptions of inhabitants of the study community about the impact of exploration activities on their community and what oil companies and governmental agencies made of these perceptions using a variety of data sources (Baxter and Jack, 2008). Baxter and Jack (2008) have drawn attention to the fact that although the evidence produced from multiple case studies is robust and reliable; it can also be

extremely time-consuming and expensive to conduct. Having made references to the Niger Delta region in Nigeria in the previous chapter regarding conflicts that arise from resource extraction activities, then I could have done a comparative analysis of how conflicts develop in the resource-rich areas. However, I decided to conduct a single case study because I wanted an in-depth exploration of the issues under investigation. Also, practical limitations meant adopting a comparative analysis would be problematic. The study was exploratory which gave me the opportunity to thoroughly evaluate the perceptions of the impact of oil extraction activities and how that informed how people reacted to government and oil company officials. A comparative study between my study community in Ghana and another community in the Niger Delta region of Nigeria would mean additional financial and resource logistics cost which I could not afford. The PhD study is also time-bound hence considering the pains (see fuller discussion in subsequent sections) I went through to get participants to warm up to me before agreeing to take part in the research in my study community meant a comparative study would have been more difficult to complete within the time-frame for a PhD study.

This study is mostly qualitative although I also considered using quantitative and mixed methods approaches. I decided to adopt a qualitative plan for the following reasons. First of all, I refer to the study community in the next chapter as a “forgotten” one. The community was virtually unknown before the oil and gas discovery, and this might be due to its geographical location - it is hidden from neighbouring communities. The “forgotten” status of the community might explain why there are no demographic details on the town - the only data available at the time of my research was district-level data. The study community is part of a larger district; Ghana is divided into ten

regions with the regions further constituted into districts. The most recent census data available on Ghana has no community-specific data for my study area. The literature has reported the various challenges encountered by statistical agencies and researchers in developing countries in collecting data. Bulmer and Warwick (1983) for instance attest that are practical constraints in collecting and analysing census data or survey data in developing countries which might account for the unavailability or unreliability of data. For instance, a higher percentage of respondents in the developing world might not fully comprehend survey questions compared to respondents in the developed world, constraints with the medium for collecting data and the structure of questionnaire design (ibid). Crossley and Vulliamy (1996) therefore advocate for qualitative research in developing countries due to literacy and numeracy challenges. Also, there is no data available on the temporal fluctuations in the volume of fish caught in the study area or the whole Jubilee area. As I explain in later sections of this chapter, there was no fishery impact assessment done before the oil discovery and exploitation in the Jubilee area hence there was no quantitative data on fish catch levels. The only information I got on fish catch levels were that of the annual fish imports and exports as well as yearly fish production by the source which I have provided in the next chapter. The unavailability of quantitative data on demographics of the people and fish catch levels meant that a quantitative study was not feasible. The primary aim of this study is to explore perceptions of people about the effect of an ongoing oil exploitation activity hence interviews used in this study allowed me to gain insights into what community inhabitants, policymakers, oil company executives and NGOs believed to be the impact of natural resource extraction activities on local communities.

3.3.1 Research Instruments

3.2.1 Interviews

Interviews, as used in qualitative research, are a means of understanding the world from the interviewees' point of view (Kvale and Brinkmann, 2009). Interviews were best suited for this study because I was interested in the perceptions of the inhabitants of the fishing community and corporate stakeholders about the ongoing petroleum extraction project. Semi-structured interviews were chosen as the preferred interview type as opposed to unstructured interviews mainly because I already knew in advance the issues I wanted to explore. (Bryman, 2012). For instance members of the study, the community was expectant of jobs once the oil drilling got underway and this fact the media continually highlighted. Furthermore, studies in other parts of the world have highlighted many of the issues I explored in this research. Hence it can be said that the investigation had a clear focus before interviews were begun (Bryman, 2012). The additional flexibility offered by semi-structured interviews (ibid) ensured that I could explore issues which had not been previously highlighted in the media and also it allowed for further probing of responses detailed by interviewees (Barriball and While, 1994).

I was not new to the process of research interviewing before conducting fieldwork for this study because I had previously held some interviews with heads of departments of a public institution for my master's thesis. However, the nature of discussions for this study was entirely different from the ones I conducted before. For instance, during the fieldwork for my master's thesis, interviews were not audio recorded and so it was a bit easier to negotiate access to interview officials of government agencies. Public

officials seem sceptical when it comes to having their interactions recorded, and they appear more comfortable expressing their views off the record (Peabody et al., 1990). Introducing a recorder in a setting also tends to put people on edge because it seems quite uncomfortable when conversations are recorded by a third party since what you say on record can sometimes be used against you at a later date. Interviews with officials of government agencies and management officials of companies in this study qualify as 'elite' interviews. Some of the points raised against recording elite interviews include the fact that 'elites' are more likely to talk "off the record" and also 'elites' tend to be more relaxed without a recorder (Harvey, 2011). Hence, since I describe some of the interviewees for this study as 'elites'; I had to think about how audio recording the interview would impact on negotiating access. Apart from the issue of audio recording, there was also that of developing the right skills to allow me to ask to follow up questions in interviews. Unlike the interviews conducted for my masters' dissertation which followed a more structured format, in preparing for interviews for this research, I had to cultivate the skill of identifying possible follow-up questions from the responses of interviewees. This craft was perfected as the fieldwork for the study progressed. The semi-structured interview served as the best instrument regarding time management, and it also allowed my "elite" participants (who were often opposed to structured discussions because of its restriction to predefined sets of answers) to express their views (Arksey and Knight, 1999, Harvey, 2011). After questionnaires, I administered semi-structured interviews to household representatives of the study community to further explore issues of interest. The flexibility of the semi-structured interviews allowed me to ask to follow up questions derived from the responses of participants.

3.2.2 Questionnaire

Questionnaires were used to obtain demographic details from community inhabitants. As explained earlier, the only data available on the study community at the time I conducted the fieldwork was district level data obtained from Ghana's statistical service. This data only provided the estimated total population of the village hence the need to get more up-to-date community-level data. The data collected for this study could, therefore, serve as the baseline for the community of *Apyam*. Obtaining the demographic details of inhabitants was essential to appreciate the number of individuals who depended on fishing and its related trades. The questionnaire also allowed for the identification of the educational and skill levels of inhabitants facilitating an assessment of whether expectations about jobs in the oil and gas sector were realistic.

3.2.3 Exploring other Research Strategies

I explored the merits of conducting ethnography at the onset of the project. Ethnography or observational methods would have been beneficial in immersing oneself entirely in the life of the people of the study community. However, since I was mainly interested in perceptions about the oil discovery, there was not a need to conduct ethnography. I could obtain opinions about the social, economic and environmental impact of the oil discovery without necessarily residing in the community for a period. I arrived in the town at about 10 am and left around 5 pm daily during the fieldwork, and this allowed me sufficient time to learn a lot about the

people's way of life. The fieldwork in the community lasted approximately three weeks (i.e. from the 8th of October, 2012 to the 27th of October, 2012).

Additionally, I also consider the possibility of conducting focus group discussions with opinion leaders in the community, fishermen, women and the youth. Focus groups are useful for unearthing the common interpretation attached to issues under discussion (Bryman 2001). In conducting a focus group, researchers seek to understand how groups of people react to each other's opinion and how this interaction can enhance understanding of the topic. Malhotra (2007) notes that a focus group is a discussion conducted by a trained moderator among a small group of participants in an unstructured and natural manner. Despite these strengths of a focus group, there was a limitation with using this type of research method in my study community. The study community had a relatively small population where most of the community members were familiar with each other. The small number of community members meant it would be challenging to hold honest and objective, value-free discussions since participants might be afraid to express their views because of fear of victimisation freely. A decision was made to instead undertake semi-structured interviews with household representatives after questionnaire administration. The survey and subsequent interviews which involved one representative from every household in the community ensured that I could obtain collective views of inhabitants. Questionnaires were first administered to household representatives to determine educational qualifications, marital status, gender, occupation, ethnic groupings, and length of time in the community etc.

The next section considers the setbacks encountered in accessing research participants and how I overcame setbacks.

3.3 Access Negotiation

3.3.1 Securing Access to “Elite” Groups

I describe some of my research participants as “elites” because of the role they play in Ghana’s oil industry. Definitions of “elites” as used in the academic literature are varied hence it has a broad interpretation in the social sciences (Harvey, 2011). For this study, “elites” refer to groups of my participants who are involved in the exploitation of oil or regulation duties in Ghana’s oil industry. I can see this group of research participants as being in a position of power because they make decisions that affect communities in Ghana’s oil region.

A careful thought out plan was mapped out before approaching “elite” participants to request for interviews. In the initial stages of designing this study, I had the mindset that negotiating access with my “elite” participants was going to be a difficult task compared to my other groups of participants. This particular mindset ensured that I carefully considered the various strategies I could utilise in accessing ‘elite’ participants. I, therefore, spent the first few weeks of the fieldwork to inquire from friends if they had any personal or professional networks I could use to access “elite” participants. This period of assessment proved fruitful as I was able to utilise personal connections in accessing my “elite” group (Welch et al. 2012).

There are two observations worth noting which I encountered during access negotiation with the “elites” in my study. For “elite” participants whom I accessed through a personal contact who knew the participants directly, access negotiation was smooth. On the other hand, access negotiation was challenging for “elites” who were accessed using a personal contact who did not know participants directly. In cases

where my contact did not know participants directly, contact details of targeted participants were passed on to me. It is also worth mentioning that for “elites” who did not know my contact directly, knowledge of the backgrounds of targeted participants (Mikecz, 2012) was helpful in giving me the necessary confidence to approach these participants. I learnt that one of my “elite” participants was constructive in assisting students involved in research. This background information boosted my confidence hence I was able to approach the “elite” participant confidently.

The following discussion will detail how I handled challenges I encountered during access negotiation with “elites”. Overall, I will say personal networks utilised in accessing “elite” participants served as a better strategy than contacting participants through formal channels.

3.3.2 Gatekeepers

Gatekeepers are instrumental in assisting access to a hard to reach population (Kennan, D et al., 2012). The “elite” group in this study can be described as a hard to reach population because of the politically sensitive nature of issues relating to the oil and gas industry. I used personal networks to access my “elite” participants because of difficulties in accessing this group using formal means. The use of personal networks in my approach to accessing “elite” groups is similar to the phenomenon which Hett and Hett (2012) describe in their work as “wasta”. According to the authors, this phenomenon of “wasta” features prominently in the Middle Eastern context, and this refers to the use of personal connections to get things done in any facet of life in the Middle East. The concept of “wasta” is similar to the “whom you know” system in

Ghana which also involves the use of personal connections to get things done. Gatekeepers utilised in accessing my “elite” participants were people outside the target organisations. So for instance in gaining access to interview an official of one of the oil companies, I relied on a friend whose relative worked as a manager in the targeted company and so access negotiation was through a phone conversation. The official only inquired about the aim of my study and the information I wanted. I agreed to the interview date, and all I had to do was to show up at the company premises without going through any formal procedures.

After I initiated contact with “elites”, they sometimes requested I send an email with the questions I wanted to explore in the interviews. My experience was similar to that of Harvey (2011) who noted that there were instances in his interviews with “elites” where he had to provide preparatory areas to “elites” before interviews took place. He asserted that this request of “elites” meant that some “elites” felt challenged about the interview process. However for some of my “elite” interviewees giving specific areas of the interview was not a precondition. In such instances, I noticed that these officials either acted in a public relations capacity for their company or they regularly interacted with researchers. Where elites requested specific areas of the interviews, the precondition of sending interview guides before the meeting did not influence the research outcome negatively since the use of semi-structured interviews ensured that follow up questions countered possibly idealised prepared responses. Prior information given to interviewees were also on a broad set of areas such as the impact of resource extraction on communities, CSR, corporate dealings with research communities, etc. and so did not contain the exact wording of the questions used in the interviews. On the flip side, giving areas of questioning beforehand might have

meant that interviewees had the opportunity to prepare for meetings hence they addressed issues adequately.

For the regulatory agencies sampled for this study, access negotiation was usually a daunting task if one wanted to go through the official channel. The formal channel would typically involve sending an access letter to request for an interview. Once the institution in question received an access letter for the request for a discussion on a particular area of operation, the organisation nominates typically the person they wish to speak on the organisation's behalf. For instance, in some of the government ministries, approval for research was the prerogative of the Minister responsible for that department, an approach which presents delays for carrying out the study. The challenges outlined above discouraged me from attempting to go through the formal channel to access participants from the regulatory ministries and agencies. Hence, I initially got in touch with one official of one of the legal departments through the contact details I had received from a friend. The said official then asked me to send an email, but I did not receive feedback on my email. After trying several times to get an appointment with the official to no avail, I decided to visit the ministry personally and even though I did not have a meeting with the said official he agreed to speak to me. My mission was successful because the official granted me the interview and even went a step further to get me an interview appointment with his friend who happened to be a manager of one of the oil companies sampled for this study.

An encounter which is also worth mentioning is when during access negotiation with one of my "elite" participants, the said official was adamant in not taking part in the

interview. His reluctance stemmed from claims of previous experience in which a student he had granted an interview to misquoted him. Also, the “elite” participant was of the view that as a student researcher it was my duty to conduct my due diligence about the company and that the website of the company had sufficient information to answer my queries. I had to spend the initial minutes of our meeting time to convince the official to grant me the interview, and in the end, the official delegated his assistant to undertake the discussion. The interview with the designated official went well, and I was also permitted by the interviewee to audiotape the interaction. The designated official was part of the company’s day to day dealings with communities in the oil region hence the communication was useful.

3.4 Interview Encounter with “Elites”

Once I gained access to interview “elite” participants, the interview process went smoothly, and all interviews were audio-taped. Audio-taping ensured that I could concentrate fully on the interview. The literature has drawn attention to the different power relations which exist between the interviewer and the interviewee in an “elite” research interview setting. For instance, Smith (2006) in her contribution to debates which calls for researchers to pay attention to elite interviews because of the disparity between “elite” interviews and other types of interviews suggests that there is a misconception about concepts or notions of power that exists in these two interview spaces. The author strongly criticises the fact that once people are described as “elites”, then it inevitably means that the notion of power thought to be possessed by this group will translate into the interview space. I had a different experience during my “elite” interviews. There were no visible power relations at play from either my part

or on the part of my interviewees hence on issues of power; I believe we both appeared to be on the same footing. It is also possible that issues of power did not manifest in these interview settings because of the following. Although top management officials of oil companies can be described as “elites” hence normally have the upper hand in an interview setting, I had a different experience. Even though I am a Ghanaian citizen, my affiliation with a university abroad (i.e. Cardiff University) which is often viewed as a mark of prominence back home might have possibly influenced the absence of power dynamics in the interview process. Highlighting one’s academic credentials or institutional connections have been cited as one of the ways to gain credibility from “elite” participants and also to reduce the status imbalance between “elite” participants and researchers (Mikecz, 2012 and Welch et al. 2002). Although “elites” are sometimes experienced as patronising and sometimes attempt to take charge of the interview process, this was not the case during my interviews.

Regarding audio-taping interviews, I was very fortunate to obtain permission from all my interviewees to record conversations including officials representing regulatory ministries. In preparing for my fieldwork, I came across literature that talked about how busy officials in management positions might be and their possible reluctance for interviews to be recorded (Arksey and Knight, 1999, Harvey, 2011). So in planning for these conversations, I was prepared to take notes if permission was not granted to record interviews. I was, however, hoping that this scenario will not play out since this would significantly affect my ability to keep track of responses given by interviewees. It was, therefore, a great relief when all officials interviewed gave their consent for me to record interviews. All formal meetings took place in the offices of interviewees and hence provided a suitable environment for discussions without any interference. I had

the maximum cooperation of interviewees during the time agreed, and most officials also gave their consent to contact them for any follow-up questions I might have when writing up the thesis. The table below provides a summary of the number of “elite” participants I interviewed for the study.

Table 3.1: Distribution of “Elite” Participants

Oil Company Officials	3
Officials of Regulatory Ministries	3
NGO officials	1
TOTAL	7

Source: Author

3.5 Overview of Research in *Apyam*

3.5.1 Introduction

This part of the study gives an overview of how I went about fieldwork in the study community. *Apyam* (a pseudonym) is a fishing community close to the Jubilee oil field in Ghana, the offshore oil field where commercial drilling and processing of oil is currently taking place. I selected *Apyam* for this study because of the closeness of the village to the Jubilee oil field and also the high attention it received internationally and nationally following the oil discovery. Even though I made a decision when formulating the research design that focus group discussions would not form one of the research methods to be used in the community, I decided to consider the use of focus groups during the fieldwork further. After discussions with my progress reviewer about the strengths of focus groups in small community settings I made up my mind to be flexible and possibly try out focus groups. However, after arriving in the community for the

fieldwork, I realised it was going to be a difficult task convincing people to take part in the study. Inhabitants of *Apyam* did not waste any time in pointing out to me that they were tired of talking to visitors about the Jubilee oil discovery. There were claims by inhabitants to the effect that their living conditions remained the same after lots of discussions about the oil discovery. It had become evident to community members that any visitor to the community would inevitably talk about the oil discovery which had made the once “unknown” village very popular. I abandoned the idea of focus group discussions because there were visible signs of anger exhibited by most inhabitants especially the young men about unfulfilled promises. Organising inhabitants into focus groups was therefore not a good idea since I felt I would be unable to control the situation if there were any angry outbursts which would prevent me from focussing on the issues that I wanted to explore. I, therefore, stuck to individual interviewer-administered questionnaires and semi-structured interviews since this strategy gave me the flexibility to negotiate access individually. This approach ensured that I got personal opinions about happenings in the community as well as a good overview since the study covered all households except for a few houses which were unoccupied during the fieldwork.

The research process in *Apyam* usually began with questionnaire administration which asked questions about the demographic details of household representatives. The household representative also provided demographic information of other members of their household. Questionnaires were interviewer administered to participants, and this was followed by conducting semi-structured interviews with the household representative. I chose the interviewer-administered questionnaire approach for eliciting information from inhabitants because of literacy-related issues. Initially, before

the conduct of a pilot study, I considered distributing questionnaires to inhabitants of the community. However, after the conduct of the pilot study, I realised that I might have a low rate of response because of low literacy issues. For instance, out of five people interviewed for the pilot study, only one of them was educated to the Senior High School (SHS) level with the rest educated to the Junior High School (JHS) level. The quality of education in most rural communities in Ghana is far below the national standard, and it transpired that *Apyam* was no exception. So even though people educated to the SHS level were to be equipped with the educational system to complete a survey questionnaire, this was not the case in *Apyam*. Even if I designed questionnaires in the local dialect, the same literacy issues remained a hindrance because most participants could speak but not read and write in their regional dialects. All the participants gave their consent for interviews to be audiotaped which was a welcome relief as it gave me the freedom to fully concentrate on conversations. Recording of interviews also enabled me to check interactions after the study. The shortest interview lasted twenty minutes; the longest almost an hour.

Additionally, semi-structured interviews were conducted with three leaders of the community because these leaders were involved in discussions held in the build-up to the drilling and exploration of oil. The table below provides a summary of respondents in *Apyam* who took part in the study.

Table 3.2: Distribution of *Apyam* Respondents

Community households	112
Community Leaders	
Chief	1
Chief Fisherman	1
Assemblywoman	1
TOTAL	115

Source: Author

3.5.2 Relations with Interpreter

The main languages spoken by the people of *Apyam* are Ahanta and Nzema, so I used an interpreter during the data collection stage involving inhabitants of the fishing community. Temple (2002) describes qualitative studies that engage the services of a translator as “cross-language research”. Some of the problems identified with studies that employ the use of an interpreter include the fact that the researcher often sees an interpreter as outside the research process and also researchers most often neglect to pilot interviews in the language which would be used by respondents (Squires, 2009). To avoid these problems, measures taken in this study included a pilot test of the interview process with the translator. Even though I used the same interpreter during the pilot study stage of this work, I briefed the interpreter before the main fieldwork. I lodged in the capital of the Western Region (i.e. the geographical site of the oil field) and commuted to *Apyam* each day till the end of the fieldwork. The interpreter also lived in the same town where I lodged hence he was briefed each morning before the journey to *Apyam*. The interpreter took me to the community each day, an hour and 30 minutes’ drive from Takoradi, the capital city of the Western Region. The amount of time spent together and the regular communication allowed for an excellent rapport to develop. The interpreter was conversant with the nature of

small communities like *Apyam* where people are familiar with each other, so he understood the importance of maintaining confidentiality at all times.

3.5.3 Revising Research Plans

A pilot study conducted in April 2012 helped to establish community networks which served as a useful tool in gaining entry to *Apyam* for the main fieldwork. The fieldwork for the study was undertaken about five months after the pilot study, and so I was hoping that on arrival in *Apyam* the study could kick-start right away. I thought I could get the study underway with minimal hindrances since I had already established networks with the Chief and some community members. Contrary to my expectation of a smooth flow of the fieldwork especially regarding gaining access, I received a significant setback on arrival in the community. On arrival, I noticed that inhabitants were not willing to speak to any more visitors to the village about issues of the oil discovery. This was because of claims that a lot of people had been to the community previously to engage with them and this had not translated into changes in their living conditions. I therefore had to revise my strategy for the fieldwork by contacting someone else in the community to help me negotiate access. Although I had received the approval from the Chief to proceed with my work, I realised very early that this was not going to be sufficient to get community members on board. Paying a courtesy call on the chief is a standard practice in most rural communities in Ghana which places a form of legitimacy on one's mission typically. Luckily, an acquaintance I had met during the pilot study, quickly arranged for someone to accompany me to each household. Having a familiar face with me at all times therefore really facilitated the research process and ensured that participants who took part in the study were comfortable telling me about issues that relate to their family life and living standards. In spite of

the fact that I had a familiar person with me who assisted in access negotiation, I also had to work at obtaining and maintaining access continuously. The most significant challenge to access mediation took place at places in the community which were busy because those areas often had a large number of people present at a particular time. Having a known face around also delivered significant benefits of breaking down social and language barriers between myself and research participants. Gatekeepers are individuals who aid entry to a research field, and as described previously in this chapter, for the oil companies and government institutions, access negotiation to interview these officials were mostly done using personal networks. Interviewees in “elite” settings are normally seen to possess the upper hand in the interview, and hence it is important for researchers to be cautious to ensure that “elites” do not take over the interview process. Contrasting the “elite” interview experience with community interviews in *Apyam*, which I can safely describe as researching a “non-elite” group, then it might be expected that I will be in a position of power in community interviews. My experience in *Apyam* was however mixed since in certain instances I was seen as belonging to a different social class whereas in other cases I was treated as an equal. For instance, in one particular instance, the interviewee was quite uncomfortable because he only had wooden benches which he saw as unfit or uncomfortable for me to use. Even though I tried as much as possible to explain to the participant that I was happy to use the wooden bench, the participant was not fully convinced. However, in some cases, some participants were quite upfront in their interactions which meant they saw me as an equal. During an interview, a young man suggested that if I had not been accompanied by someone from the community, then some of the young men would have “slapped me” for approaching them directly for their opinion on this topic.

He was quite upfront with his assertion, and one would have thought that he would have used a more moderate expression since I was a visitor to the community.

3.5.4 Fieldwork Relations

Due to the sensitive nature of my research, I was initially very apprehensive about approaching inhabitants in *Apyam* to take part in the study, but after the conduct of the pilot study, I became more relaxed about participant recruitment. However, I still felt a bit tense a few days before the beginning of the primary fieldwork since for the main fieldwork I intended getting as many participants as possible. The main fieldwork was therefore on a larger scale compared to that of the pilot study which involved only five inhabitants of the community.

My first two research interviews on the first day in the field went very well, but the third person I spoke to was very reluctant to take part in the research at the onset. After explaining the reason for the study, he reluctantly agreed to take part, but in spite of giving his consent, his responses to my questions were brief, and follow-up questions also provided concise answers. During that particular interview, I recall a disagreement between the interviewee and his wife about the precise ages of their children and this occurred during the questionnaire administration stage. I was surprised when the wife maintained that the man had not provided me with the precise ages of their children. The husband responded by saying I should disregard the comments coming from his wife and rather listen to the information he was giving to me. The woman apparently unfazed by the comments of the man continued to insist her husband was wrong. This situation was very awkward, and I did not know how to progress with the interview at

that point since I had varying ages coming from husband and wife. My particular discomfort stemmed from the fact that I did not want to be the cause of a family row. To my relief, the woman who was cooking at the time of my visit later decided to carry on with her cooking and did not offer any more protests after that. After this scenario played out, I recalled a meeting I had with the Chairman of the School of Social Sciences Research Ethics Committee just before leaving for the fieldwork. The meeting was to discuss whether I had thought about the risks involved in my research study since the oil and gas industry is usually a sensitive research area. A more significant part of my research was in the fishing community, so the research committee wanted to be sure I had carefully considered the risks involved. Additionally, since I was going to leave the research site afterwards, there was the need to ensure that participants were not in a more disadvantaged position after the research. The meeting with the chairman of the ethics committee had drawn my attention to the sensitive nature of the study before I left the UK for the fieldwork. However the encounter with the husband and wife which could have possibly led to a conflict situation sparked on by questions I had asked was what really drove home the burden I felt at that time as a researcher. I felt responsible for a possible conflict situation, and that appears similar to issues discussed in the literature about emotional labour or repercussions which for a researcher may mean looking calm without showing emotion physically in spite of a high sentiment felt in an upsetting situation (Carroll, 2012). In spite of the fact that I felt an intense discomfort because of the open argument between husband and wife about who was right about the ages of their kids, I had remained calm and just smiled. Another incident also worth mentioning regarding emotional strain faced during fieldwork in the community was when I had to interview a participant in his place of work. This participant operated a local bar where he sold

drinks. The stench of locally brewed alcohol in the bar was strong. Since I do not take hard liquor, I found this particularly discomforting. My participant was an older male, and because of my knowledge of apparent traditional beliefs where women are expected to behave appropriately in a typical rural setting, I felt an expression of my discomfort will be a sign of disrespect. I, therefore, endured the stench till the interview was over. This strategy may have impacted on the quality of this particular discussion since I had rushed through my questions. I was in a hurry to get over the interview with the said participant so that I could get out of the place for a breath of fresh air.

The research participant who had a disagreement with his wife about the ages of their kids which I described earlier had suggested that I was going to face opposition from other members of the community regarding getting them to take part in the research. It was therefore vital that I build trust and rapport to gain access to other participants. Even though the initial resistance was coming from one individual, I still felt I needed to do something drastic to win this individual over since this might be the key to getting other people to participate in the study. This phenomenon is similar to that described by Pitts and Miller-Day (2007) as the “other orientation” where the primary concentration is on one participant with one of the aims being gaining access to the field to research participants. Building trust and later rapport with this individual as the fieldwork progressed was a result of the mediation of the brother of the individual who pleaded with him to accompany me to other households since he also foresaw opposition from other members of the community. The man who later became my tour guide attending me to all the other houses for the total duration of the fieldwork alluded to the fact that he only agreed to take part in the research because of the intervention of his brother. As the study progressed, I won the trust and full cooperation of this

individual who was very instrumental in convincing other community members to take part in the study. This individual was always ready at the beginning of each research day waiting at the entrance of the village and ready to help with recruiting participants. The zeal of this individual lasted right until the end of the fieldwork, and when it was time to leave the community finally, I felt I had succeeded in striking an acquaintance for life. Other research participants who took part in the study also pointed out that they only agreed to take part in the research because someone from the village accompanied me to the houses.

I learnt very early during the fieldwork in the community that it was going to be difficult to obtain written consent from my research respondents because of the low literacy level of participants to the extent that some of the respondents could not provide their ages. Verbal consent was therefore obtained from respondents after I explained the aim of the research to them with the explanation that they could opt out of the study at any point. There was an excellent conclusion to the end of the fieldwork in the community on the first day because fishers made some fish caught on that day and according to residents, this was the first fish catch they have had in about two months. Many women met the arrival of the fish catch at the landing site. Most of the women were anxious to buy some fish for onward sale to other community members. At a point, I had to suspend my fieldwork for a while since the person I was interviewing at that moment was a fishmonger who needed to go to the beach to buy some fish.

3.5.5 An Outsider

Characteristics of a researcher have been known to aid or hinder the execution of a research project. Even though I am Ghanaian, I do not hail from *Apyam*, and my first trip to the community was in August 2011. I made a fact-finding trip to the village after I decided to conduct this study for my PhD. Since I do not hail from *Apyam*, I can be referred to as an “outsider” in this instance since I am not familiar with the culture and practices of the people. Some studies (see Dwyer and Buckle, 2009, Turgo, 2012 and Bonner and Tolhurst, 2002) describe the effects of being either an “insider” or “outsider” on accessing a research field and also regarding maintaining rapport in the field. Turgo (2012) for instance draws attention to the fact that being an “insider” researcher does not necessarily imply an advantage over an “outsider” researcher regarding gaining access and maintaining rapport with research participants. He argues that since the researcher must continuously negotiate access during the whole research process, it can be very challenging when participants have an intimate knowledge of the researcher’s life (ibid). Turgo’s argument seems to strengthen the point that my being an “outsider” researcher in my study of *Apyam* fishing community implied that I still had a good chance at gaining access to the field as well as maintaining rapport. However, researchers must not overlook the advantages of being an “insider” researcher such as having a grasp of the environment regarding norms and practices as well as familiarity with the layout of the research setting. Although I entered *Apyam* with the tag of an “outsider” researcher, I was determined to negotiate the path of my research with all the advantages that came with exercising my agency. I was challenged to use my gender and social class to gain access to the field and then maintain rapport during the whole research process (Mazzei and O’Brien, 2009). The fact that I was a female also meant that sometimes I had to contend with

interviewing men. Especially in interviews with older men, I was always cautious about being extremely polite because of a high degree of respect for adults in the Ghanaian setting. Another thing that seemed to influence my positioning when interviewing older male respondents was also the notion of older men having traditional beliefs of how females should behave. I was therefore always cautioned about being deferential at all times when interviewing older people especially men. Horn (1997) similarly speaks of her attempt to negotiate a gender role which was acceptable to her research participants and to herself. For instance, there were instances in her research with police officers where she tried to cultivate an image of being harmless and unthreatening and this was to avoid her participants seeing her as a spy. Other authors (see Pini, 2005 and Gurney, 1985) have also written on how research participants typecast women researching in typically male-dominated arenas.

Things went particularly smoothly on the second day of my research in the community; this is because respondents knew I was coming to talk to them. Also, as I later found out-, the Chief of the town had sent a message to inhabitants to inform them of my research project. Being accompanied by someone from the village and also having my presence announced by the Chief did not guarantee participation from all the people I approached, however. I felt this was a positive sign because it demonstrated that even though the Chief had a strong influence on the community, people were still free to exercise their agency. People yet had the opportunity to decide whether they wanted to take part in the study or not. In this regard, one woman refused to take part in the research because, at the time of my visit to her household, she had just received news of her child's examination results. She was worried about how to get money to pay fees so he could continue to the next level of education. Since I was not in the position to help, I just sympathised with her predicament and just said I hope she gets

the needed funds to get her ward into school. There were also other instances where I noticed that participants were looking to me to help them solve some of their financial problems even though no one explicitly requested for any monetary returns for their participation. My experience is however different from that of Chege (2015) who maintained that her prospective research participants were forthright in expressing interest in the real financial returns of their involvement in her research.

Two of the households I visited, was empty because the occupants had gone away to work. One house stood out in the village because it the owner had built the house with cement and sliding glass windows and aluminium roofing which was a sharp contrast to the other houses in the town which were old looking. When I inquired about the owner of the house since there was no one present at home at that time, I was told by villagers that it belonged to a man who lived and worked in neighbouring Ivory Coast. This house demonstrates the kind of disparity that exists even in small communities like *Apyam*.

While planning fieldwork for this study, I had to consider who should grant the interview in the household in situations where both spouses were at home. In a typical Ghanaian house, the man plays the visible role of the head of the household, and hence the man often takes decisions on behalf of the family. The concept of “joint couple interviews” as utilised by Bjornholt and Farstad (2014) in family research studies brings to the fore advantages such as solving ethical problems of anonymity and consent among interviewees and also the production of precious data. Although the authors acknowledge that there has been much scepticism towards joint couple interviews,

they maintain that it nevertheless creates new data. Therefore based on the positive outcomes of joint couple interviews enumerated by Bjornholt and Farstad (2014), this interview strategy was employed in this study. So in instances where both spouses were present at the time of my visit to households in *Apyam*, then questions were put to both spouses. The strategy of interviewing couples together ensured that I got the complete picture of the perception of inhabitants of *Apyam* about the impact of oil drilling activities on their community. This approach of interviewing also provided compelling data on disagreements between couples as stated earlier.

3.6 Transcription and Analysis of Interviews

I transcribed interviews after I completed the fieldwork, but I took brief notes after each day of meetings. These brief notes captured the main topics discussed in interviews as well as my field experiences which were useful during transcription. The field notes helped to nudge my memory during the transcription stage. This approach ensured that analysis of interviews was more of an ongoing process hence was not left to a later stage of the research process. Although I could have outsourced the transcription of interviews, I undertook this task myself to familiarise myself with the data. Also during the process of transcription, I also made notes which ensured that I was already probing and analysing the data. I, therefore, became immersed in the data which helped me to understand the way of life of my respondents and this was particularly useful in making sense of community interviews (see for example Burnard, 1991). Green et al. (2007) recognise that immersion in the data early –which they consider the first stage in the analysis process- makes analysis more manageable rather than waiting to wade through large amounts of data at a time.

The interviews conducted in *Apyam* community were in a local dialect (Akan), and so to shorten the transcription process, I transcribed directly into English which meant a careful transcription process. Interviews with officials of oil companies, the NGO, government ministries and the regulatory agencies were in English, and so transcription was a less laborious task compared to community interviews. I read data obtained from interviews interpretively, and I based this on what I saw as my interviewee's interpretations and understanding of the social phenomena of the oil and gas discovery (Mason, 2002). After the process of transcription, I imported transcripts into Nvivo (version 10), which is a computer-assisted qualitative data analysis software. I used the NVivo software for coding transcripts and also for making notes about the various codes which I stored under the 'memos' section of the software. I coded transcripts into four broad groups: oil company interviews, community interviews, regulatory agencies interviews and NGO interviews. I also coded according to themes identified from the questions asked in interviews, and some of the issues included the following:

- Community life before the oil discovery
- Changes in community after oil
- Expectations following oil
- Perceptions of handling of oil discovery
- Areas of CSR
- Consultations with communities
- Impact of oil discovery on communities
- Benefits of oil projects

After coding along these broad themes in NVivo, it was then more natural to write up the three data chapters which I structured around community life before the oil discovery, the views of corporate actors about the oil discovery and happenings in *Apyam* after the commencement of oil operations.

Questionnaires, on the other hand, were analysed using SPSS to obtain an estimate of the total number of inhabitants in the community based on information provided by household representatives. I got the estimated number of inhabitants involved in fishing and its related activities as well as the number of people involved in other job activities from the SPSS data. This information was vital for writing up the first data chapter as this chapter gives a general background on the inhabitants of *Apyam* and why people of the community saw the oil discovery as significant.

3.7 Reflections on the fieldwork

On the whole, the fieldwork was successful. Interviews with officials of oil companies and government agencies are often difficult to negotiate. These individuals have hectic schedules hence getting them to take part in a discussion which does not seem to provide a direct benefit to the individual or organisation is often difficult to carry out. However, in this research, participants were constructive after I had succeeded in getting them interested in the study. Consent was given by these officials for me to record interviews, and this helped me to concentrate fully on the interview process itself. I was, therefore, able to ask to follow up questions from the responses given by respondents. The interviews conducted in *Apyam* community also went on better than I had expected, especially in respect of issues surrounding the use of an interpreter. The ability to communicate in a similar dialect (Akan) with respondents ensured that I

made limited use of the interpreter which helped in providing a much better flow to the interviews with limited breaks. Fieldwork in the community also exposed me to a different form of life, and in some instances, I found it difficult to comprehend how people in such settings especially school children managed to pass the national exams. Children who grew up and lived in communities such as *Apyam* which is deprived in every sense of the word write the same national exams with children from other privileged districts and cities. Even though this was a purely academic exercise, there were moments during fieldwork in the community where I felt that no public official had any excuse whatsoever for downplaying issues raised by community members. No matter how logical arguments of these officials might sound, the fact remains that the community is a deprived one. It lacks essential social amenities, and no one should be made to live in such conditions. It is sometimes difficult for researchers to detach themselves from emotions that come with researching environments such as these and so I had to regularly remind myself to be as objective as possible throughout the fieldwork. A challenge that I had not fully anticipated.

3.8 Summary

This chapter has described the research methodology of this study. Also, the section has considered the various milestones that I navigated during access negotiation with “elite” and community inhabitants as well the multiple experiences learnt in the field. The following chapters; four, five and six present the findings of the study.

CHAPTER FOUR

COMMUNITY LIFESTYLE AND EXPECTATIONS FROM RESOURCE EXTRACTION

4.0 Introduction

This chapter is the first of three data chapters, which presents the views expressed by inhabitants of *Apyam* fishing community, governmental agencies, oil companies and a non-governmental agency (NGO) about the impact of the Jubilee oil and gas discovery and subsequent exploitation on the local fishing community. In this chapter, I examine the population of *Apyam* (pseudonym) regarding the lifestyle of the people and their expectations following the oil and gas discovery. The second data chapter presents views expressed by government ministries and regulatory agencies responsible for Ghana's oil and gas industry as well as the views of the oil companies involved in the drilling of the oil. The second data chapter also reports the findings of interviews conducted with a local NGO on the impact of the oil drilling on the study community, a group which was actively advocating for benefits distribution to resource-endowed communities. The third data chapter looks at the perceived impacts of the oil and gas discovery in *Apyam* community and on the livelihoods of inhabitants.

This first data chapter is in two parts; the first offers a historical background of the extractive industry history of Ghana looking at the gold mining sector, which has produced a vast part of the world's gold (Hilson, 2002c). I offer an account of the extractive history of Ghana as a background to the country's management of its natural resources in the past. Farming and fishing play an essential role in the lives of the people of *Apyam* and the nation as a whole. Hence the first section of this chapter also provides an overview of fishing and farming in Ghana. I also highlight the genesis of

the recent discovery of oil in the first part of this section. The second part of this chapter then offers a brief history of the study community regarding their ways of life, demographic details of inhabitants and the livelihood strategies of the people, including the critical role played by fishing and farming in their economy. The aim of this chapter puts into perspective why the community of *Apyam* matters in the redistribution of Ghana's oil and gas wealth.

4.1 The Country

4.1.1 Background

Ghana, a West African nation, was the first country in sub-Saharan Africa to gain independence from British colonial rule in 1957. Ghana later became a republic on the 1st of July, 1960. As earlier stated in the introduction to this thesis, the country is an English speaking country, which is bordered by French-speaking nations with Ivory Coast to the West, Burkina Faso to the North and Togo to the East. The Gulf of Guinea and the Atlantic Ocean is to the South of Ghana, which makes fishing an essential sector of the economy. Three industries contribute to the Gross Domestic Product (GDP) of the country. These are agriculture, industry and services sectors. In the third quarter of 2013, agriculture, industry and the services sectors contributed 30.4%, 23.3% and 46.3% respectively to the GDP of the economy (GSS, 2014). The statistical service estimates that as at January 2013, about half (50.1%) of the population of economically active persons aged 15 (fifteen) years and above engaged in agriculture, forestry and fishery with the majority of these workers dwelling in rural areas (GSS, 2013). The industrial and farming sectors of Ghana provide the country's primary export commodities of gold, cocoa, timber (MOFA, 2013) making these areas crucial

components of the economy. The country joined the league of commercial oil producers with the discovery of crude oil in commercial quantities in June 2007. The oil discovery was to serve as a big boost for Ghana's economy since the commodity would supplement the country's foreign exchange earnings alongside gold, cocoa and timber. After the last census in 2010, the population of Ghana stood at about 24,658,823 and the Western Region, (the region where the oil has been discovered and hence the focus of this study) had a population of 2,376,201 (GSS, 2012).

Coincidentally, the majority of gold mines are in the Western Region of Ghana (Bloch and Owusu, 2012). As a result, this region has now cemented its position as the most endowed natural resource-rich part of Ghana. Despite the rich mineral deposits in the Western area of Ghana, the inhabitants have not benefitted regarding development (see Hilson and Banchirigah, 2009). It has resulted in significant numbers of people engaging in illegal artisanal mining activities (ibid). There are two primary forms of gold mining in Ghana, namely, the large-scale and small-scale mining sectors with the small mining sector mainly dominated by a kind of illegal mining activity referred to locally as "galamsey" (Garvin et al., 2009). There are frequent disputes between unlawful small-scale miners on one hand and large-scale mining corporations on the other side (Hilson and Yakovleva, 2007). The large-scale mining sector in Ghana, which is dominated by international foreign-owned companies mostly makes promises of resource development delivering benefits to local communities. However, these mining projects provide few benefits (Garvin et al. 2009). Since these promises are often not documented, they are not legally binding on companies (ibid). About 70% of land in the Western Region has been leased for mining activity, leaving many concerned about the inadequacy of the area which remains available for agriculture

which employs over half of the district's labour force (ibid). The fact that the oil discovery is in the same region where the majority of gold mining activities take place underscores the importance of this study in exploring the benefits that extractive industries deliver to resource-rich communities. The Western Region is considered one of the economically deprived regions in the country despite its abundant mineral resources (Garvin et al. 2009). There are currently many oil wells under exploration, and so it is crucial for rules governing the oil industry and its effects on oil-rich regions to be firmed up. It will ensure that development projects for mineral endowed communities are appropriately mapped out and executed.

Another sector that is highly significant in the Western region of Ghana is the fishing sector which plays a significant role in the economy. The next section of this chapter explores Ghana's fishing industry and its importance to rural communities like *Apyam* briefly.

4.1.2 The National Fishing Industry

The fishing sector is vital to the Ghanaian economy regarding providing food, employment and foreign exchange. About 75% of the total domestic production of fish is consumed in the country because fish is the most sought-after source of animal protein in Ghana (MOFA, 2014). Ghana exports an estimated 12% of fish products to countries such as Japan, Nigeria, and Canada (FAO, 2004). On the other hand, due to the seasonality of fish obtained from local sources, fish is imported from countries such as Morocco, Mauritania, and Namibia to complement domestic production (ibid).

The government imports fish because the state is known to be only 60% self-sufficient in fish (ibid). The table below shows fish imports and exports from 2007 to 2012.

Table 4.1: Annual Fish Imports and Exports

Category	2007 (MT)	2008 (MT)	2009 (MT)	2010 (MT)	2011 (MT)	2012 (MT)
Total Fish Imports	212,945	191,657	107,744	199,799	191,429	175,341
Total Fish Exports	Not Available	Not Available	57 621,282	62,749,851	44,144,818	46,234

Source: Ministry of Food and Agriculture, Ghana, 2012

Concerning employment, the fishery sector employs over two million fishermen, processors and traders (MOFA, 2014). It is estimated that about "10% of the nation's population depend on fishing and related upstream and downstream activities for livelihood and as dependants" (Neiland and Afenyadu, 2009, pg. 12). Regarding contribution to foreign exchange, fish contributed about 6.9% of the agricultural component of GDP in the year 2012. The export earnings derived from fish and its products are approximately 60 million US dollars annually (MOFA, 2014). Despite providing significant foreign exchange earnings for the country over the years, the sector has been fraught with challenges. It includes the decline of the nation as an essential regional player in fishing in the West African region in the 1950s and 1960s (Atta-Mills et al. 2004). The reasons for the decline include the globalisation of the industry, overfishing and lax enforcement of regulation (Atta-Mills et al. 2004). The resources of the fishing sector in Ghana are made up of-of marine fisheries, inland (freshwater) fisheries and aquaculture. The marine fishing sub-sector comprises three segments which are small-scale (artisanal), semi-industrial and industrial (MOFA, 2014). Semi-industrial fishing, which hitherto had enjoyed access to the waters of other

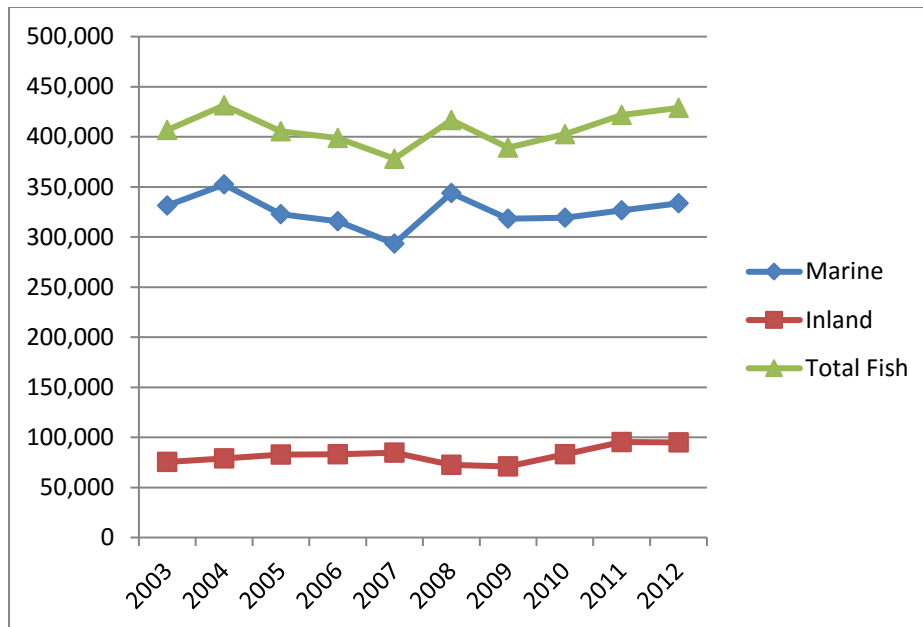
West African countries, is now confined to Ghana's territorial waters only. It was after these neighbouring nations gained independence and hence declared their Exclusive Economic Zones (EEZ) (Atta-Mills et al. 2004). Ghana was the first sub-Saharan African country to achieve its independence in 1957, and when neighbouring West African nations subsequently gained political autonomy around the early 1960s, they saw Ghanaian semi-industrial fishing vessels as a threat to their fishing resources (ibid). The artisanal fishing sector in Ghana, which was more significant at that point, was faced with pressure from the absorption of the previously employed crew on semi-industrial vessels as some returnee fishers found employment in the artisanal fishing sector. Artisanal fishing was already facing challenges because there was an increased number of fishers per boat in addition to an overall decrease in fish catch from around 1992 to 2001 (ibid). The added influx of fishers from semi-industrial fishing vessels further compounded the pressure already faced by the artisanal fishing sector (ibid). The total annual fish production from both marine and inland sources from 2003 to 2012 is given in the table below to shed light on the country's annual fish production.

Table 4.2: Annual Fish Production by Source (Mt.)

Year	Marine	Inland	Total Fish
2003	331,412	75,450	406,862
2004	352,405	79,000	431,405
2005	322,790	82,654	405,444
2006	315,530	83,168	398,698
2007	293,398	84,757	378,155
2008	343,962	72,590	416,552
2009	318,300	70,898	389,198
2010	319,331	83,127	402,458
2011	326,545	95,353	421,898
2012	333,697	95,000	428,697

Source: Ministry of Food and Agriculture, 2013

Figure 4.1: Line Graph of Annual Fish Production by Source (Mt.)



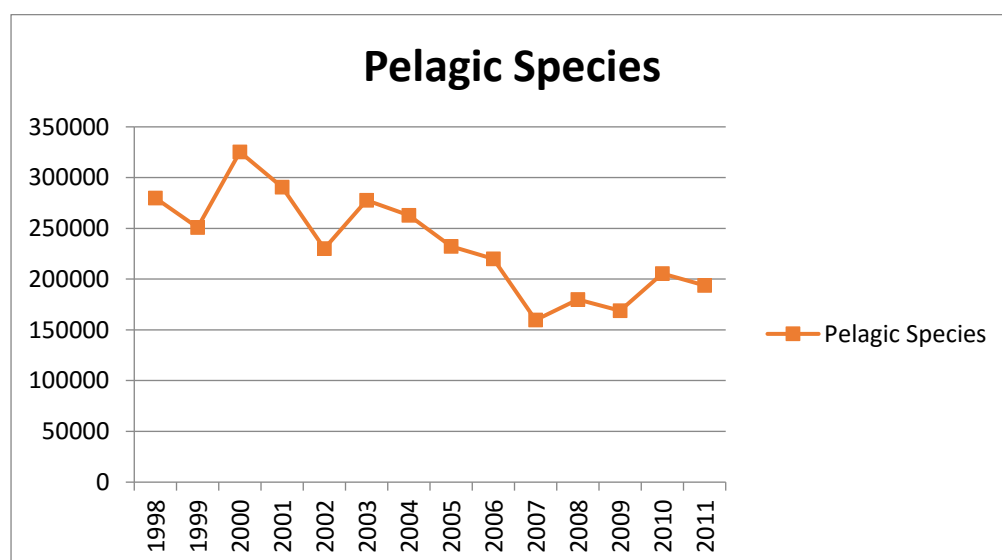
The line graph, as shown above, depicts the total annual production of fish from both marine and inland sources from 2003 to 2012. The graph points to the fact that there were annual fluctuations in fish production from both inland and marine sources during the period (i.e. 2003 to 2012). However, a closer look at data available on the artisanal coastal fishery sector presents a picture of massively decreased stocks. There are a wide variety of fishes present in Ghanaian waters (BOG, 2008). These fish varieties are pelagic (coastal) species which are found in open waters and demersal (deep sea) species near the seabed (ibid). Most coastal communities depend on the pelagic fish species, and the table below sheds light on reduced fish stocks for the country's annual landings of pelagic fish species from 1998 to 2011.

Table 4.3: Annual Fish landings of Pelagic Fish Species (Tonnes)

Year	Pelagic Species
1998	280,034
1999	250,759
2000	325,257
2001	290,705
2002	230,177
2003	277,678
2004	262,803
2005	232,358
2006	220,056
2007	159,675
2008	180,079
2009	168,904
2010	205,623
2011	193,745

Source: FAO Fishery and Aquaculture Global Statistics (1998-2011)

Figure 4.2: Line graph of Annual landings of Pelagic Species (Tonnes)



The line graph, as shown above, depicts the total annual landings of pelagic fish species from 1998 to 2011. The graph points to the fact that there was a sharp decrease in arrivals of pelagic species from 325,257 tonnes in 2000 to 230,177 tonnes in 2002. There was, however, an increase of about 47,501 tonnes in 2003 but this growth further decreases in landings from 2004 onwards (see Figure 2). The open-access nature of the nation's fisheries, allowing fishers to fish anywhere they deem effective, poor governance, the use of illegal fishing methods and gear have been identified as some of the problems confronting the coastal fishing sector (Crawford et al. 2013). An earlier article by Mensah and Antwi (2002) reported that marine fishers outlined low season catch, a high cost of input, inadequate finance and credit as some of the problems they face in their fishing activities. The agriculture sector including fishing employs the majority (58.1%) of the people in the Western Region (Ghana districts, 2006) and serves as a source of livelihood for people living in coastal areas. News of the oil discovery, therefore, gave rise to anxieties about the possible interference of oil drilling activities with fishing.

Apyam is near the Jubilee oil field, and the community has gained prominence nationally and internationally due to the discovery of the "black gold". Ghana is made up of ten administrative regions, each of which is divided into districts. Districts aim to enable a decentralised system of governance to operate. Each district is governed by what is known as a District Assembly. After many reconstitutions, Ghana is presently made up of two hundred and sixteen (216) districts with each of these districts having its district capital (Ghana Districts, 2013). The district assemblies are "the highest political, legislating, budgeting and planning authority at the local level" (Friedrich-Ebert-Stiftung, pg.9) and they are mandated to oversee the physical development of

their jurisdictions. An efficient district assembly system should, therefore, ensure that all communities have adequate infrastructure and basic amenities. However, a failure of the district assembly system to adequately deliver basic social amenities to communities like *Apyam* over the years has resulted in some of the poor conditions, and an infrastructural development deficit is currently plaguing the community. Chapter two of this thesis attested to the fact that favoured spatial development plagues most parts of colonial Africa (Njoh 2008, Morton, 2013). Does the lack of adequate social infrastructure constitute a case of Bates' (1981) "urban bias"? Subsequent sections of this study should give us a proper perspective on this.

4.2 The Village of *Apyam*

4.2.1 The "Forgotten" Community

Apyam's link with the oil discovery brought the community into worldview following the high media attention that characterised Ghana's first commercial oil discovery. There is no extensive work on this fishing community and the information available on the people, and their ways of life remain scanty. Possible reasons for this might be the fact that the community was virtually unknown before the oil discovery and hence it is plausible to describe *Apyam* a "forgotten" community. The undeveloped nature of the community compared to other communities based within some of the larger districts might have contributed to this "forgotten" status. For instance, even though some of the communities that surround *Apyam* have electricity, *Apyam* was still without electricity at the time fieldwork for this study was undertaken. Rubber plantations and forest reserves surround *Apyam* and are some distance from the nearest electrified communities. Poles were being erected in the community at the time fieldwork for this

study was conducted. However, some residents spoke of disagreements between Ghana Rubber Estates Limited (GREL), which owns vast hectares of rubber plantations at the outskirts of the community and the electricity company. These disagreements stemmed from the fact that some rubber trees had to be pulled down to make room for the erection of electric poles. In some instances, military men were put on guard to make sure the erection of electric poles continued without any interference from the rubber company. On the whole, developmental projects spearheaded by the district assembly system through local government appointees known as Assembly heads - assemblyman or woman depending on the gender of the leader- are visibly absent in *Apyam*. In a study of poverty in small-scale fisheries, Bene and Friend (2011) draw attention to the fact that the poverty of small fisherfolks, can often be likened to "the severe degree of geographical and political isolation that characterises much full-time fishing or mixed fishing-farming communities" (Pg.121). Such is the fate of *Apyam* which because of its geography often gets overlooked in development programmes.

The geographical location of the community in the more critical district makes it susceptible to neglect because it is hidden from neighbouring villages. The vast rubber plantations and oil palm plantations one goes through before reaching *Apyam* could be a contributory factor in obscuring the community. When travelling to *Apyam*, the bad nature of the road, especially after a torrential downpour makes it easy to feel as if you are approaching the "end of the world". It is because the drive to this community feels endless. A wooden sign with the colours of the national flag (red, gold and green) and a black star in the middle, carries the inscription "welcome to our community" (in the local dialect), and this is at the entrance to the community. The sight of people with metal pans fetching water from a borehole is an indication of the communal nature of

village life and a reminder of the lack of running water here. Some buildings have dilapidated aluminium roofs. Located at the entrance to the village is the chief's "palace" built of cement with an aluminium roof. Most inhabitants live in housing mostly made of mud with either palm fronds or bamboo sticks, but a few live in cement houses with aluminium roofs. It is a common sight to see sticks for firewood gathered in bundles by households, giving away that people make meals over open fires. Even though some of the houses are built with cement, they show visible signs of ageing. Some other homes built with cement blocks, however, have sliding glass windows signalling some pockets of 'affluence' in the community. Houses with sliding glass windows tend to belong to people working in neighbouring Ivory Coast and other places outside the town. The only marketplace in the village is a few square metres wide with sheds made of wooden sticks. Traders sell market wares on table tops.

Another noticeable feature of the community is the presence of sheep loitering at every corner, including along the beach, which shows that animals are an accepted part of community life. The place where most activities take place is at the seaside, which I observed during the fieldwork had people involved in a multitude of activities. Some of these events include women selling food, men mending their nets and different forms of entertainment such as playing drafts. It was a particularly busy place at any time of the day, and a walk to a higher part of the beach took you onto rocks where there were a breath-taking view and a very serene atmosphere making this spot a perfect hideout from all the hustle and bustle of community life. There were lots of coconut trees dotted along the shoreline, and I found that a drink from the coconut fruit after a hard day's work was enough to send you to sleep!

4.2.2 Demographics of the People

According to the last census conducted in 2010 (GSS) the population of the community was estimated to be about five hundred (500), but this number was an extrapolation from the district data and was unlikely to be reliable. I, therefore, conducted a household survey to more carefully determine the population distribution. It was necessary to gain an appreciation of the number of people who depend on fishing and its related sectors for a living. The results of my survey showed that as at the time of the research, the population stood at five hundred and thirty-two (532). It cannot be said to be definitive because some of the houses were empty at the time of the study – their occupants having travelled away to work. However, having noted this caveat, these data nevertheless provided a stronger indication of the population characteristics. The majority of household representatives (about 87.5 %) were from the Nzema ethnic group. The Nzema are farmers but some also engaged in fishing activities. The remainder were from a variety of categories (Fante, Ahanta and Shama) as identified in Table 4.1 below.

Table 4.4 Ethnic Groupings of Community Members

Ethnic Group	Frequency
Fante	4
Nzema	98
Ahanta	9
Shama	1
Total	112

Source: Author

Of the one hundred and twelve (112) respondents, 67.9% were married, 6.3% were widowed, 13% were divorced, and 16% were single. *Apyam* community comprised both old and young people and even though people spoke of young ones travelling

out of the town to look for better job opportunities, there was a relatively mixed population of both young and old people as shown in the table below:

Table 4.5 Age Distribution of Household Representatives

Age Group	Frequency
Missing	13
18-28 years	29
29-39 years	33
40-50 years	16
51-61 years	11
62 years and above	10
Total	112

Source: Author

The population of *Apyam* was relatively young. There were sixty-two (62) respondents aged 18 to 39 out of a total of 112 respondents altogether. Thirty-seven (37) respondents, on the other hand, were of ages 40 to 60 years and above. Although there were disappointingly levels of missing data, it is safe to assume that almost half of the respondents (sixty-two) were of ages 18 to 39. The high level of missing data was because thirteen (13) respondents did not know their birthdays and hence could not indicate their ages. The perceived migration of young people from *Apyam* nevertheless leaves quite a substantial number of young people in the community. The educational level of representatives of households who took part in the study shows that a high percentage of them had no formal education as shown in the table below:

Table 4.6 Highest Educational Level

Level of Education	Frequency	Valid Percent
Never Been to School	44	39.3
Primary School	15	13.4
JHS	31	27.7
SHS	5	4.5
Vocational/Technical	2	1.8
Old System	15	13.4
Total	112	100.0

Source: Author

Only two of the one hundred and twelve (112) household representatives had a vocational/technical qualification, which was the highest qualification of people who took part in the survey. The majority of household representatives who had a formal education only ended the training at the Junior High School (JHS) level due to the absence of a Senior High School (SHS) in the community. Students in the town who wanted to further their education beyond the JHS level had to go to nearby places, which required a lot of financial commitment, a luxury most inhabitants claimed they could not afford.

There were reports of young people who had migrated to neighbouring communities in the region to engage in small-scale mining activities. As noted in the introduction to this chapter, the Western Region is home to gold mines, which appear to lure young men to neighbouring communities to engage in small-scale mining activities. Inhabitants who migrated were said to return occasionally to visit families they had left behind, and others who managed to find a comfortable life outside the community relocated their families to newly discovered localities. For people who stayed on in

Apyam, they had various reasons for engaging in either farming or fishing, which was the primary occupation of people living in the community.

4.2.3 Occupation of the People

Although fieldwork for this study was in 2012, the year 2010 was useful in providing a reference point because commercial drilling of oil commenced in the Jubilee Field area in 2010. As part of my survey, I undertook a comparison regarding the occupation of people in the year of the field work (2012) and the year commercial oil drilling commenced (2010). I believe this comparison is useful for obtaining a perspective of whether the exploitation of oil had made an impact on local economic activity. The comparison indicates that economic activity within this period (that is between 2010 and 2012) was relatively stable with the population remaining in traditional local roles as farmers, fishers and so on. The community is a subsistence fishing and farming community where fishing and farming play a vital role in the lives of inhabitants. These two dominant forms of occupation complement other small-scale trading activities as well as manual jobs such as clearing of land before the planting season and food vending. There are limited formal sector jobs in the community. Two inhabitants are teachers despite not having the requisite qualifications. Most trained teachers from outside the town have refused to accept postings there because of the lack of essential amenities and ample accommodation. The remoteness of communities such as *Apyam* has been found to be partly responsible for affecting recruitment of teaching staff that are willing to live and work in such communities (Bene and Friend, 2011). One other individual in the town works with the government institution manning a tourist facility and is, therefore, one of the three individuals in the community having a job in the formal sector of the local economy. There is another individual who assists

at the mini-tourist facility, but he claims he is not a permanent employee of the said government institution and so does not receive a wage from the organisation. He is given a token by the "recognised" employee for his support services.

4.2.4 Overview of Farming Activities in *Apyam*

The agricultural forestry sector is established here because the community is home to one of the country's most important forest reserves and close to a large rubber plantation. It makes the town a critical player in the rubber sector of the country. The Ghana Rubber Estates Limited (GREL) owns the vast rubber plantation en route to the community, which operates an out growers' scheme. This scheme provides various support activities to farmers to enable them to plant rubber on their farmlands. Rubber seedlings are given to farmers to plant on their farms and monies for maintenance of the rubber plants paid to farmers in instalments until harvest. Extension services are also provided to farmers to ensure that they maintain the quality standard of the rubber plants that meet the requirements of the rubber company. Farmers sell the crops to the rubber company after harvest at a price agreed at the commencement of the planting exercise. This form of farming venture yields more income for farmers compared to planting cassava, corn, plantain and pineapples, which are the primary food crops cultivated by farmers from *Apyam*.

A farmer who wants to undertake the planting of rubber will have to apply to GREL stating the location of the land. The area is then accessed by GREL to ensure that the ownership is not in doubt. Land disputes are rampant in the capital of the country,

Accra, and in popular cities and rural areas. These arguments typically result from competition for the use of land for commercial and residential projects.

Land disputes are rampant in specific areas in Ghana because of the complex system that governs land ownership in Ghana and also in other parts of Africa. The 1992 constitution of Ghana recognises two types of land tenure - where lands are either public or customarily controlled. Public lands refer to areas that have been compulsorily acquired by the state with power over these types of areas vested in the President of the Republic. Power over customary lands is exercised by the chief or family head who because of the removal of the right to freehold tenure² must still obtain approval from the Lands Commission³ if they intend selling or developing any customary land (Gough and Yankson, 2014). Land in *Apyam* is according to the conventional land tenure system where rights over land are vested in either the chief or family head. Land for farming activities in *Apyam* is allocated to families with redistribution to individual family members undertaken by the "head of the family". Any indigene of *Apyam*, therefore, has access to land for farming activities. If he intends farming, any person who does not originally hail from the community will need to request a piece of land from the chief of the population which acts as the overall custodian of all community land. Since *Apyam* is a typical rural area, there is no competition for the use of land for either government projects or residential projects as is common in other areas. It, therefore, ensures that land disputes which characterise other parts of Ghana (see Gough and Yankson, 2000) are absent in *Apyam*.

² Freehold according to the oxford dictionary refers to having permanent ownership of land or property with the freedom to sell it whenever you want.

³ The Lands commission is a government agency which acquires and manages public lands.

Apart from checks conducted to ascertain land ownership, the farmland for the planting of rubber there is also technical criteria such as the suitability of the land for rubber. If farmland conditions are satisfactory, then a loan agreement is signed involving the farmer, GREL and a bank. The bank advances money to farmers in instalments until the rubber is ready for harvest. Other farmers in *Apyam* who are unable to secure rubber contracts help their fellow villagers who manage to get contracts from the rubber company. These fellow villagers plough the land for a token sum during the pre-planting season and during the time of harvest. Gyasi, a 33-year-old single parent, explained for example how:

When they [farmers] plant rubber every year, then during the time of harvest, I just go to help them [farmers] harvest the rubber and then they pay me some money. So that is how I survive in this community (Gyasi, Interview 55)

4.2.5 Overview of Fishing Activities in *Apyam*

Fishing plays an essential role in the lives of inhabitants of *Apyam*, and therefore it was not surprising that during my fieldwork in the community, the most active place in the town was the beach. When one enters the town, it feels quiet, which gives the impression that the village is empty, but a trip to the waterfront manifests the busy nature of the community. As is typical with most fishing communities in the country, men go fishing while women process fish for household consumption and sale. Fishing in *Apyam* is purely small-scale, and fishers from the community use wooden dugout canoes propelled by mounted outboard motors. The outboard motors used by fishermen have various power capacities ranging from 0.9 to 40hp depending on the size of the dugout canoe. Fisher's purchase premix fuels for the outboard engines from neighbouring communities. Fishing is done using drift gill nets, and even though the

use of small meshes is illegal, fishers continue to use them. Small meshes trap fingerlings, which are not ready for harvest. Fishers also make use of other banned techniques as described by Kwame a twenty-four (24) year old.

Sometimes we throw dynamites to get the fish out of their hiding places, and we get a lot of redfish sometimes when we use this method (Kwame, Interview 76).

Fishers in *Apyam* at the time of my fieldwork mostly harvested small pelagic species known as "sardinella" and also tuna species. The standard type of "sardinella" harvested was known locally as *Asisin*. There were in total fourteen (14) dugout canoes, which were seaworthy at the time of my fieldwork and even though there were other dugout canoes present at the waterfront, fishers did not use them in fishing because of their poor condition. People in the community owned all the dugout canoes in the community and these owners were also fishermen who went on fishing expeditions.

The chief fisherman is the leader of the fishermen in the community. The chief fisherman concept is a practice in all fishing communities in Ghana, and this individual is responsible for settling any disputes that arise. The number of persons who went on a fishing expedition at a time depended on the size of the canoe with canoes carrying from three (3) to fifteen (15) fishers on a trip. So there were, for instance, three-man canoes, five-man canoes and fifteen-man canoes. Most fishers at the time of my fieldwork went fishing in waters around the community and also in other neighbouring towns because of the open access nature of fishing practice in Ghana. At the time of my fieldwork, there were canoes from other communities also fishing around *Apyam*.

Most of the boats used outboard motors, which made it easy for fishers to travel to neighbouring villages. Fishers who used small canoes regularly went out to sea around 6 am and then returned to the community in the afternoon. If the morning fishing expedition was not successful, then they went back to sea at around 2 pm and then returned to the village at around 6 pm. On the other hand, fishers who used large canoes could stay at sea for about three to four days depending on the catch. On good outings, fishers remained at sea for about three or four days. Fishermen using large canoes reported that on a perfect day they could catch as much as 1,400 pieces of tuna.

The owner of the canoe also went fishing, and in some instances, some of the owners sailed with their sons. The owner of the boat usually owned the net and outboard motor and procured the premix fuel for the outboard motor. Proceeds from any fishing expedition were distributed amongst the fishermen with the owner of the outboard motor and net also allocated a portion of the proceeds. Generally, after a fishing expedition, the owner of the boat got a more substantial proportion of the profits. About 50% of the catch went to the boat owner who usually also owned the outboard motor and net. The remaining 50% was shared equally among the other fishermen who were part of the fishing expedition. At the end of a fishing expedition, the fisher gave his allocated catch to his wife who sold it to community members and also in some cases outside the community. Fish sold in both fresh and smoked forms. Fishers who were not married gave their fish catch to their mothers who sold them on their behalf or in the absence of a mother the fishermen sold their fish to a nominated fishmonger. The fishermen explained that because there were only fourteen (14) canoes which were seaworthy, they went fishing in turns.

The majority (72.3%) of household representatives who took part in the study were Christians as against 26.8 % who had no religious belief and 0.9% who were traditionalists. Some of the Christians were Seven Day Adventists hence they attended church services on a Saturday. Some other Christian groups worshipped with the apostolic church on Sundays. Fishers who went to services on a Saturday did not go fishing on that day likewise those who attended Sunday services did not fish on that day. Fishing is not allowed in Ghana on Tuesdays for cultural reasons. This system, therefore, ensured that there were enough fishermen who went fishing throughout the week. In cases where the canoe is that of a leader (Pastor) of any of the denominations, then it was not used for fishing on the worship day of the leader.

Joe, a young man of twenty-three (23) years, decided to go into fishing after his Junior High School (JHS). His father owns a canoe while his mother is a fishmonger hence fishing seemed a viable option for his JHS education. For other people who opted to farm instead of fishing, it was because of a phobia of the sea. Danso, a thirty-two (32) year-old farmer noted that "I am scared of the sea and so I cannot go fishing" (Interview, 2012). Two other young participants also identified with Danso's fear of the sea and said they were also scared to join the ranks of fishers. No matter what occupation one decided to engage in, due to the communal nature of living in the community people could often get commodities via a process of trade. Ernest, a forty-five (45) year-old fisherman expressed the personal fulfilment of fishers when they get a fish catch, which can be purchased by members of the community:

When we [fishermen] come back, we normally sell the fish so that people will get some of the fish to buy. When we get a little profit from the sale of fish we are satisfied because at least other members of the community who do

not have any fish can also get some to eat (Ernest, Interview 46).

The driving force for fishers like Ernest seems to stem from the fact they are content when they could be of service to people and not necessarily the amount of profit they make from a sale. Although the world seemed to be moving towards the monetary gains one could make from any business venture, the research did identify people like Ernest who still held core values of humanity dear. Fishermen like Kosi, a twenty-five (25) year-old fisherman also explained that even in instances when they got just a little amount of fish after a fishing expedition, they were sold at almost the same price as instances where there were bumper harvests. Increasing the cost of fish during periods of limited fish catch would place untold hardships on families whose economies were mostly dependent on fishing and farming. Despite the assertion by Kosi, that in times of scarcity fish prices did not rise, accounts by some household representatives painted a different picture throwing some doubt on the idealised reports of some fishermen. The spirit of communal living was also exhibited in the area of farming when individuals got the opportunity to obtain a contract with the GREL to plant rubber on their farmlands. The rubber plantations usually are plantations of about three (3) to four (4) hectares of land and so individuals who got these contracts recruited other members of the community to help them clear the area. The recruits were paid for their time, which served as a source of income for people who did not have stable jobs. Inhabitants who got contracts with GREL used the money which was quite substantial for building a house which served as lifetime property for them. So for those who were unable to travel to urban areas for better job prospects, contracts with GREL appear to be the primary source of capital required for putting up a house.

When it came to issues of trading, women in *Apyam* mostly traded with neighbouring communities where they sold their fish and crops. Traders sold a large part of their wares in the capital of the District, which took you about an hour drive in an excellent private vehicle. Since traders from *Apyam* travelled on public transport vehicles, it took them much longer to get to the capital town. Traders in *Apyam* also bought wares from the capital town for sale in the community. As a result of this, a trip to the capital was part of the life of a trader in *Apyam*. There were about four public transport vehicles stationed in *Apyam* hence one was guaranteed a ride from *Apyam* to the capital town every day even though times of running of these cars were not regular. The dangerous nature of the road, especially during the rainy season, deterred drivers from running regular services to and from the community. The quality of the road and the unusual public transport system limited the ease with which farmers sent food crops to the capital town for sale. Farmers did not harvest crops in bulk, and so most often they relied on intermediaries. It was mostly due to the small-scale nature of farming activities. This practice exposed farmers to being taken advantage of by middlemen.

We normally send our crops to middlemen, and they only bring us any amount of money they wish to bring and so if they give you GH30 [approximately about GB£6] for instance, then you just have to accept that amount. The reality of the situation is that you cannot harvest them in bulk to send to Agona yourself, so we just send the produce to the middlemen in bits (Danielle, a farmer, Interview 32).

The extract above shows that a farmer ends up getting small amounts of money because farming is on a small-scale so it exposes farmers because intermediaries determine the price of produce. The profit a farmer makes from his crops is also dependant on how much crop he harvests in a period which is also affected by climatic

conditions. In the case of rubber plantations discussed earlier, although it takes about five to six years for the rubber to mature, farmers receive monthly payments. Farmers are therefore assured of a regular monthly source of income till the rubber is a harvest. The predicament of small-scale farmers in *Apyam* is not peculiar to *Apyam* alone but to most rural communities where the bad nature of the road and lack of regular transport services places farmers at the mercy of intermediaries who make huge profits from a farmer's toil.

4.2.6 Overview of other Occupations

Apart from the principal occupations of fishing and farming, there were other occupational activities engaged in by members of the community. The table below gives the occupational distribution of household representatives for the years 2010 and 2012.

Table 4.7 Current Occupation of "Household Representatives"

Occupation	Frequency (2010)	Frequency (2012)
Fisherman	15	15
Farmer	52	53
Fishmonger	14	14
Petty Trader	2	4
Other Jobs ⁴	20	17
Unemployed	9	9
Total	112	112

Source: Author

⁴ Other jobs as denoted by the table refer to teaching, dressmaking, driving, vocational apprentice, food vending, midwifery, footballer, masonry, carpentry, small scale mining.

The category 'current occupation' was utilised in the study to denote jobs the respondents regarded as their primary source of income as most respondents were involved in more than one job at the time of the study. Having multiple tasks is a common phenomenon in most small-scale fishing communities around the world. Turgo (2010) for instance in a study of a small-scale fishing community in the Philippines found that the sources of income of the people were varied and in some instances income from a particular house was derived from fishing, money lending, selling fish and a whole lot more altogether. From the survey conducted for this study, almost half of the household representatives had multiple sources of income while the other half had just one source of income. Possible reasons for multiple sources of income for individuals were the seasonal nature of the two most dominant sources of revenue in the community, which meant that households were guaranteed a source of income all year round.

Additionally, to accurately estimate the total number of inhabitants who were involved in fishing-related activities, household representatives were also asked to provide details of the current jobs undertaken by other members of their households for the year 2012. The results of the present occupational data on other adult members of participants' households are provided in the table below:

Table 4.8 Current Occupation of Other Household members of *Apyam* Community for the year, 2012

Occupation	Frequency
Fisherman	23
Farmer	29
Fishmonger	8
Petty Trader	10
Other Jobs	8
Total	78

Source: Author

Data on current occupation of household representatives and other adults in their households point to the fact that there were approximately thirty-eight (38) inhabitants involved in fishing altogether while there were about eighty-two (82) inhabitants engaged in farming activities in the year 2012. It was a bit difficult to correctly estimate the number of people involved in a particular occupation at a point in time because most people in *Apyam* depended on more than one source of income throughout the year.

4.2.7 Understanding their World

Life in small rural communities differs enormously from living in an urban area or a city hence the importance of immersing one's self (as a researcher) entirely in the local area or unknown research setting to understand the life and culture of the people. The extent of your planning for fieldwork in an unfamiliar locality no matter how extensive rarely prepares you adequately for the world of a people that differs markedly from yours. Having been born and raised in Tema, a busy port city in my country of origin, Ghana, I found rural life challenging to comprehend. My first visit to my hometown which is a rural community was when my grandfather passed on and had to be buried there, which is usual practice with most ethnic groups in Ghana. Most people are laid

to rest in their hometowns, and so my grandfather's internment was my first exposure to a real village environment. Although my hometown is a typical rural area, my grandfather's family home where we lodged had all the facilities akin to a home in a city, and so my first village experience did not lend me any lessons when it came to everyday village living. My fact-finding trip and subsequent fieldwork in *Apyam* was, therefore, my first close glimpse of typical village living where having access to essential social amenities like water, toilet facilities, health facilities and electricity is problematic.

There were no toilet facilities in the community and therefore most inhabitants used the beach. The town had one functional borehole, which served all the villagers and even though construction of a second one was underway, authorities were yet to complete it. The community had no clinic facilities, so inhabitants had to travel to neighbouring villages to meet their health care needs. It was constraining for inhabitants since there were stories that women in labour had lost their lives because they could not make it in time to a health facility.

In this community when a young lady is in labour and has to deliver they have to use a canoe to transport the person to [identifier]. For one of the ladies who was pregnant, she fell into the sea when she was being transported to the clinic, so she died together with her child (Addae, a fishmonger, Interview 7).

Kwabena, a thirty-two-year-old farmer, also complained about the deplorable nature of the road and described how the lack of regular public transport affected the transport of patients especially women in labour to the clinic.

The roads are bad, so public transport does not come here regularly. Sometimes it is even difficult to transport

a woman who is in labour to the hospital (Kwabena, Interview 73).

A philanthropist was financing the construction of a clinic in the community at the time of the fieldwork for the study and residents saw this as a very laudable venture since promises of a health facility by the government had not materialised.

Houses in *Apyam* were family "owned" under the same system that governed land ownership as noted earlier in this chapter. Of the total number of one hundred and twelve (112) household representatives who took part in the study, ninety-nine (99) of them dwelt in households that were inhabited by members of the same family while thirteen (13) respondents lived alone. Members of houses in some cases comprised members of the nuclear family while other households consisted of members of both the nuclear and extended families. The smallest number of people living in a home was one (1) while the highest number of people was thirteen (13). Inhabitants usually built their houses on family land allocated to each family and the house was passed on from generation to generation. People who did not have any family lineage in the community rented homes. Of the total number of one hundred and twelve (112) representatives of households who took part in this study, only four (4) of them lived in rented houses. The first respondent contacted for this work whose home is directly opposite the chief's palace explained that even though she had not been born and raised in *Apyam*, the house she resides in belonged to her mum. The house became her property once she decided to settle in *Apyam*. Men who hailed from outside the community but were married to inhabitants from *Apyam* lived in their wives' family homes. The men cultivated farmlands belonging to their wives' families since they did

not have lands of their own. It was the norm when it came to land and houses, a situation which was not contested by anyone.

4.2.8 Perceived Changes in Fish Stocks

Apyam as a rural fishing and farming subsistence economy has not escaped changes that communities are undergoing the world over. A town, which was formerly assured of enough fish and crops to cater to its inhabitants and neighbours, is experiencing shortages. Perceived bumper fish catches as well as bumper crops harvested during previous harvest seasons mainly dominated participants' narratives of life in *Apyam* during the period of the fieldwork. For instance, Adwoa in her account of life in the community in the past said:

Formerly when we had visitors in this community, they were so happy because the fishermen got a lot of fish catch (Adwoa, Interview 10).

She explained that fishers on their return from fishing expeditions in the past came back with so much fish that anyone who happened to visit the community at that time had the privilege of getting some fish for free. My interpreter corroborated the account by Adwoa. The interpreter lived in a town close to Takoradi which is the capital city of the Western Region, but he spoke the language of communication of the people and also knew the community terrain very well, and he also acted as my driver for the duration of the fieldwork.

My interpreter for the fieldwork also mentioned that after he returned home from our first day in the field, his wife was disappointed because he went back without any fish. He explained that his wife's disappointment was because it was common knowledge that anyone who visited *Apyam* went away with gifts of fish. It seemed that to some

people, *Apyam* had become synonymous with a typical fishing community and that identity had been built over the years. Addae, a fishmonger, also confirmed bumper fish catches that characterised past fishing trips in the following narration:

My daughter, previously if you had come to this community, you would have seen a lot of fish here, previously we didn't lack fish at all but today look at the situation (Addae, Interview 7).

She further explained that if it had been in the past, by the time I was through with the interview all she had to do was to instruct one of the young men to bring some fish to me as a gift because fish was always in abundance. People spoke with pride when they mentioned bumper fish harvests in the past, but that mood quickly disappeared when they talked about the present situation of declined fish stocks. From the accounts of some participants, it seemed that community members felt a sense of security when there was abundant fish catch and a lack of it when they had little fish. For Fishermen like Kwame, a twenty-four-year-old, fishing was no longer gratifying:

Fishing is no longer enjoyable. It was not the same as in the past. The fishes have moved upstream because of the oil, so when we go fishing, we do not get fish (Kwame, Interview 76).

Other narratives on the changing nature of fishing also centred on how this had affected the fishing trade in general. The narration by Kesse, a thirty-two-year-old driver, dwelt on the changing nature of fishing activities and its impact on work patterns and fish consumption:

Fish catch levels have drastically reduced because for about two to three months now we have not seen any fish. Now it is about one boat that got much fish and then brought it back, apart from that it takes a long time for them to get a fish catch and so we are not too sure what

the problem is. For instance, when you go to the seaside now, the small canoes that you see there, they hardly get any fish. Initially, when you go to the seaside to buy some fish, you spend only a few minutes at the seaside, and then you get some fish for your daily consumption, but now when you go, you will not get any fish. Because of that most of the small canoes are idle (Kesse, Interview 60).

Kesse further spoke about how decreased fish catch levels had also increased the price of fish and also influenced how people relate to each other. He explained that:

The prices of fish are costly now because of this; if you even want a little fish to eat and you have about GHC3 (equivalent to 55pence), you would not get some fish. I just bought about GHC3 worth of fish now, and the person who sold it to me is my uncle, and so it was a form of a gift, but formerly, things were not like this. When you even went to the seaside in the past to get some little fish for consumption someone would just give you some, but now nobody can give you any fish for free unless the person is your relative. Things were not like this formerly, because in the past they [fishers] got a lot of fish and so when you even had no money, someone would just give you some fish to feed the kids but things have changed. Things are difficult now so the little the fisherman gets when he goes fishing, he cannot give you any of it because he also has to feed his family with it (Kesse Interview 60).

Kesse's quote above summarises the way of life in small communities like *Apyam* where people do things communally, and people who were not involved in any job still managed to feed themselves and their families all year round. There were instances where participants mentioned that they did not have any source of income yet they managed to survive mostly on community benevolence. There were other accounts where participants said when it was time to pay the school fees of their children, they went from house to house asking for loans, and this was sufficient. They usually paid back loans when they sold their fish or when they sold crops during the harvest

season. The narration by Afua, a twenty-seven-year-old trader further corroborates Kesse's account given above:

We sometimes go without fish in our meals if there is no fish catch because if the fisherman comes back with just a small amount, then he will not sell it, so we do without it (Afua, Interview 13).

People are naturally predisposed to taking care of their welfare needs first before that of others during periods of scarcity. Other participants also complained about how the shortage of fish had increased the price of fish and how this had affected their meal patterns. It is because the little amount of fish caught is for sale in neighbouring communities. Danielle a forty-year-old farmer on her part lamented the lack of fish in her diet:

I have not eaten fish in a while. They [fishers] hardly get fish when they go fishing and so the little fish fishers get, they normally give them to the women who deal in fish to take it to the capital to sell. It is what happens now, about three days ago, the meal I ate only had crab (Danielle, Interview, 32).

A scarcity of fish had changed the eating pattern of people with people complaining that they have not had fish in their meals for a while. People could not afford the high price of frozen fish that is bought from the capital and sold at high prices because traders have to make up for the cost of transportation. It is a bit ironic that even though there was local demand for fish, it was usually transported and sold to neighbouring communities. The main reason for this was that the monetary returns traders in fish made from fish sold outside the community were greater than when they sold to their people. It was exacerbated by local poverty and the need for people to depend on the benevolence of others to survive. Although all the fishermen I interacted with did not

complain about the inability of inhabitants to pay for the fish they consumed, Yaw, a fifty-four-year-old farmer had a fascinating insight into why inhabitants sometimes did not get fish to buy.

In this community, people borrow fish from fishers, and then they refuse to pay, so we do not get fish to buy sometimes (Yaw, Interview 111).

So whereas in the past some fishermen said they felt a pride in being of service to community members regarding selling fish to inhabitants even though they made a little profit, it seemed things had changed. Fishers now preferred to sell the fish to women who deal in fish to send it to the capital town because there they were guaranteed payment.

Kosi, a twenty-five-year-old fisherman, spoke of how the scarcity of fish had also changed the fishing pattern of fishers in the following extract:

Initially, when the fishing business was booming, we could go fishing at about 5 am and then by 2 pm or 3 pm we come back. However, now the job is not too good, so we stay until about 6 pm or 9 pm before we come back. It is causing a lot of difficulties (Kosi, Interview 68).

Similarly, Lumo, a fifty-five-year-old fisherman also spoke of some schedule adjustments fishermen had to make with regards to how long they stayed at sea.

Now when we leave at dawn around 5 am for fishing, we get back around 3 pm. Things have changed now. Initially, we used to go around 5 am and then return by 8 am (Lumo, Interview 82).

Fishers now spent more extended periods at sea which increased their chances of getting some fish before they returned home but this meant higher operating cost for fishers. Fishers who could not withstand the pressure of coming home without any fish

had decided to abandon fishing altogether. Ophelia, a thirty-two-year-old farmer, married to a fisherman provided evidence of this:

Now when he goes fishing, he does not get any fish, so at the moment we all go to the farm (Ophelia, Interview 95).

The nature of the farming and fishing subsistence economy of *Apyam* gave people the option of moving from one job to the other (either fishing or farming) if they felt they were not getting returns from their toils. Inhabitants who had direct relations who went fishing were guaranteed fish for their meals during periods of scarcity as noted by Pamela, a forty-year-old farmer in the following extract.

As for the fish, if my son goes fishing and comes back without fish to sell, we get some fish to eat (Pamela, Interview 97).

Despite these accounts that point to the fact that many participants believed there had been a change in fishing and farming activities over the years, others also held a contrary view. Ebo, a forty-six-year-old farmer, was of the firm belief that fishing had always been seasonal:

For the fish, it has its seasons; there are times when you get fish, and there are other times when you do not get fish. It has always been like this (Ebo, Interview 39).

Ernest, a forty-five-year-old fisherman, also sided with the account given by Ebo about the seasonal nature of fishing, and he explained that:

With fishing, we have certain periods within which the fishes come up, and there are times when the fishing business is bad. So during periods of Christmas, we get a bit of fish and from the Christmas period till the rains start, then there is no fish (Ernest, Interview 46).

Ebo and Ernest in the extracts above were therefore not open to the idea expressed by other inhabitants presented earlier that indicate that periods of scarcity of fish was a recent phenomenon.

4.2.9 The Perceived Impact of Oil Drilling on Fish Stocks

Fishermen like Lumo, who complained about fish scarcity attributed the period of fish scarcity to the beginning of oil discovery as shown in the following extract:

At first, before the oil discovery we used to get much fish when we went fishing, but since the beginning of the oil drilling when we go fishing, we do not get fish (Lumo, Interview 82).

The chief fisherman of the community is also of the conviction there was a link between fish scarcity and the oil discovery.

The discovery of the oil has destroyed our fishing profession. Before the discovery of oil, when we [fishers] went fishing, we [fishers] used to get much fish but now with the discovery of oil, when we [fishers] go fishing, we do not get fish (Chief fisherman, Interview 57).

Consumers of fish like Gyasi, an unemployed thirty-two-year-old was also of the firm belief that the period of fish scarcity started with the oil discovery.

We hardly get fish to buy now since the oil discovery, we cannot tell if the oil has driven away from the fish. The fishermen have also been told not to go further up. That is where they will get some fish, but they have been asked to stay away from the oil rig (Gyasi, Interview 55).

Going close to the oil rig was a risk a fisher could not afford to take. Considering that these fishermen fish on a small-scale then the rig area was seemingly out of reach.

Koku, a thirty-three-year-old fisherman, was also of the belief that there was a period of fish scarcity at the time of the fieldwork. He, however, opined that the period of lack dates before the period of oil discovery as shown in the following extract.

Formerly things were not like this, for instance, I will say that from around the 1980s to around the 2000s fishermen had a lot of fish catch, but from then till now the quantity of fish catch has reduced (Koku, Interview 65).

Koku attributed fish scarcity to the use of lights by bigger vessels.

The oil discovery was in 2007, but we started experiencing problems with the sea around 2000 when bigger boats began using lights for fishing. From May, June and July fishes move from upstream to downstream but because the lights are being used to chase the fish from around 60km, the fish return to the deep sea. The views are the cause of the declining fish stocks because instead of fishes moving downstream during this period, they are driven further up because of the lights. You can see that all the canoes that lined up here do not use lights and we cannot go to the deep sea. When you do not go deep sea, you will not get fish, and so the lights are to blame for the problem of low fish catch. The fish also gather around the oil rig because of the lights around the platform (Koku, Interview 65)

To Koku, the scarcity of fish was a result of the use of lights by bigger boats. It is illegal according to the rules governing fishing in Ghana for vessels to use lights, but due to lax implementation, this practice continues. Koku further explained that lights around the oil rig also aggregated fish stock around the platform, which prevented small-scale fishers from having access to the fish stock. The concern expressed by Koku about the use of light by larger vessels has been documented by Bannerman and Quartey (2004) who noted this as a source of agitation between canoe fishers and inshore fleet operators. The use of lights by fishing vessels was not a practice adopted by coastal

vessels alone as Crawford et al. (2013) reported that this practice was common amongst canoe and semi-industrial fleet as well.

On the issue of fish scarcity, there was no consensus as can be seen by accounts of inhabitants detailed above. For those who believed there was fish scarcity, reasons given were varied. In specific instances, some household representatives were of the opinion that fish stocks had declined because of oil drilling activities. Others believed that the fallen stocks were due to seasonal fluctuations. Regarding fishing seasons, the two major fishing seasons in Ghana are from July to September and from January to February. Despite these major seasons, there are certain species of fish like the flat "sardinella" which is caught in small quantities throughout the year. Sardinellas are among the typical type of fish caught in *Apyam*, but complaints of inhabitants about fish scarcity meant "sardinellas" were also in short supply. I conducted fieldwork for this study in October, a period which falls outside the main fishing season in Ghana. However, complaints of inhabitants about fish scarcity appear to date back to months before fieldwork for this study began. Hence, considering the declining levels of annual landings of pelagic species (which is the essential fish source for coastal communities) presented earlier, national trends primarily explain the decline in fish stocks in *Apyam* rather than oil exploitation or seasonal fluctuations. Despite the conflicting reports of fish scarcity, it is evident that *Apyam* community is a community that in the depth of poverty perceives that oil exploration has made matters worse. The importance of the perceptions of local communities in an era of resource extraction means it will be costly for either the government or companies involved in the Jubilee oil extraction to ignore the concerns of *Apyam* community members.

4.2.9 Fishing and Farming Define Our Lives

Some inhabitants described staying in *Apyam* as being confined to limited job opportunities and financial woes. When I asked some inhabitants about what life in *Apyam* entailed, they were quick to say that there was no money in *Apyam*. For such inhabitants, they did not see the occupation of fishing or farming as providing sufficient income. For instance, trading activities are on a small-scale, and that might explain why some traders did not see themselves as engaging in any job venture due to the small nature of their activities. On the issue of jobs in *Apyam*, some participants' conversations centred on the lack of choice when it came to deciding on a career path. Yaa, an old woman of seventy with a swollen leg, expressed the hardship that comes with being saddled with limited job prospects:

There are no jobs in this community and so when you are unable of the farm, then it means that you will go hungry. It explains why for a few months now since I have been unable to farm because of ill health, I am always hungry. Farming is the only form of a job here aside fishing, and so when you are unable to farm or go fishing, you will go hungry (Yaa, Interview 109).

One wonders how a woman like Yaa survives in such a situation when she is unable to work, and the nature of the job she did in the past (farming) did not guarantee enough savings to feed her during her old age. Yaa and others in similar circumstances in *Apyam* said they had to depend on the benevolence of others to survive. Mensah and Antwi (2002) in their study of problems faced by artisanal fishermen in the Ahanta West and Gomoa districts of Ghana found that because of issues of low income, inadequate housing and absence of social security, many fishers become impoverished in their old age. Even though the observation by the authors is attributed to fishers, this could be extended to farmers like Yaa. Narratives of apparent

difficulties experienced in *Apyam* seemed to revolve around the absence of jobs, which according to some research participants had resulted in poor living conditions for inhabitants who live in the community. Some spoke of being miserable in the community because they were forced to either fish or farm or to move out. Kwaku, a 65-year-old farmer, was quite emotional when he explained that:

We are so miserable in this community because there are no jobs. So what I have realised is that if you do not farm or fish, then you will just be left with nothing to do in this community and with farming it takes about a year before you can harvest your farm proceeds (Kwaku, Interview 75).

An old man made the statement above, and one would have thought that younger people would mostly feel agitation about lack of job choices, but it seemed that the freedom to have a job choice had got nothing to do with age. Complaints of limited job opportunities were made by both young and old alike. Abeeku, a seventy-five-year-old farmer, also had similar sentiments that community inhabitants were limited to either fishing or farming.

In this community, you cannot find any other jobs to do except farming and fishing (Abeeku, Interview 2)

Afi, a sixty-three-year-old farmer on her part, spoke of the limited job opportunities in *Apyam* which resulted in inhabitants staying idle when there was a hitch in either fishing or farming.

In this community, there are no jobs, we only fish or go to the farm and so if the crops do not do well then it means we just stay around idle (Afi, Interview 12).

Fishing or farming according to Afua, a twenty-seven-year-old trader did not even guarantee returns which she speaks of in the following extract.

In this community, if you do not go farming, you will not eat, and if you decide to go fishing too, you are not guaranteed of harvest because for about one week now, we have not had fish in the community for our meals (Afua, Interview 13).

Farmers who planted rubber on their plantations could be said to be the most privileged in the community since this guaranteed them a much more stable form of income during the planting period as explained earlier in this chapter. Kwabena, a 32-year-old farmer, for instance, spoke of how planting rubber on his farm had provided him with the needed capital to educate his kids in the district capital:

If it had not been for this rubber plantation close by, things will have been more difficult for us because I could not have enrolled my kids in school. They are presently living with someone in the capital, and I can send them about 60 Cedis [equivalent to GB£11] per month for their upkeep (Kwabena, Interview 73).

Some young people who could not further their education after the Junior High School (JHS) cited the inability of their parents to pay their fees. Other young people could also not make the required grade for continuing to the next level of education. Parents like Kwabena could afford to pay the fees for educating his kids in the district capital since its schools have better resources than those of *Apyam*.

4.3 Hoping For Better Opportunities

According to inhabitants, it was, therefore, a great joy when the government announced that oil had been discovered nearby their community. Community

members said they felt that at long last a 'lucky star' had shone their way, which they believed would change their destinies forever. A few minutes after the public announcement of the oil discovery in the Jubilee Field, *Apyam* became an instant hit nationally and internationally with a lot of media attention centring on the village. Lots of visitors trooped into the community to witness first-hand the community that had suddenly become sensational overnight as there were so many groups of people who wanted to be a part of history. The expectations of the people were very high, and the promises made by government delegations and oil companies were numerous. The chief of the community relayed events that followed after the oil discovery:

When the oil discovery was announced nationally, three days afterwards, the former regional minister and other leaders came here to tell us of the discovery. They even said that we should look for another place because the authorities were going to relocate us. We were asked to look for a place so that when the time comes they will just prepare the place and then we can move there. We went ahead to find a place and then informed the authorities that we had found a place we could relocate to (Chief, Interview 28).

Community members were ecstatic after the announcement of oil discovery because they felt their prayers will be answered. They believed that things could not get any better as there were promises that estate houses will be built for them as noted by Ensun a forty-year-old unemployed male.

We were told that we would be relocated to other areas while officials build estate houses (Ensun, Interview 45).

Other participants talked about their most pressing desire for job opportunities finally coming to the community, which they said were also corroborated by government representatives and company officials who visited the community regularly after the

oil discovery. Agymah, a thirty-seven-year-old unemployed male spoke of promises made to community members:

We were told lots of job opportunities would come to the community (Agymah, Interview 14).

Akua, a thirty-two-year-old farmer, also corroborated the account given by Agymah about promises of job opportunities. She also spoke of the promise of the relocation of the community:

We were told that once the oil drilling starts, we would get lots of jobs to do. We were also told that oil could come with much illness so the community will be relocated elsewhere (Akua, Interview 17).

Participants like Efie, a twenty-one-year-old who was unemployed explained how officials compiled the names of inhabitants with promises of job opportunities.

We were told by government and oil companies that we will get jobs to do once the oil drilling starts. People have even been here to compile all our names, but nobody has called us for any jobs. Officials have taken our names to the highest office (Efie, Interview 41).

Officials held meetings with the fishermen, and the chief fisherman attested to this when he recounted such an event in the quote below:

The officials of government and oil companies met the entire fisherman at the seaside when they came, and we [inhabitants] were told that when the oil drilling begins, the proceeds will be brought to this community (Chief fisherman Interview 57).

People spoke of the community's most pressing needs, which should be taken care of almost immediately. Bobo, a forty-five-year-old fishmonger, spoke of these concerns below:

We [inhabitants] spoke to officials who came here about our problems such as the bad nature of the road, lack of toilet facilities and electricity. We [inhabitants] were promised these needs would be addressed (Bobo, Interview 27).

These amenities have been neglected for a long time now, and community members hoped that with the present attention, an end to their misery had finally emerged. Deborah, a thirty-year-old farmer, also corroborated the account given by Bobo above:

Lots of people have been here. They always ask about our concerns when they come. We tell them about the road, electricity and jobs. Our concerns are always documented, and we are promised they will be addressed (Deborah, Interview 34)

There were also very high ambitions about employment with the oil companies and so there was the call for the building of classroom blocks and the construction of a Senior High School (SHS) in the community. As stated earlier, children from the community had to go to the district capital or neighbouring communities if they wanted to further their education at the JHS level. Manu, a fifty-two-year-old farmer, spoke of promises of the building of clinic and school:

Some of the promises made by officials who came around were the building of a clinic and school for the community (Manu, Interview 84)

The people saw these expectations as minimal considering the amount of money they felt the government could generate from the oil discovered in the nearby seas. Aside from the joy and expectations following the oil discovery, inhabitants were also

concerned that oil operations might endanger their fishing activities. Therefore during various visits made by representatives of government and oil company officials, these dangers were also discussed. Fishers were particularly concerned about the interference of oil operations with fishing activities as enumerated below by Kontar, a thirty-five-year-old farmer who went fishing to supplement his income:

We expressed our fear of the oil drilling interfering with fishing activities and the risk of environmental disasters (Kontar, Interview 66).

The highly expectant nature of *Apyam* community members about the oil discovery delivering a life-changing encounter for the community has been found to be a common occurrence associated with oil discovery in resource-rich communities the world over. Most often, community expectations have been found to be entirely different from the plans and programmes that oil companies, as well as the government of the country, have for these communities. It remained to be seen whether *Apyam's* case will be different from other resource-rich communities in the developing world and whether Ghana's oil discovery will be different from the experiences of communities in Nigeria's oil-rich Delta region.

4.4 Summary

This chapter has provided a background on the country Ghana and its extractive industry with emphasis on the gold mining sector and the recently discovered commercial oil sector. The importance of the fishing sector to the country's economy and coastal communities is highlighted in this chapter. This chapter provides the basis

for the following data chapters, which will discuss views of crucial selected stakeholders regarding the impact of Ghana's oil discovery in *Apyam*.

CHAPTER FIVE

“Communities are our Major Stakeholders”: A Rhetoric or Reality?

5.0 Introduction

Chapter four provided a background on the country Ghana and its extractive industry. The thrust of the chapter was that *Apyam* community members were expectant that the oil and gas discovery would result in infrastructure development of their community as well as the creation of jobs in the oil and gas sector.

This present chapter aims to provide an insight into whether the government and oil companies believe they have a responsibility towards communities in the oil region relative to redistributing some of the benefits from oil revenues. The perspective of an NGO is also explored in this chapter to examine the role played by this group during oil exploitation activities. The discussion in this chapter is in four sections. The first section offers an overview of natural resource management (NRM) with a discussion of how MNC and host country relationship impact petroleum agreements and policy frameworks in the management of oil revenues. The second section will examine the rationale behind government and oil companies' characterisation of the Jubilee resource as a state asset. The third section will then highlight community engagement programmes organised by oil companies in the build-up to oil drilling and the reasoning behind these activities. In the final section, I discuss areas where officials redistributed oil revenues and why they chose to prioritise those areas. I provide a summary at the end of the chapter.

5.1 Overview of Natural Resource Management (NRM)

Throughout history, natural resources have been influential in the prosperity of some countries that are developed (Kolstad and Wiig, 2009). However, as highlighted in the beginning chapters of this work, over the last fifty years, there have been moderately fewer examples of countries rich in natural resources that have become wealthy (ibid). In the modern context, it is a paradox that many countries that are rich in natural resources such as oil or diamonds nevertheless perform poorly in economic growth compared to their counterparts with no resource wealth (ibid). For instance, the absence of natural resources has not been a barrier to economic success in countries like Hong Kong, Korea, Singapore and Taiwan (Humphreys et al., 2007). On the other hand, natural resource-rich countries like Nigeria and Sierra Leone have had difficulties regarding economic growth (ibid). It has been termed the “resource curse” by some analysts referring to the phenomenon where resource-rich countries have failed to benefit from their natural resources (Humphreys et al., 2007). One of the key problems identified as fuelling the “resource curse” is the fact that in many instances, countries are unable to realise the full value of their resources and maximise revenues (ibid). It has the potential to limit money available for national or community development projects even where governments have such priorities. Hence contract negotiation is essential in ensuring that communities benefit from the exploitation of their natural resources (Radon, 2007).

The type of contractual agreement governing Ghana’s Jubilee resource is a joint venture agreement between the government of Ghana and the Jubilee oil partners. The government of Ghana represented by the state oil company in the joint venture agreement presently has a 13.64% stake in the Jubilee resource (Tullow Ghana Plc.,

2012). An official of the Energy Ministry⁵ of Ghana in the quote below justifies the reason for the country's low stake in the Jubilee resource.

Remember that the time, in which the particular petroleum agreement was signed, Ghana was a risk-prone area because we had not discovered commercial quantities of oil as at that time. Therefore because oil exploration is a capital-intensive venture, what happens is that when people come, and you do not have a history of oil, people who come are a bit apprehensive. Therefore when we negotiated for our current interest, we negotiated with the mindset that we are in dangerous terrain and therefore investors would want something more enticing (Energy Ministry official, Interview 120).

The government saw the low stake in the Jubilee agreement as essential in attracting companies to prospect for the country's oil. The government saw Ghana's status as a "new kid on the block" regarding developing commercial oil deposits as the reason for agreeing to a petroleum agreement that mostly favoured oil companies. Also, the capital-intensive nature of extraction activities was seen as a deterrent to the government taking up the exploitation of oil on its own hence its reliance on MNCs. Agreements that mostly favour oil companies in the initial stages of prospecting for oil seem a viable way to attract foreign oil companies to develop resources in new frontier oil regions. In chapter two, I showed that in the extractive sector, outcomes are a function of the relative bargaining between MNCs and Host governments (Korbin, 1987). Korbin (1987) further explains that in the natural resource industry, MNCs have immense advantages relative to the often isolated developing host countries hence the bargains agreed are consistent with the asymmetry of power and the high risk of

⁵ The Energy Ministry of Ghana is a ministry of government which was created with the mandate of overseeing the affairs of the country's energy. The oil and gas industry is just one component of the ministry's remit and its role is to formulate necessary policies that will regulate activities in the energy sector (Energy Ministry Interview 120)

extractive industries. This display of the power of MNCs over the less powerful developing country is akin to that which Bernal (2011) describes as Dahl's first phase conceptualisation of power where power is the decision making in the political space. The author further explains that this mechanism of power is the skills and resources that can impact decision-making. In the Ghanaian case, the oil companies used their superior skills of capital and negotiating skills to tilt the initial bargain in their favour. However as also explained in chapter two, other studies allude to the changing nature of bargaining relations between an MNC and host country government which is explained by the OBM (Brewer, 1992, Fagre and Wells, 1982 and Korbin, 1987). In the OBM, the goals of the MNC and host states conflict hence although the first bargain favours the MNC after the initial agreement has been reached, the relative bargaining power shifts to the host state over time (Vivoda, 2011). The bargaining power of the MNC at the time of entry erodes with time because as soon as the MNC makes a sector-specific investment in the host country, then the resources are captured by an opportunistic host country government (Eden and Molot, 2002).

The government of Ghana's low stake of 13.64% in the oil seems consistent with the initial stages of the OBM where at the time of entry, the bargain favoured the foreign oil companies. The Jubilee oil discovery was the first of its kind in the country, so it is safe to say the foreign oil companies had the immense advantage of capital, technology, market access and superior bargaining skills (Fagre and Wells, 1982). Having established that the initial bargain worked in favour of oil companies prospecting for Ghana's oil then it will be instructive to determine if the original bargain power of MNCs obsolesces with time. One way of determining this is to explore in subsequent sections of this study to see whether oil companies made certain investments in the oil and gas sector. Did these investments necessitate the

government instituting higher tax measures or asset expropriation. It is some of the ways through which bargain power shifts to host countries (Vivoda, 2011).

Aside from the bargaining process between MNCs and host countries, measures put in place by host country governments to ensure that foreign entities that develop a country's resource undertake skills and technology transfer that are local community biased are essential to ensure resource-rich communities benefit. In Ghana's case, the formulation of Ghana's "Local Content and Local Participation in Petroleum Activities" policy document is seen by the government as providing for the inclusion of Ghanaians in all aspects of the oil industry.

The local content policy document is to ensure that Ghanaians participate fully in the oil industry. Objectives of the policy document are to create job opportunities for Ghanaians. It is to ensure a local component in the value chain and also to ensure full participation of Ghanaians in every aspect of the industry (Energy Ministry, Interview 120).

The local policy document can only be binding on the oil companies when it is passed into law. Although commercial drilling of oil commenced on the 28th of November, 2010 (Energy Ministry Interview 120), the government laid the policy document before the Ghanaian Parliament on the 1st of October, 2012. The laws of Ghana require twenty-one (21) sitting days before a policy can be passed into law and at the time of my fieldwork interviews, the policy document was still before Parliament awaiting consideration. With the policy document still before Parliament, it meant that there was no law binding the various actors to implement the provisions in the policy document.

Despite this, the oil companies claimed to be committed to implementing the provisions in the document as evidenced in the quote from the official of Boss⁶ below:

Although the local content law is not yet in place, the Jubilee partners are committed to developing provisions in the local content document because we believe in local content development. The Jubilee partners believe in doing business with the government for the long haul. It is evidenced by our listing on the Ghana Stock exchange (Boss, Interview 118).

The absence of clear laws mandating oil companies to undertake specific projects tends to be more advantageous to oil companies who might want to optimise their business interests at the expense of host countries. Idemudia and Ite (2006a) for instance drew attention to the fact that the failure of the Nigerian government to set up a minimum control mechanism for oil companies means that oil companies are left to set their standards. He further asserts that this has resulted in situations where some oil companies operating in Nigeria have failed to comply with environmental laws to save money. Ghana's local content policy is supposed to build local capacity for the oil and gas sector, but the shortfall of the document appears to be the national focus. One of the provisions in the policy document had the unfulfilled potential to help communities in the oil region. It was to do with the development of local capability in all aspects of the oil and gas value chain through education, skills and enterprise development, transfer of technology and know-how and active research. Among other measures, this provision offers lower skill artisanal training about jobs such as welding and catering services (Local content policy framework, 2009). Although this is laudable, training programmes which were to be offered by local training and technical

⁶ Boss (a pseudonym) Ghana Limited is a subsidiary of an independent oil exploration and production company, set up in the UK and listed on the London Stock Exchange (LSE). The company also has secondary listings on the Irish stock exchange and also on the Ghana stock exchange (GSE).

institutes supported by government and the petroleum operators were for the whole national populace, and as such, no special consideration for indigenes from the oil region. The official of the energy ministry defended this stance in the following quote.

The oil resource belongs to the whole nation. In drafting the local content policy document, there was no deliberate attempt to favour communities from the oil region regarding training programmes or any other associated benefits (Energy Ministry, Interview 120).

The local content policy is, therefore, more of a national drive hence not advantageous to frontline communities in the oil region. Implementing the local content policy into law is therefore unlikely to provide benefits for communities in the oil region. In the next section, I explore the political stance argument of the government towards the oil resource.

5.2 Jubilee Resource is a State Asset

The high euphoria after the Jubilee oil discovery as highlighted in the previous chapter seemed to be on varying expectations across the Ghanaian populace. For *Apyam* community inhabitants, the discovery of the oil reserves near their community is an avenue for job creation, infrastructure development and provision of social amenities with the overarching aim being the improvement of living conditions (see section 4.3). However, the expectations of *Apyam* community inhabitants appear to be different from those of corporate actors interviewed for this study. There was evidence to suggest that the government saw resource distribution as a mechanism of compensation rather than a community right. Given that *Apyam* was not directly affected by offshore drilling, ministry personnel suggested that *Apyam* did not merit resource allocation. An official explained that:

However, you know the challenges of onshore exploration are different from offshore. Offshore, just the last time I was talking to someone about that fact that currently Jubilee is about 63km off the shore of the west coast and so in that way the interference between the oil activity and other people is not as significant if you were to come onshore. Onshore, you are interfering directly into the lives of the people and therefore even before you even start contemplating drilling, you need to make sure that all those people are well sorted out or else we may be visiting upon ourselves the issues of the Niger Delta (Energy Ministry, Interview 120).

Oil companies also held similar sentiments claiming the offshore nature of the Jubilee resource had limited effects on coastal communities in the Jubilee area. As a result, issues about compensation and alternative livelihoods is not as legitimate amidst claims that no individual had lost access to their household or farmlands. As an interviewee from *Boss* commented:

We do not think the nature of our operations brings up issues of compensation and alternative livelihoods. Let me just draw an analogy with an onshore operation. If it is an onshore operation, very often what it means is that people will have to lose their farmlands. So for instance, if you have farmlands in this area and it is determined that this area hold some crude, and so we need to explore this area then you need to leave your farm. If there are houses, you need to be evacuated. These are typical situations that call for compensation and alternative livelihoods. You are eventually taking over the farmlands and taking over the houses. The offshore operation is entirely different. Nobody's farm has been taken away; nobody's land, nobody house (Boss, Interview 118).

Although some officials were of the view that disagreements over oil is linked to onshore drilling activities, the magnitude of expectations evoked by oil discovery (see section 4.3) might make such a general outlook problematic. Officials also cited the

open access system of fishing practised in Ghana as one of the reasons why coastal communities were not directly affected by oil operation activities.

Our interactions and experience with fishermen tell us that when they go fishing, they do not go to any specific fishing grounds. Fishing is a very opportunistic vocation so based on the fishermen's assessment and their experience and all when they get to a place; they have a way of concluding that when they cast their nets, they will get something. So it is not as if they have a particular fishing ground which has been taken over by the installation of the rigs. It is instead the installation of the rigs that are creating some form of easy access to fishing which they want to take advantage of but which also come with some dangers (Boss, Interview 118).

However, quotes from some fishermen in *Apyam* suggest that their fishing pattern had changed following the oil discovery (see section 4.2.8). Fishermen claimed they spent a long time at sea now compared to the period preceding the oil discovery. Fishers attested to the fact that the rig area is out of reach because fishers restrict to fishing in adjacent waters. Furthermore, they complained about the issue of lights around the oil rig attracting fish rather than their inability to take advantage of fish around the rig installations.

Apyam community is a highly deprived community hence expectations were high that the discovery of oil would help turn the fortunes of the community around. Although officials claimed the offshore nature of the resource diffused calls for compensation for alternative livelihoods for communities, these same officials claimed fishing communities were one of their key stakeholders.

Before the commencement of our operations, we consulted widely with fishing communities because we consider the fishing community to be one of our key stakeholders. If there is any community that will feel

our presence, the fishing community will feel that more than any other community (Boss, Interview 118).

The oil companies' claim that fishing communities are one of their key stakeholders appears to indicate that the outlook of oil companies towards coastal communities was ambiguous. It seems officials were quick to dismiss community expectations of benefits with explanations that the oil was offshore, but at the same time, these communities are key stakeholders. Although the oil rig is offshore, coastal communities around the Jubilee area depend heavily on fishing and fish trading. Establishing whether an activity taking place in the Jubilee area has a bearing on communities around the area need not be speculative. One of the possible yardsticks could be to determine the number of people who depend on the fishery resource in that area. It is perhaps surprising therefore that the Jubilee oil partners did not undertake a Fishery Impact Assessment (FIA) which could have served as a baseline for determining the number of people who depend on the fishery resource as evidenced in the quote below.

There was no baseline study to determine the fishery stock before the extraction of the oil. One study was done, but it was not related to fisheries resources. It was to do with the benthic composition (Fishery Commission⁷, Interview 122).

Although the oil companies stated in their Environmental Impact Assessment (EIA) that there will be minimal interference on the fishery stock around the Jubilee area (Tullow Oil, Ghana, 2011), this does not seem to be supported by empirical facts.

⁷ The Fishery Commission is a government commission and the rationale for the establishment of this commission was to put in place measures to see to the direct welfare needs of fishermen and their dependants

There were assertions by government agencies to the effect that majority of fishers will not be affected by oil drilling in the Jubilee area.

However, looking at the impact on fishing from the shared knowledge of where the fishermen are fishing, the majority of the fishermen do not go that far. Majority of the fish species of the assembly are within 30 to 70m depth contour. The oil is beyond that depth, so the impact will only be for those [fishermen] who are going that far to chase the large species like sharks, tuna and gill fishes and seal fishes and salt fish (Fishery Commission, Interview 122).

However, these assertions were not backed up by evidence such as that which is from a baseline study. Some authors have also argued that the attention paid by oil companies to FIA studies, which they consider useful, has the propensity to ignore the perceptions of local communities (Idemudia and Ite, 2006b). It has, for instance, resulted in conflicts between local people and oil companies in the Niger oil region of Nigeria (ibid). It seems the best approach to understanding the impact of an oil drilling activity on local communities is a combination of scientific evidence as well as understanding the perceptions of local communities in the resource-rich region. Complaints of fishers in the Jubilee area, for instance, show that fishers are facing challenges because they have to travel further as a result of oil activities. An oil company official explained that:

We have had interactions with the fishermen, and according to them, they may need to go further than they used to because of our operations. So we asked them about what we can do to support them. Some have requested for outboard motors; some have also requested for reflectors, some of them have requested for what is called the fish finder. During our trip to the Keta [a community in one of the new oil prospecting regions] area, we distributed reflectors and fish finder to the fishermen so that they could go to other areas to

fish. We have done similar things in the Jubilee area. I think right now Boss is distributing some of these things. They are giving outboard motors to the fishermen so that they can also go to other areas and fish (Civil, Interview 116).

The claim by *Civil*⁸ that oil companies distributed fishing implements in the Jubilee area as a result of complaints received from fishers seem to indicate an acknowledgement that oil activities somewhat impact fishing. However, the absence of an FIA before the commencement of drilling activities has made it difficult to determine the precise effect that oil operations have had on fishery resources in the Jubilee area. *Omega*⁹, the civil society group, supports this assertion as shown in the quote below.

We [his organisation] are therefore of the opinion that a comprehensive fisheries impact assessment (FIA) should have been done first for us to understand the baseline. For instance, which areas have more fisheries stock, which areas have fewer fisheries stock, which areas are more critical ecosystems and so on and then come out with some projections. For instance, if we get xyz volume of oil because of specific considerations, we might not have to extract, but that has not been established. So without that, it will be difficult for us to believe when the oil companies say that there will be minimal impact on fishery resources (Omega, Interview 119).

The role of *Omega* is essential in Ghana since NGOs are critical players in extraction activities. Doh and Teegen (2002) have demonstrated how NGOs have become essential and influential critical players in international business. As stated in chapter two, NGOs are essential players in the bargaining relationship between MNCs and

⁸ *Civil* Corporation was set up by a law in 1984 which mandates the Corporation to lead in the exploration, development and production and also disposal of oil resources.

⁹ *Omega* (pseudonym) is an NGO international network established in 1996. The organisation has been in existence in Ghana since 2006 but it became a legally registered entity in 2010.

host country governments. Most often NGOs are impediments to government and MNCs investments plans (Doh and Teegen, 2002). Some MNCs and host country bargaining models, therefore, anticipate that NGO stakeholders that possess one or more of the stakeholder attributes of power, legitimacy, and urgency could have a bearing on long-term viability and sustainability of investment projects (ibid). Ikelegbe (2001) for instance notes that the entry of civil society groups into the discourse among local communities, governments and Multinational Oil Companies (MNOCs) in the Niger Delta region of Nigeria has ensured that the power struggle against the State and MNOCs is well coordinated. In the case of Ghana, it will be instructive to determine the influence the NGOs bring to bear on resource distribution.

Revenue from oil exploitation is of maximum importance to host governments of developing countries. Therefore, while authors like Bridge (2008) have drawn attention to the phenomenon known as “hotelling” where they advocate that oil wealth is left in the ground for conservation purposes, this has not been the strategy in Ghana where the oil revenue is essential to national development.

The first thing is revenue; the fact that we get the oil and we sell the oil, our revenue kitty has expanded. We officially started production on the 28th of November 2010, but the official commissioning was done on the 15th of December, 2010. So if we project, from January 2011 to August 2012 regarding the amount of money that the government of Ghana has we had a net value of GHS 326,620,934. It gives you a fair idea regarding the quantum of money that is coming into our coffers; our kitty has expanded (Energy Ministry, Interview 120).

Other benefits of the oil as advanced by the government included claims of cheap sources of future fuel for industry.

The gas component is also critical, so if you look at Jubilee, Jubilee has associated gas. The whole idea is

how to process the gas, and the gas will help regarding fuel. Apart from water, gas is the cheapest form of fuel that you can use regarding cost. Because we have almost exhausted all our water resources, Volta Lake is gone, we have Bui we have cleared that one so we need to rely on thermal. So if you look at it comparatively instead of using crude oil or diesel, natural gas is cheaper so it means that is an area where we will be able to produce power at a very cheap cost for industries to use. So with a cheap power source for industries to use then industries' cost build-up will be lower. The industries should be able to expand to create jobs, (Energy Ministry official, Interview 120)

Although a plan for power generation from the gas component of the Jubilee field is a laudable idea, there is no guarantee that this project will see the light of day. Meanwhile, the expectations of *Apyam* Community members are on immediate benefits of the oil discovery to the community. Accounts of promises made by government and oil companies suggest that community members felt once oil drilling commenced then the benefits would start trickling in. However, this understanding amongst community members appears contrary to that of government and oil companies. It seems the government's posturing on the benefits of the oil constitutes political rhetoric instead of concrete plans with realistic timelines for when the government will implement projects. Furthermore, when pressed interviewees seem to deny the right of local communities to expect any benefit from exploration.

The government believes that the Jubilee resource is a national resource and that it just happens that it is closer to the western region. The Jubilee resource it is believed is not in the Western Region because it is offshore. The offshore asset does not belong to any particular person; it is a state asset (Boss, Interview 118).

The argument that the oil resource belongs to the whole nation which is often advanced by an oil company and government officials when pressed for local communities' expectations of oil benefits is a much more significant discussion of which groups corporate actors prioritise in the midst of an extraction activity. The discussion in chapter two on urban and rural inequality that characterises most parts of colonial Africa bears some resemblance to the national stance argument. It is because the political posturing adopted by government and oil companies runs the risk of favouring developed communities since these areas will most likely be chosen over geographical challenged and less visible communities like Apyam.

Despite government explanations that the Jubilee resource belongs to the whole country, there remains the issue of where communities in the region fit in the oil discourse. For instance, the literature argues that there are increasing demands on multinational enterprises (MNEs) to assist their host communities, especially in developing countries through the provision of community development programmes (Eweje, 2007).

5.3 “Community Engagement is Critical to our CSR Agenda.”

Awareness of the operations of companies in the extractive industry has come under scrutiny, and this is linked to pressure from international organisations, civil society and governments (Yakovleva, 2011). Oil companies are presently seen to interact more with local communities than they used to do in the past (Frynas, 2005). These companies also presently ascribe a greater significance to their social and environmental impact as well as engaging with local communities (ibid). Oil companies claim to respond to their social and environmental impact on society through the lens

of Corporate Social Responsibility (CSR). CSR is a topical issue in the operations of the extractive industry. Coronado and Fallon (2010) describe the third phase of CSR practice referred to as “co-regulation”. This phase allows stakeholders to hold corporations “accountable” for their CSR measures since stakeholders are involved in the design and implementation of CSR strategies (ibid). Oil companies in the Jubilee partnership did claim that stakeholder engagement was essential to the success of their CSR agenda.

We have a policy, and even beyond the policy, we come up every year with what our CSR strategy should be and so we consider CSR as very critical to our operations. We inevitably interact with communities in the process of conducting our CSR, and so there are various segments of the community which we consider to be our key stakeholders. As good corporate citizens, we try as much as possible to ensure that we manage those relationships and that it inures to the benefit of not just the company but to the various stakeholders that we interact with (Boss, Interview 118).

Similarly, representatives of *Apyam* community pointed out that the community was part of engagement programmes organised during the build-up to the Jubilee oil exploitation (see section 4.3). However, despite such evidence of community engagement before oil drilling activities, it does not seem that engagement programmes have resulted in benefits to communities. Consultation with communities is a mandatory requirement for operational permits given to oil companies. Evidence of this is in this quote below from Ghana’s Environmental Protection Agency¹⁰ (EPA).

Whenever a project is coming up the law mandates us to issue permits. Now for us to issue the permits, the onus is on the one who is proposing the project, now

¹⁰ The EPA is a government agency and it is mandated to regulate activities that impact on the environment. The EPA has responsibility for issuing permits of a project that in the view of the agency might impact on the environment.

we are talking about the oil and gas activities, specifically we are talking about Jubilee so the onus is on Boss and its partners to provide us with information that this project that they are going to undertake, these are the issues that will arise out of this activity. Now one of the critical aspects of the project is for them to consult, consultations with the community or what we call the project-affected communities. So as part of the EIA which is Environment Impact Assessment process they have to do some consultations. Now when they submit the report to us, there must be evidence in the report that consultations were held with the people. That is one of the critical things that we look at before we issue the permit (EPA, Interview 121).

It appears the importance attached to stakeholder engagement programmes held with communities in the Jubilee area seemed inclined mainly towards fulfilling a mandatory requirement rather than a voluntary initiative by oil companies. It is evidenced by the quotes of *Fair* and *Boss* officials detailed below.

For instance, if you look at how we derive our money, IFC is one of our financiers, and IFC has principles that companies in the industry who take their money would have to meet. So by that, we are enjoined to make sure that whatever we are doing under CSR agrees with the IFC regulations (Fair, Interview, 117).

All companies that source funds from the IFC are bound by the rules and regulations of the IFC. All the performance standards of IFC apply to the Jubilee project (Boss, Interview 118).

The International Finance Corporation (IFC) is a member of the World Bank Group, and it claims to be the most significant development institution focussed exclusively on the private sector in developing countries (IFC, 2014). Its role includes providing financial support to companies amidst claims that it serves as a means of managing risk and broadening their access to foreign and domestic markets (ibid). Standards established by the IFC on environmental and social sustainability require stakeholder

engagement with communities (IFC, 2006). Community engagement programmes in the Jubilee area may be partly due to the strict enforcement of the IFC performance standards on the Jubilee project. The influence of multilateral agencies such as IFC on resource projects in developing regions is not a new occurrence. For instance, Ramamurti and Doh (2004) attest that since multilateral agencies such as the IFC had considerable political clout over most developing countries, they were able to keep host governments in check hence halting cases of expropriating of foreign investments. It could explain the Jubilee project's strict adherence to IFC's standards of stakeholder engagement programmes.

Also the EPA, the regulatory body that determines the legitimacy of oil companies to proceed with an oil exploration venture claim to issue permits based on evidence of community engagement programmes held with resource communities. It seems the number of public hearings held for the Jubilee project might have impacted on the decision to issue the permit for the oil companies to operate. For instance, there were claims by the EPA in the quote below that the number of public hearings held for the Jubilee project was eight instead of the standard of one for such a project.

Because the Jubilee project was the first oil and gas related project, it generated much public interest. We had to do eight public hearings; normally for a project, it is only one public hearing but this one we had eight. Six of the six coastal districts of the Western Region then we had one regional meeting in Takoradi and then one national here in Accra, at the Accra International Conference Centre. We also had one for the Western region house of chiefs, so that was the public hearings that we did. After that, we issued the permit (EPA, Interview 121).

It seems the number of public hearings held and not necessarily the nature and depth of hearings influenced the decision to issue permits to the companies. It could result

in scenarios where oil companies might be preoccupied with conducting a large number of engagement programmes with the sole intention of getting approval for permits and not necessarily based on their contribution to a CSR agenda. It appears oil companies seemed mainly geared towards fulfilling a mandatory requirement to legitimise their operation instead of obtaining feedback from communities.

We have engaged with communities' right from the beginning of our operations. It is not just out of our will to meet them despite the fact we consider engagement as one of the most important things that we do but the process towards putting together an Environmental Impact Assessment statement which is one of the primary requirement before you start exploration and development require that you consult with key stakeholders. So we had several levels of consultations with the fishing communities even before we commenced our operations (Boss, Interview 118).

Bawole (2013) also observed that public hearings and other stakeholder engagement processes held in the wake of the Jubilee oil discovery in Ghana were solely to meet legal requirements instead of prompting inputs from local stakeholders. Oil companies are often susceptible to conflicts with local communities because of the failure to integrate community perceptions into how CSR policies are designed and also the lack of community participation in the implementation stages (Idemudia and Ite, 2006).

NGOs seem to be formidable stakeholders in community engagement programmes organised as a part of resource management. The social and economic injustices created by corporations are brought to the attention of the public through advocacy programmes performed on behalf of communities by NGOs (Baur and Palazzo, 2011). *Omega*, an NGO, claims to be involved in programmes that aim to give a voice to

communities like *Apyam* regarding demanding accountability from policymakers at the local level.

We are involved in developing community potential to be able to engage with the policy demands so in an area like Apyam, we have some people there and we also have some friends in [name of NGO] who we also use to harness our energy and resources. Some of these people have become the focal point for alerting or educating the community folks so that they can be able to demand greater accountability from the district assembly (Omega, Interview 119).

Omega also spoke of its participation in community engagement programmes.

We were part of the consultations. There have been several levels of consultations; the government had its consultations, oil companies also had its consultations and civil society also conducted its consultations. At times we did these programmes simultaneously. The same constituencies of people from these organisations [government, civil society and oil companies] were the people meeting various segments of society (Omega, Interview 119).

Omega expressed concerns about the different nature of community engagement programmes held.

However, the issue is that the languages are not the same, what civil society tells the communities are not what government also tells them and what the companies also tell the people is also different. So the people [community members] are also out there taking in much information, and I think that sometimes community members get confused. That is the reality on the ground (Omega, Interview 119).

It appears that different groups had their interests during community engagement programmes hence a likely scenario for community members to get confused. See the evidence by the *Omega* quote below:

The issue is that the companies are seeking their interests, the Government is also trying to play a father's role more or less, trying to manage the crisis from both ends that are the fallout of oil and community aspiration. My interaction with the communities tells me that while the government is trying to be diplomatic with issues about the oil; the companies are busily painting a picture of heaven that is telling people they will get employment and all that. However, we also know from issues on the ground that the issue of oil is not very rosy, so what we [civil society] have also been trying to do is to come out with the hard truth which may not be palatable. However, these are real issues, so the communities are taking all sorts of information (Omega, Interview 119).

The characterisation of government as “playing a father’s role” regarding oil deliberations in the *Omega* quote above appear different from accounts of household representatives interviewed for this study. Inhabitants in *Apyam* spoke of promises of jobs and better living conditions as emanating from promises made by both government and oil companies (see section 4.3). It appears both oil companies and government were complacent when it came to raising the expectation of community members about benefits to be derived from the oil. The result of the current posturing of companies and government in community engagement programmes is likely to be unmet expectations. Community engagement programmes have the propensity to create the impression that communities are essential to the oil operation process. Communities could, therefore, become expectant of benefits from oil merely as a result of their participation in engagement programmes. If such benefits were not forthcoming, it is reasonable to expect that there is the potential for unrest. The oil

companies, however, claimed there are community support activities for all the communities in the six coastal districts.

5.4 CSR Interventions as Part of Community Support

The Jubilee oil partners claimed communities in the six coastal districts were recipients of a bulk of CSR projects.

We do acknowledge that some communities are closest to our areas of operations, there are some communities that if for nothing at all, has the more visible physical presence of what we do and that has guided our corporate social responsibility. Majority of what we do as a company is in the fishing communities. The six coastal districts are our concentration when it comes to community support activities (Boss, Interview 118).

Claims of support activities instituted by oil companies as part of their CSR agenda towards communities in the six coastal districts seem to highlight further the point made earlier about the ambiguous stance adopted towards resource communities. Claims that coastal communities in the Jubilee area are closest to operations in the Jubilee field seem to lend credence to the fact that the offshore nature of the Jubilee resource does not entirely exonerate companies from obligations towards these communities. The CSR agenda of oil companies seem to show that companies are inclined towards portraying communities as their key stakeholders yet there seems to be little evidence on the ground to support this. For instance claims by some of the companies that their CSR policy was in the development stage left no apparent sign of determining whether officials will fulfil CSR “ambitions”. For companies like *Civil* and

*Fair*¹¹, there appeared to be no definite plans on how to deal with coastal communities as evidenced in the two quotes below.

We are developing what is called the Local content policy, and out of that local content, the policy is CSR aspect of what we do (Civil, Interview 116).

We have a CSR policy that I will say is evolving. It is because when you go to our background, you understand why it is evolving. It has to be a tiny company with between 10 to 50 people both here and in Dallas, and the company is growing so as it grows, our CSR policy is also growing. In November, we had a series of meetings and seminars all to now come out with a stronger CSR policy because of how fast we are growing now so come January, maybe first quarter next year we should have something that will couch for longer-term (Fair, Interview 117)

Claims by some of the oil companies that their CSR policy was in transition creates uncertainty about their CSR agenda, but it further had the potential to impact on broader CSR activity. For example, because the Jubilee project was a partnership, some plans for project interventions were decided by all the partners.

The CSR that the Jubilee partners do goes through a certain process for approval, and so the idea could be initiated by any of the partners, but the partners will have to jointly agree that we are pursuing this activity as part of our CSR. So to a considerable extent, it is fair to say that jubilee CSR activities are decided on by the partners (Boss, Interview 118).

¹¹ *Fair* (pseudonym) Ghana is a subsidiary of its mother company which was formed in 2003. It was listed on the New York Stock Exchange (NYSE) in May 2011. The company claims to be focussed on value creation via exploration in frontier and underexplored basins (Interview, 2012).

Companies which are still in the process of developing their CSR policies might, therefore, delay the pursuit of related activities. Furthermore, a requirement for agreement by all the partners before a CSR project takes place presents a complex set of approval processes. A delay in the approval process could potentially hamper the implementation of a particular CSR project. Regarding the implementation of CSR projects, oil companies claimed the offshore nature of the oil discovery was the driving force for the district implementation of projects.

Projects are implemented in districts because the oil resource is found offshore. The six coastal communities are therefore seen as our frontline communities. There are some projects that cut across all the six coastal districts, and there are also certain projects that are only implemented in specific districts (Boss, Interview 118).

District-level implementation of projects appears to further widen the gap between developed districts and less developed districts in the resource-endowed region. It is because projects from resource-rich communities are not evenly distributed in all the districts. Specific projects, such as rehabilitation of district hospitals, are for instance implemented in districts based on pre-existing facilities. This type of project favours districts that are already developed. For instance, developed districts will most often have access to essential amenities like water, electricity, good roads and access to health care while less developed districts mostly lack these essential social amenities. Having an uneven project implementation plan based on pre-existing infrastructure in districts tends to favour developed districts as against undeveloped districts. Evidence of this is in the quote below.

So for instance for some of the projects, it is built on existing projects in the district. So for Sekondi-Takoradi district, for instance, there was already the Regional hospital, and so we rehabilitated the accident centre in

the hospital. Again for Sekondi-Takoradi, we have the polytechnic there, so we offered support to the polytechnic. For projects that cut across the districts, there is the livelihood enterprise centre which aims to develop the entrepreneurial skills of fishers and people from the communities. We also train people in the communities who are interested, for emergency response during periods of oil spills. Sometimes, before fishers get back ashore from fishing, the fish has almost gone stale, so we have trained people in the communities in manufacturing local refrigerators to conserve the fish. Across the districts, there is also a Jubilee technical training centre that trains people from the communities (Boss, Interview, 118).

The nature of project implementation as outlined above tends to favour communities within districts where there are existing facilities. The justification for such projects is that:

We would as much as possible avoid creating situations where people will start feeling that they own this resource more than other Ghanaians. [Apyam] falls within a district and we have some interventions for all the six districts, but we have not singled out [Apyam] as an area that requires special attention (Boss, Interview 118).

However, *Apyam* community has no hospitals or polytechnics and will be unable to benefit from such projects. For example, among projects that companies claimed cut across all the districts, such as training offered to communities through the Jubilee training centre, there remains the issue of access. The training centre is in the capital of the Western Region, which is about an hour and thirty minutes' drive from *Apyam*. The irregular public transport system in *Apyam* as a result of the bad nature of the road as outlined in the previous chapter compounds problems of access. Claims that the livelihood development centre will advance the skills of fishers also appear to be unlikely to be realised in *Apyam*. Fishers in *Apyam* talk about a dip in fishing activities,

and as a result, further skills training in the fishing sector might not look enticing to them. Inhabitants in *Apyam* were rather expectant of other opportunities beyond fishing and farming (see section 4.3) hence skill development in the fishing sector might not be appreciated. Although oil companies also spoke of individual CSR intervention programmes, the mode of implementation was the same for joint projects (i.e. district implementation).

We are helping with developing the capacity of the Ghana Health Service with managing issues of primary health in the six coastal districts. We are doing this in conjunction with an organisation from the US, and we are working closely to build capacity for the management of malaria and other primary health care issues. This particular project is modelled along the lines of a project that was conducted sometime back; the project is based on surveillance, is based on monitoring, is based on trying to keep a tap on the community to find out what are the health needs, what are the health issues. It involves community health people moving from house to house, from the community to the community having chats with people trying to find out what their health condition is and just gathering basic statistics. Based on what they gather it becomes easier to determine what the trends are regarding what intervention is required (Boss, Interview 118).

Collaborative projects with the health service do not spell out the exact contribution by the oil companies. Although gathering health statistics on the population as outlined in the extract above was seen as a CSR intervention by oil companies, this seems to be a project in the initial stages. Also, there were no clear guidelines for programme implementation as evidenced in the quote below.

This community you are mentioning a project is going there, but that has not started. Even for the ones that I have mentioned, we are breaking ground on three of those projects, Nzema East and this one, in Ellembelle,

Kwame Nkrumah's mother's place, Nyaniba was in a sorry state, so we added that to our projects. What we have done is that we have divided ours into three phases, [Apyam's] phase is supposed to start next year that is a six-unit classroom block there is one that has a teacher's office and areas of convenience that is sanitation and you have additional borehole in that community but is for the second phase that is for next year so it is one of the communities that is captured in our plan (Civil, Interview 116).

There appeared to be flexible about project implementation. For instance, the official of *Civil* in the extract above spoke of the fact that one of the projects was added to a list of projects because the said facility was in bad shape. The said facility is in the home district of the first President of Ghana. It raises the possibility that the ability to compel companies to add communities or districts to project plans is because of the power wielded by such a community. A plan for school infrastructure and social amenity projects in *Apyam* as advanced by the official of *Civil* above appear less definite and of lower priority. Furthermore, there seemed to be no clear criteria for distributing benefits in the oil region. The official of *Omega* spoke of claims for the establishment of a committee to help in developing clear guidelines for projects emanating from the oil discovery.

Recently there is this Western regional development committee which is trying to identify certain criteria for selecting areas for disseminating benefits. There is much interest in the Western Region, but I think there is also a crisis of political will because as it stands now, there are no clear criteria for instituting projects (Omega, Interview 119).

The above discussion on the implementation of social benefit projects in the Jubilee area helps to put into perspective the issue of spatial inequalities raised in chapter two. The review in chapter two showed that spatial inequalities characterise most parts of colonial Africa. In this study, the district implementation of projects seems to further

widen the gap between developed and less developed districts in the oil region and this was highlighted earlier. The posturing of oil companies and the government towards project implementation gives us an indication of their ideological leanings. The defence that the oil resource is a state resource hence the district implementation of projects is based on already existing projects glosses over a much more extensive discussion on what determines the inclusion of specific groups. A discussion which concentrates on the power dynamics exhibited by various groups in the midst of oil extraction activity might help shed light on why officials developed specific areas, and others were not. One could, for instance, explore the power wielded by a community like *Apyam*, and this will help put into perspective why concerns of the community appear less definite and of lower priority. The discussion in the previous chapter, for instance, showed that when one contrasts the situation in *Apyam* with other communities with regards to essential social amenities of electricity, water, health post and roads, *Apyam* lacks behind. *Apyam* was without these essential amenities even before the oil discovery. *Apyam* was therefore labelled a “forgotten” community with its forgotten status linked to the geographical and politically isolated nature of the community which makes it easy to overlook in development programmes. To fully explore the power dynamics that arise in the midst of extraction activity then it is necessary to explore accounts of the community about how they perceive projects implemented in the oil region. The discussion in the next chapter will explore first-hand accounts from *Apyam* community inhabitants, and this will help to explain whether indeed the district implementation of projects affects the community negatively.

The expectations of job opportunities in other sectors aside from fishing and farming among *Apyam* community members (see chapter 4) also appear unlikely to be fulfilled. It is because oil company officials claim that no single community was singled out for

oil benefits. Oil companies claimed that people of some of the communities have been engaged as drivers and also in the pipe yards. According to *Boss*, employment with any of the oil and gas companies was entirely based on the skill set of individuals.

There are some jobs types that you can get people from the community to be part of, and in fact, there are some members of the community who are engaged in the oil and gas industry, but it depends upon your level of competence. It also depends upon your area of specialisation, and it also depends upon what you are bringing on board. We have people who are working in the pipe yard recruited from the communities; the pipe yard is where most of the pipes and other metals that are used offshore are kept and go through various stages of audit before they are sent to our operations offshore, and there are quite a number of people working in that area. Depending on your level again, there are some few drivers working with us from the community (Boss, Interview 118).

The results of the survey conducted as part of this study as outlined in the previous chapter showed that the majority of household representatives in *Apyam* who had a formal education ended their education at the JHS level. It indicates that it is unlikely that household representatives in *Apyam*, with their current skill set, would be in a position to benefit from employment opportunities in the oil and gas sector at all. For instance, the household representatives I interviewed might need to undergo training before they could be competitive regarding job prospects in the oil and gas sector. Although the official from *Civil* touched on the skill deficit of people from communities in the oil region, the intervention proposed in the form of training programmes seems geared towards “middle-level manpower” development.

There is always this agitation that well since this oil has been found in the Western Region then the sons and daughters from that area should be the ones working

on the FPSO and stuff like that. When you carry out an audit of these sons and daughters from the Western Region, you realise that they do not have the requisite skills to even go into the middle-level workforce. We as part of the Jubilee partners supported the Takoradi Polytechnic to develop a curriculum to train the middle-level workforce, and we have been able to put together a structure called the MVP project. Now we started recruiting last September, and the idea is to build middle-level workforce (Civil, Interview 116).

Individuals who could take advantage of the initiative with Takoradi Polytechnic, for instance, would need to have at least an SHS qualification. This requirement would prevent most inhabitants from *Apyam* from pursuing such an opportunity due to the low education levels of community inhabitants. For instance, only five (5) out of one hundred and twelve (112) people interviewed for this study had an SHS qualification. Also, many of the household respondents [forty-four (44)] had no formal education. The company claims to the effect that there were support activities with educational institutions to solve the skill deficit of people from the regions looked more geared towards benefitting people in developed districts. It might mean that most inhabitants from deprived communities like *Apyam* would be out of reach of such interventions due to the minimum qualification required for admission to the Polytechnic and also the issue of funding. Company funding schemes for people from the oil region was on a regional basis which is even on a much larger scale than the district basis adopted for resource projects.

What, we did for the communities, was that with the fifty (50) scholarships that I spoke about, we reserved ten (10) for people from the Western Region and so that in itself is an acknowledgement. It is an acknowledgement that yes, there are people who are impacted on more by our operations than others, so ten scholarships were reserved for them. It did not mean that beyond the ten scholarships they cannot

apply for others, so there were ten reserved for people from the Western Region and they were also eligible to participate in the remaining forty (40) (Boss, Interview 118).

While companies see scholarship schemes as support programmes for communities in the oil region, it tends to be to the benefit of people residing outside the resource region (Coronado and Fallon, 2010). For instance, household representatives of *Apyam* spoke of financial constraints as one of the reasons why people could not further their education at the JHS level (see chapter 4). In addition to that, inhabitants had to travel to neighbouring communities to attend SHS because of the absence of an SHS in *Apyam*. A broad-based scholarship scheme for people from the Western Region is therefore likely to limit the chances of local members of communities like *Apyam* from competing with other people residing in more developed districts and cities in Ghana. Additionally, oil companies claimed that job opportunities in the industry are based on an individual's level of competency.

So being from the community does not guarantee one a job with an oil and gas company. It is what you are bringing on board, it is what value you have added to yourself, and it is about what capacity you have. It is about what skill you have. These are the basis for getting a job and not based on the fact that you are from the community (Boss, Interview 118).

It, therefore, seems that claims of interventions to communities as a result of the CSR agenda is more geared towards fulfilling the CSR rhetoric instead of a genuine commitment to intractable social issues. Government and company officials appear to list projects as part of a commitment to the CSR agenda without clear evidence that the project will benefit local members of communities in the oil region. They also seem to favour easily achieved interventions. The district implementation of interventions presents communities as a homogenous group obscuring the failure to reach those

who are most in need. It appears companies tend to use homogenous representations for different stakeholders as a tactic for ignoring groups that have legitimate concerns due to companies' operations (Coronado and Fallon, 2010). It, therefore, seems that instead of claims by the oil companies that their CSR projects contribute to social development in the oil region; it instead serves to widen the gap between developed and less developed districts. The ability for a community like *Apyam* to take advantage of social projects advanced as part of the CSR agenda, therefore, appears very constrained.

5.5 Summary

This chapter has sought to establish whether government and oil companies believe they have an obligation towards redistributing benefits from oil revenues to communities in the oil-rich region. Expectations of *Apyam* community members that the oil discovery will deliver life-changing opportunities for them regarding alternative jobs, infrastructure benefits and social amenities are at odds with the views held by corporate actors (oil companies and government).

CHAPTER SIX

Broken Promises? The Failure of Oil Discovery to Deliver Benefits to *Apyam* Community

6.0 Introduction

The two previous sections have outlined both the extent to which community members in *Apyam* feel that oil discovery has negatively impacted upon their village and the general ethos of corporate actors engaged in oil exploitation about the exercise of social responsibility. In this chapter, I outline the attitudes of residents towards the extraction companies, local and national politicians, and other agencies. Here, we see the beginning of social unrest and a feeling of disenfranchisement that indicates that Ghana could face future problems (bearing some similarity to those of other neighbouring oil states) if it fails to speed up the process of redistribution and to maximise investment in regional infrastructure.

Maconachie (2013) notes that increased transnational extractive industry investments are having various impacts on local populations in resource-rich regions of sub-Saharan Africa. The author further states that in some cases these investments have been met with resistance and rejection while in others, they have been welcomed by communities with hopes of gainful employment in the sector. Stetson (2012) on his part cautions that conflicts over natural resources in developing countries are bound to increase because the development goals of various governments are likely to clash with territorial claims. In the case of *Apyam*, inhabitants were expectant that the Jubilee oil and gas discovery would lead to beneficial outcomes for their community and livelihoods. This expectation was because oil companies and government officials

made numerous promises about the useful results of oil exploration in their area. In other words, the community of *Apyam* accepted the drilling of the oil resource in the Jubilee area because of promises of development in its wake. However, as the previous chapter has highlighted, the expectations of *Apyam* community members that oil discovery will significantly enhance the quality of life is at odds with the policies of corporate actors. This chapter is therefore about the disjuncture between corporate policies and the reality on the ground where systems put in place by corporate actors in the oil and gas sector does not translate into benefits for rural communities impacted by extraction activities. In effect, although in the previous chapter the oil companies claim that interventions introduced as part of their CSR policy would benefit communities in the resource region, this section shows that *Apyam* community appears worse off than it was before drilling activities at least as far as the people in *Apyam* are concerned.

This chapter first explores issues that influence the perceptions of the inhabitants of *Apyam* and the belief that they are entitled to benefits from oil activities. The chapter then focuses on the reality on the ground in *Apyam* two years after oil production began. Finally, I explore the actions taken by inhabitants of *Apyam* in the midst of unfulfilled expectations.

6.1 Community Perceptions

Unmet expectations and even conflicts are often a hallmark of relations among the extractive industries, society and development from a community perspective (Alstine and Afionis, 2013). These unfilled expectations and conflicts appear to be influenced

by preconceived ideas among members of resource-rich communities that a discovery of a petroleum resource will be a solution to its problem. It seems that development policies proposed by corporate actors will benefit resource-rich communities. Politicians and corporate actors will deliberately fuel initial supporting plans for extraction. Regarding *Apyam*, three significant issues currently seem to bolster the belief amongst *Apyam* community inhabitants that they are entitled to benefits as a result of the Jubilee oil discovery. These are a lack of essential amenities locally, the perceived disruption to fishing as a result of oil drilling activities and the proximity of the community to the oil rig. As a result, community members feel they have legitimate claims to the oil discovery. The following section discusses each of these issues in detail.

6.1.1 Lack Basic Amenities

The deprived condition of *Apyam*, both regarding lack of necessary infrastructure and the limited availability of jobs, seems to fuel the expectations of *Apyam* community members. I have continuously highlighted *Apyam* community's deprived social and economic status in previous chapters where access to essential social amenities (electricity, water, toilet facilities, and health centre) remains a challenge. *Apyam's* predicament appears to be due to the failure of the local governance system to provide such social amenities. Inhabitants of *Apyam* saw the Jubilee oil and gas discovery as a 'lucky star' which will change the destiny of their community forever (see chapter 4). There was an expectation that oil discovery would be a solution to existing government failings.

Inhabitants of most rural communities in Ghana including *Apyam* expect the government to take care of their social amenities. Government is held solely accountable for development needs in this setting. The following quote is illustrative of this:

We do not have a clinic except for the one the white person is currently constructing. The clinic should be completed by next year. The government has not given us a clinic. We have only one dug out well (borehole) which supplies water to the whole community, and this constrains us a lot. The second borehole is currently under construction, it has not been completed yet, and so we all use one borehole presently, the one in front of Nana's palace. We only draw water from that source which constrains us a lot (Msrah, Assistant at tourist facility, Interview 89).

The inability of the district assembly, the local governance system to provide social amenities in *Apyam* could be linked partly to challenges of inadequate funding for local level social intervention schemes. As one official of Omega, an NGO, described it, the lack of funds and hijacking of projects by dominant groups in the district assembly was responsible for the ineffectiveness of the district assembly:

At the district assembly level, there are many issues. The fact that they do not have enough funding themselves, the fact that there are issues of priority setting and the fact that there are issues of elite capture where elite groups capture the resources available (Omega, NGO, Interview 119).

The Assemblywoman of *Apyam* described how she had made several requests to the district assembly for a toilet facility but had yet to succeed in her quest. She explained that:

What worries us [community members] here is that we do not even have a toilet facility in this, community. We usually defecate at the beach. As for this, I have spoken about it several times at our assembly meetings that they must try

and give us a toilet facility. As a visitor, you cannot use the beach, but for someone like me who stays here, I can use the beach. So what we are asking for is a small toilet facility for the community. If they do it and we mishandle it, and it gets damaged then we will recognise that we have not taken good care of the facility. I have said this several times at assembly meetings, but the authorities have not granted our request (Assemblywoman, Interview 23).

Similarly, the chief of *Apyam* reinforced the account that pleads for better social amenities had not received consideration:

Our most pressing needs in this community are the road, drinking water and toilet facility. We have complained to the authorities severally, but our complaints have not received any attention (Chief, Interview 28).

As highlighted previously *Apyam* also lacked electricity. The failure of the government to provide the necessary social needs of *Apyam* community had resulted in inhabitants of the village believing the discovery of oil nearby will propel the state to attend to their needs: "Initially there was no light here, but now the electric poles have been erected, and I am happy about that. By the Grace of God, this is the benefit we have gotten so far. Initially, the Western Region wanted 10% of the proceeds from the oil, but officials told inhabitants of the region that it would not be enough. So we have realised that if electricity is connected to this community, it will help us" (Yaw, farmer, Interview 111).

It is recently that they have started doing something about the much talked about the light project. Formerly officials were not doing anything about it, so we did not see any benefit from the oil discovery (Assemblywoman, Interview 23).

There are now some changes, like the erection of electric poles so when the light is finally connected, then it will bring about a change (Akwasi, Teacher, Interview 18).

Although the government had not connected the electricity, some inhabitants believed that the oil discovery was responsible for steps being taken to address the issue of power. The erection of electric poles was a separate project undertaken by the government, but community members seemed convinced that it was as a result of the oil discovery. How long it will take for the government to connect *Apyam* to the national grid, however, seemed difficult to predict. Completion of the electrification project was dependent on whether the government was fully committed to the project. Although the project had not yet been completed community members believed the oil discovery was the key to the project's completion.

The reaction of community members of *Apyam* to government's obligations regarding development is different from other scenarios in the natural resource literature. Some of this research suggests that in the midst of an extraction activity in less developed countries, MNEs are expected by community members to initiate community development projects (Eweje, 2007). In *Apyam* it seemed community members held government solely responsible. Some community members hoped that having been unable to solicit responses from the district assembly or government in the past, they could make use of the publicity generated by oil to draw attention to their community's challenges and achieve more significant government action. Inhabitants like Kwabena believed that the town folks could highlight the problem of lack of teachers as a result of the generated publicity. The following quote is illustrative of this:

The problem here [Apyam] is that there are no teachers here. Teachers have refused postings here because of the poor conditions. Now that the town has received a lot of attention because of the oil discovery, we are only pleading that the government will help us out (Kwabena, farmer, Interview 73).

Islam and Deegan (2010) in describing "media agenda setting theory" have highlighted the fact that the media is a vital element regarding influencing community concerns and expectations. The authors further noted that the media has been influential in bringing to the fore, the social responsibility performance of multinational companies operating in developing countries, including the use of child labour and poor working conditions. As highlighted earlier, *Apyam's* link with the oil discovery appears to have brought the community into world focus. This was due to the high media attention that characterised the first commercial oil discovery, for example, the documentary aired by the Cable News Network (CNN) mentioned in the introduction of the thesis. However, regardless of the media attention there have yet to be positive outcomes, causing some community members to develop a somewhat cynical outlook. As one described:

A radio station called Peace FM came to lodge in the community. Everybody just gets up and come here yet all they will not fulfil the promises. (Adjwoa, Farmer, Interview 10).

Another with similarly cynical views considered that politicians made numerous promises only for electoral gain. He said:

As things stand now, if we do not have anything in this community then it is because of us and then the government. This is because they always tell us to get prepared and yet when they come they do not tell us anything beneficial. Now the election period is here, so they keep on coming and going, promises that we have never

heard before are what they tell us. In the long run, they deceive us. So life in this community is complicated (Kobie, Farmer, Interview 62).

The scenario presented by the respondent above is similar to that described by Stetson (2012) who in discussing the Peruvian context, notes that the government often takes advantage of the needs and vulnerability of indigenous people who live in remote areas. Hence if communities are not well informed, then they become victims of numerous unfulfilled promises of facilities and items (ibid). Oddly this does not seem to have long-term political fallout for the politicians concerned. The household survey conducted in *Apyam* as part of this study, for instance, showed that one hundred and nine (109) out of one hundred and twelve household representatives (112) voted during a national election. The politically active nature of inhabitants in *Apyam* could, therefore, be reasonable grounds for assuming that governments might feel accountable for promises made. However, this does not seem to be the case. I conducted fieldwork for this study in October 2012 a few months to the national parliamentary and presidential election in December 2012. Although some inhabitants mentioned in passing that they were not going to vote in the upcoming elections, there was no collective action in that regard.

This year I will not vote in the elections because this community has not gotten any benefit from the oil. Some villages have electricity, but for us, despite the oil discovery, we cannot even boast of electricity (Yaa, Trader, Interview 109).

6.1.2 Proximity to Oil Rig

Onshore resource activities often evoke the feeling among local communities that a natural resource belongs to them (see Garvin et al., 2009). A resource activity taking

place within communities implies there is a visible presence of companies in the resource region. In *Apyam's* case, the offshore nature of the oil resource meant that there was no apparent presence of oil drilling activities in *Apyam*. The offshore nature of the oil resource was also a defensive strategy utilised by corporate actors to indicate that no community was affected by the Jubilee operations. *Apyam* community members stated that they only knew of oil drilling activities taking place nearby through the yellow chopper that flew over the community daily and also sightings of vessels that went to the rig for oil. However, despite the oil being offshore, community members believed they had legitimate rights to the oil. Some inhabitants, for instance, thought that the proximity of the community to the oil rig entitled them to benefits. The following quotes from Kwadwo and Akua are illustrative:

Apyam should have been benefitting from the oil because the oil has been discovered close to their community. As things stand now, nobody from here is working on the rig; it is only others who are benefitting from the oil wealth. Those who work with the oil companies and top government officials are the ones benefitting from the oil (Akua, Farmer, Interview 17).

They always talk about the fact that Takoradi is the oil city, but the oil was discovered in Apyam. The oil rig even has the name of the community. As things currently stand, there are no benefits that show the oil is drilled close by (Kwadwo, Farmer, Interview 74).

It seems disagreements about which groups organisations should consider as legitimate stakeholders of business arises when there are no clear guidelines for deciding on these groups. Coronado and Fallon (2010) for instance noted that companies could determine who their stakeholders are, which of them are legitimate and also which individuals should represent these stakeholders. In the case of the Jubilee resource, oil companies characterised communities in the six coastal districts

of the western region as their key stakeholders. This seemed to imply that the authorities considered all these villages as a homogenous group without attention to the specific needs of each of these communities. It seems this is not unusual in such situations. Bebbington et al. (2013) for instance noted that the general criticism of many rural development interventions is that the policy often treats a 'target' population as homogenous (pg.8). The effect of this move is that it inevitably leads to a bias against members of the population who are unable to take advantage of the policy because of issues such as inadequate skills, power, assets or capacities (ibid). In the case of the Jubilee resource, the characterisation of all communities by officials as homogenous seemed to have resulted in a situation where *Apyam* was at a disadvantage. This had to do with issues of access and skills when it came to some of the projects advanced as part of the CSR agenda of companies as earlier outlined. Hence while community members of *Apyam* believed they had legitimate rights to oil benefits, corporate actors, on the other hand, did not identify any individual communities as being specifically entitled to benefits from oil. When it came to issues of benefits from oil, companies were quick to dismiss communities' claims suggesting that the oil was offshore hence outside the jurisdictions of communities in the oil region. In apparent contradiction of this stance, these same companies were quick to acknowledge communities as their significant stakeholders in their CSR policies and public relations. This seems to suggest that companies were solely interested in maintaining their image as good corporate citizens. Although oil companies appear to advertise a particular "respect for indigenous rights" (Stetson, 2012, pg. 87) regarding recognising communities as their key stakeholders, in reality, this did not result in beneficial outcomes to *Apyam*. This appears a scheme adopted by companies as a result of the pressure on companies in the extractive industry for being accountable to

their social responsibilities to local communities in regions in which they operate. In the case of *Apyam*, it is a scheme without substance.

6.1.3 Perceived Disruption to Fishing Activities

Chapter four highlighted perceived disruptions to fishing activities as a result of oil drilling activities such as lights around the rig area, a situation which attracts fish. At the time of my visit to *Apyam*, fish was scarce, and many fishers were unable to support themselves with the poor catch. Most inhabitants of *Apyam* claimed the oil drilling activity was the reason behind fish scarcity. However, there were also reports of environmental challenges which had disrupted fishing activities.

Oil extraction activities results typically in large-scale environmental disasters, the BP oil spill off the coast of Louisiana is a classic example (Gill et al. 2012). The havoc caused by the BP disaster has brought to the fore the environmental disaster that can result from offshore oil and gas activity. Regarding *Apyam*, however, the environmental issue that inhabitants grappled with was what they referred to as the invasion of weeds in their waters. Some fishermen spoke of the plants as the reason behind their inability to land a fish catch when they went fishing.

When we [fishermen] go fishing, we only pull out weeds when we pull our nets. As a result of this, we do not get fish when we go fishing (Fenuku, fisherman, Interview 50).

We [fishermen] took about five gallons of fuel to sea, yet we did not get any fish because of these weeds at sea. We are all married, yet we returned to the community empty handed, so you can imagine what that means (Kofi, Fisherman, Interview 64).

The inability of a fisherman to land a fish catch once he goes on a fishing expedition had repercussions for his dependants. Some inhabitants seemed to believe that the weeds originated from the oil rig.

Sometimes, we [fishermen] have many weeds covering the sea, and it comes from the oil rig area, and so when we cast our nets, we only bring out weeds (Chief Fisherman, Interview 57).

Sometime back the beach was very untidy because there were many weeds. The machines used for the oil when they normally drill the ground around the rig then the weeds come all the way to the village (Kwaku, Farmer, Interview 75).

I have lived in this community all my life, and this is the first time we see this seaweed at the seaside. The seaweed is deep sea, and the oil is drilling is also deep sea, so the seaweed is coming from there (Akua, Farmer, Interview 17).

Inhabitants believed the weeds originated from the oil rig which represented an encroachment on their territory. Many indigenous people conceptualise territory as "a collective, spiritual, and a sacred space interdependent with nature" (Stetson, 2012). These areas are the primary sources of livelihood providing food, water and medicine for indigenous people (ibid). As has been previously established in the preceding chapters, the sea represented an essential source of livelihood for people in *Apyam* in economic terms. The sea also signified the community's identity to outside communities (see chapter 4) hence the presence of seaweeds represented an unwelcome change.

The contention that the seaweed is a recent occurrence was however disputed by the official of EPA who insisted that even though the origin of the weeds was not known, it was not a recent occurrence.

It is not only peculiar to Ghana. We do not know its origin. I just came from a programme in Norway, and there were other participants. We were about 57 delegates from 27 countries, and some of our colleagues from Sierra Leone and Cote D'Ivoire were also there. They also have the same problem, and so we do not know where this is coming from. We talked to the Department of Oceanography because they should be in a better position to tell us the source but they also don't know where it is coming from... This thing you know existed before the oil. If you have been living in the community for a while, you will know that this situation has been occurring annually (EPA, Interview 121).

The EPA's assertion contradicts the accounts of some households who claimed the weed is a recent occurrence. The official of Omega however sided with the position of the EPA official that the grass was not a recent occurrence. He, however, noted that the presence of the weeds hampers fishing activities of fishers.

The issue that you are referring to is the nutrient enrichment in the ocean which has generated the seaweeds. I came in association with it about fifteen years ago.... So this has been in existence for many years now, it is seasonal. There are certain times of the year when you go to the coastal communities; the fishermen are idle because they cannot use their nets in fishing (Omega, NGO, Interview 119).

At the same time, while oil companies, as discussed in the previous chapter, claimed that communities wanted to take advantage of fish around the rig area, it was established that communities could not do this. Community members described the rig area as out of reach for their small boats hence fishing was confined closer to the village waters.

Due to the gap in expectations between local communities and corporate actors, it does not seem surprising that *Apyam* inhabitants complained about lack of benefits from oil as the next section will highlight. Inhabitants of *Apyam* believed that not only were they entitled to benefit from oil but given the perceived negative impact of oil

drilling then their entitlement was more significant vis a vis the provision of alternative sources of income. It, therefore, appears that community members in *Apyam* were beginning to express their frustrations about their lack of inclusion in oil project interventions in the way that was at their disposal as the next section will highlight.

6.2 The Potential for Social Unrest

In chapter five, I outlined how the government has left the decision to companies to describe their CSR to communities. Although the companies claim to be committed to CSR because they see communities as one of their primary stakeholders, the evidence in this study does not support these claims. Communities like *Apyam* have not benefited from projects implemented as part of the CSR programmes of companies, and in other regions where community members tend to blame companies, the case of *Apyam* appears different. Community members in *Apyam* do not indeed hold companies responsible for their predicament but rather direct most of their anger towards politicians as the following section will show.

6.2.1 Political Antagonism

Once a resource activity does not live up to expectation as envisaged by local communities, resentment and frustration will begin to set in (Banks, 1993). Because of the lack of benefits from oil, the inhabitants of *Apyam* directed their anger towards the MP of the district. The following quote is illustrative:

As for the oil, I learnt that when oil is drilled in Ghana, they have a percentage that they will give to the government to undertake development projects in every community. So if nothing is coming to this community regarding development as a result of the oil revenue, then the

person to blame is the MP for Ahanta West. He is the cause of the problems facing the community. If the MP can say that [Apyam] needs certain development projects and he can lobby for things to come to this area then we will also be comfortable. As things currently stand all the development projects are going to Nzema and the Ellebelle area. Meanwhile, the oil is being drilled in this area, [Apyam] and so our MP is to blame for the hardship we are facing in this community (Chief Fisherman, Interview 57).

Some community members felt slighted amidst claims that other districts had benefited from development projects implemented as a result of the oil. Therefore, the intervention projects achieved in the face of oil extraction can introduce additional inequalities for deprived resource-rich communities, and this also brings forth issues of how people contrast their situation with that of others. This is an example of the adverse outcome of resource extraction activities on communities. As stated in the summary of chapter one, the Grievance theory will help to explore how community members respond to the adverse effect of oil extraction.

This study, therefore, suggests a link between oil and gas extraction and inequality emanating from project interventions. This is additionally indicative of the power relations between inhabitants of fishing communities who could be characterised as powerless and either oil companies or government officials depending on which actor community inhabitants deem as powerful. This is suggestive of how individuals in influential positions use their positions of power to undermine the less privileged.

Promises made to *Apyam* community members as highlighted previously were mostly along the lines of jobs and infrastructural benefits for the community. However, with

the passage of time, the enthusiasm of *Apyam* inhabitants about oil discovery delivering interests seemed to be fading. The chief fisherman, for instance, noted that the community had utilised all areas of redress to no avail.

We have done everything in our power. Numerous people have been here to listen to our concerns, and they normally tell us that they will get back to us. When they leave, we never hear from them again. Till now we have not seen change (Chief Fisherman, Interview 57).

It seemed a sense of hopelessness was beginning to set in, and inhabitants felt powerless regarding getting both government and the oil companies to fulfil promises made. The change that community members envisaged once oil exploitation got underway became an illusion.

We are not okay at all with government's handling of the oil discovery, because it has destroyed many things and if they had even brought some development to this community, it would have helped us greatly. If they had even built estate houses all over the community, it would have helped because these were part of the promises officials made to us. We have still not seen anything; we still live in horrible conditions (Ato Kwamena, Interview 24).

Officials told us they would relocate us. So the boys who had lands decided to put up structures on these properties so that if the relocation takes place, then at least owners of land will benefit. We did all of these things, but we have realised that the oil is just a name. There is nothing to show for it. (Msrah, Mechanic, Interview 89).

Inhabitants' hopes of better living conditions as a result of development in the form of modern housing projects, better job prospects besides the subsistence fishing and farming, seemed a fallacy. This delusion seemed to have driven some young men in the community to construct block structures on lands which could have been used for farming activities to supplement income. In an environment where promises made by

corporate actors are often not documented, community members have no leverage in insisting that officials fulfil these obligations. It appears inhabitants were beginning to realise that the association of *Apyam* to the oil discovery was merely symbolic and not precisely correlated with accruing benefits from the exploration:

As a fisherman when I go fishing, I see that the tankers go to the rig for the oil yet nothing comes here. People always say that they have heard that oil has been found here yet we have not benefitted from the oil (Fenuku, Fisherman, Interview 50).

The inhabitants had also realised that it was unlikely they will receive any benefits. Other inhabitants like Kwadwo were of the opinion that job creation opportunities for community members would have made people happy.

Oil companies and the government should have created many job opportunities in this community. That would have made people content, but for us, we have not seen any change, and so we are not happy. This is because we have not benefitted from the oil (Kwadwo, Farmer, Interview 74)

Regarding the creation of job opportunities, other community members realised that most of them did not have the requisite qualification for employment in the sector.

"The educational qualifications required to work with the oil companies are very high, and most of us just have a basic education" (Lado, Interview 78).

In this community, our educational qualifications are meagre. Oil companies need those with a higher degree, and so ours is just too low (Kuuku, Interview 71).

Most community members did not see themselves as possessing skill sets that are transferable to the oil and gas sector. This perception appears to have changed with

time because the former anticipation was that community members could land jobs in the oil and gas sector. The primary occupation of fishing and farming which were the primary sources of income in this community could explain the mismatch regarding skills levels of community inhabitants and that needed in the oil and gas sector. The people practised fishing and farming on a small scale hence one did not need a unique set of technical skills. This was entirely different from the coastal community of Bayou studied by Harrison (2012) where during periods of decline in the shrimp industry; shrimpers still had the option of alternative jobs in the oil and gas industry.

It appeared that once the fanfare surrounding the oil discovery had died down, inhabitants of *Apyam* began to face the reality of their situation. Hence due to the lack of skills for the oil and gas sector and the apparent lack of power required to negotiate with government and oil companies, *Apyam* community members are unlikely to experience any changes in their circumstances without external influence. The discussion in the next chapter will explore why *Apyam* appears to lack the power required to negotiate with government and oil companies.

6.2.2 The Role of NGOs

Eweje (2007) noted that before the 1970s the prevailing view was that the only obligation of businesses was to increase profits for owners, shareholders and investors. However, in recent times, the argument that corporations have specific ethical responsibilities towards society has become progressively more accepted due to publicity of the activities of multinational companies (ibid). New initiatives such as business-society partnerships have arisen to tackle global environment and social

concerns (ibid). In this vein, Huijstee et al. (2011) noted that one form of co-operative arrangement that has become increasingly popular is the business-NGO partnership. For instance, a tri-sector partnership which involves corporations working alongside government, civil society and local communities has been proposed as an effective and efficient strategy for social and environmental issues (Acutt et al., 2001). Hamann and Acutt (2003) however note that while some NGOs view business as potential allies in sustainable development, others are more cautious. The reason is that large corporations are responsible for much of the social and environmental destruction in the world yet considered as allies in the fight against these harmful impacts (ibid).

Regarding the extractive industry, civil society groups and NGOs have been known to change the power dynamics among government, oil companies and local communities. Coronado and Fallon (2010) for instance noted that any stakeholder who does not possess power in a corporate stakeholder relationship could develop that element through alliances with other stakeholders. The authors further stated that the stakeholder lacking power could align with government bodies or NGOs as a means of acquiring power. Similarly, the literature shows that there is a difference between a well-resourced and globally networked NGO, which engages a company in discussions about its social and environmental obligations as against a more impoverished community which confronts enterprises from a position of weakness (Newell, 2005). In the case of *Apyam*, the town seemed to lack power because the community had over the years been unable to attract funds from the district assembly for development projects. It also appears that the village does not possess the power to access benefits from the oil discovery. Both the government and oil companies tend to agree that communities were not entitled to benefits. Hence it seemed the only

group communities might align with as a means of gaining support for their plight were NGOs. Omega claimed to be involved in alerting community members to demand greater accountability from policymakers (see chapter five). The NGO further contended that the unavailability of funds prevented them from engaging more with communities.

We have to do more. We ought to expand to other areas, but that is also to do with limited funding. Inadequate funding prevents us from engaging more with communities and policymakers. It is a gradual process (Omega, NGO, Interview 119).

Unlike in other cases where civil society groups have changed the dynamics among the state, local people and government regarding infrastructure benefits to communities (Ikelegbe, 2001); it seems that in the case of *Apyam* things were different. The primary focus of NGOs like Omega is to help communities making an input into policy.

We are evolving a community friendship which we are calling host community network. We work with people from the community; some of them are fishermen, assembly representatives and so on. We organise them, and then we have discussions with them. For instance, recently we were asked to contribute to the Exploration and Production bill. We summarised the bill into a language that is understandable to community folks. We then send to the community people to have a look at it and see what contributions they want to make out of their technical understanding and that becomes a basis for raising their voice into the policy (Omega, NGO Interview 119).

Although Gyimah-Boadi and Prempeh (2012) note that civil society has been instrumental in making significant inroads into the development of petroleum policy and legislation, it appears this might not be sufficient for all communities. *Apyam*

community's input into bills such as an exploration and production bill might not result in beneficial outcomes for inhabitants. Also, the power dynamics between corporate actors and local populations is such that it seems naïve to assume that contributions from local communities will ultimately feed into the final policies adopted for the industry. Measures put in place so far for the country's oil and gas industry are not favourable for communities like *Apyam* hence it is unlikely that the exploration and production bill will be any different.

The quote below, therefore, sums up the lack of faith in all stakeholders, including NGOs, regarding causing a change in the living circumstances of inhabitants of *Apyam*.

Governments have come here and gone, other people have also been here, NGOs, name them. They have all been here yet there is no help coming from any of these sources (Kobie, Farmer, Interview 62).

The offshore nature of the oil resource coupled with the apparent failure of *Apyam* in getting the attention of policymakers' and oil companies suggests that a different form of resistance or protest could emerge as a result of *Apyam's* dissatisfaction with oil operations so far. *Apyam* inhabitants were unlikely to receive much support from NGOs like Omega as well because of their focus on inputs into policies adopted for the oil and gas industry. Instead of expectations of benefits from oil as envisaged by *Apyam* community, it appears that hopes were gradually fading. This study provides evidence of how community expectations and sentiments may change over time between the feasibility stages of a project and the rehabilitation stages (Alstine and Afionis, 2013). Hence while *Apyam* community members were expectant of benefits

from oil at the initial stages of the announcement of the discovery, these expectations have dwindled with time with the realisation that corporate actors might not fulfil promises.

6.3 Disillusioned Residents

Indigenous opposition to oil development has been prevalent in various parts of the world. It is mostly associated with the fact that native people appear to believe that they have been "marginalised subjects of modern development" (Stetson, 2012, pg. 89). Thus oil development creates wealth for countries, but indigenous people whose lands house the oil mostly live in abject poverty in many parts of the world and in some cases suffer environmental hazards as a result of the operations of companies (ibid).

6.3.1 Boycott of Oil Deliberations

Powerless groups have utilised petty sabotage, blockades and other modes of resistance as a way of expressing their disapproval of a company's activities (Newell, 2005). A direct attack on oil and gas facilities seem useful if the resource in question is onshore hence aggrieved individuals can restrict the company's personnel from having access to the site of resource activity. Dougherty (2011) for instance notes how Mayan peasants in Guatemala for more than 30 (thirty) days took turns blocking a truck from proceeding to a mining site. Similarly, in Peru, protestors forcibly took over oil and gas infrastructure which in some instances led to a halting of operations culminating in the government being required to pronounce a state of emergency (Stetson, 2012). In Ghana's case, the offshore nature of the Jubilee resource has meant that oil companies have no visible presence in communities. Although

corporations have adopted CSR and sustainable development as the primary driver of community-based initiatives to amend community resistance to extractive resource activities (Garvin et al., 2009), this has not worked in the case of *Apyam* community. Although it seemed inhabitants of *Apyam* were not predisposed to using direct resistance tactics, they expressed their displeasure about the lack of benefits from oil through their refusal to engage in deliberations related to oil and gas production. The mode of governance in small rural communities like *Apyam* usually takes the form of holding public discussions with inhabitants. The leader of the village convenes these gatherings, where members discuss critical decisions about community development issues. The refusal of people to be part of community deliberations could result in decisions about crucial community development issues coming to a standstill. Resistance to community gatherings about oil discussions seemed to have developed over time in *Apyam*. This appears to be because there were no apparent signs that concerns of community members were taken on board by the government and oil companies. Some community inhabitants, therefore, claimed to boycott oil discussions because previous discussions about oil had not resulted in any benefits to the community. The following quotes are illustrative of this position:

Lots of people have been here several times, but officials never deal with the issues we raise. We [inhabitants] have now decided that we are not going to take part in any discussions to do with the oil discovery (Aba, Trader, Interview 1).

Several groups have been here, but now when they come here, I don't grant them any audience because the sea is no longer profitable. They come here all the time just to deceive us (Edy, Carpenter, Interview 40).

Many people have been here to hold discussions with us, but we still have not seen anything. We have therefore decided that we will no longer talk to any groups which come here (Abigail, Farmer, Interview 4).

Officials have given us various promises by word of mouth, but because we have not seen anything, there is nothing to talk about (Abla, Farmer, Interview 5).

Inhabitant like Lado, therefore, claimed to have realised that they were not going to receive help from the oil companies:

I have realised that these oil companies do not want to help us, so I no longer believe their promises (Lado, Electrician, Interview 78)

The Assemblywoman of *Apyam* spoke of how the refusal of community members to take part in oil discussions have affected mobilisation of community members to have conversations with representatives of oil companies.

The oil companies normally come here to hold discussions with us about the oil discovery. However, because we still have not seen anything, now when you even call on community members they do not even want to sit down and listen to the issues you have for them (Assemblywoman Interview 23).

The decision of community members not to take part in oil deliberations appeared to be a collective action as highlighted in the quotes from household representatives above. Community members' refusal to take part in oil deliberations also impacted on recruiting respondents for this study. The apathy of household representatives not to be initially involved in this study was due to claims that various promises made were not fulfilled. The following examples are illustrative:

Several groups have been here to talk to us, and they promised to come back, but they never return so we have not heard anything from them again. As a result of that, I did not want to take part in your study initially. This is because there have been lots of promises yet what to eat sometimes is even a problem. They claim there is oil here, but we have not received any benefit from the oil (Doe, Farmer, Interview 35).

When the oil companies first discovered the resource, government and oil companies came here all the time. They never returned after the various promises they made to us, and that is why when you approached me initially I was not willing to listen to you. This is because they have always been here to ask us about our problems which we tell them but we still have not seen anything yet. I just walked off because we are tired of talking about all our issues yet we have not seen any change (Kobla, Farmer, Interview 63).

It appears that *Apyam* community members' disappointment about lack of benefits from the oil is gradually turning into resistance against any individual who visited the community to inquire about the oil discovery. Although this form of protest might not immediately attract the attention of government and oil companies, it nevertheless appears to indicate a strong sense of community displeasure about lack of development projects in the community. It, therefore, seems reasonable to expect that such actions by community members could lead to potential unrest in the community at some time in the future. Is this form of resistance mounted by *Apyam* residents consistent with the status quo of resisting large-scale extraction activities or does it constitute a different strategy. As earlier highlighted in chapter three and earlier sections of this chapter, *Apyam* community members were quite vocal in expressing their displeasure about unfavourable outcomes of oil extraction. This appears to be a departure from other cases where participants were quiescent in the face of glaring inequality. For instance, Gaventa's (1980) studies the state of quiescence of people of

Clear Fork Valley in the midst of inequality and disparate power relations which rose as a result of the role of a multinational corporation and its resource-extraction activities.

Oil companies may seek to defend against social unrest via the appointment of company representatives who are in charge of noting concerns of communities in the oil region. In *Apyam*, this was the case:

Yeah, we have someone in charge of grievance. The individual stays in the project area. He holds these town hall meetings (Civil, Interview 116).

We have got community liaison officers down there, and we have six districts that they are working in (Fair, Interview 117).

However, it seems doubtful that the presence of such representatives would stave off unrest. Although some inhabitants of *Apyam* also expressed knowledge of these liaison officers, inhabitants did not see company representatives as projecting community concerns to the oil companies.

There is a man who represents [Fair], but he hardly comes here. He does not live in the community; he lives in Accra, so he comes here once in a while (Kwame, Farmer, Interview 76).

People come to ask about our grievances, but we do not even receive any feedback. There is even a guy in Busua who is responsible for this, and he even comes with a camera to take pictures, but we never hear from him. That is what they do all the time (Fynn, Interview 52).

Apyam community inhabitants believed that they could not rely on the grievance reporting system put in place by the oil companies. However, it seems community members in the interim found a way to get on with their daily lives even though the oil discovery has failed to result in beneficial outcomes as the next section will highlight. In realising that promises of development as advanced by government and oil companies had little chance of improving their lives, some community members decided to forge a path for themselves through the resources they had at their disposal. If such strategies can assist the community in survival, they may serve to defend against social unrest, notwithstanding the failures of politicians and oil sector corporations.

6.3.2 Resilience in the Midst of Change

A community's resilience is attributed to the community's capacity to respond to change rather than its ability to control the conditions affecting the change (Wilson-Forsberg, 2013). *Apyam* is akin to the way of life of most rural people in low-income countries who pursue diversified livelihood strategies (Allison and Ellis, 2001). This diversified livelihood approach is standard in fishing communities because fishing is a high-risk occupation and is prone to seasonal fluctuations in stock size (ibid). It, therefore, seems unsurprising that households in *Apyam* had adapted to survive on more than one source of income.

For households which had dual sources of income, (fishing and farming) they depended on income from the farm during periods of fish scarcity. The following quotes are indicative:

When we [fishermen] go fishing, and we don't get any fish we just return home. My family and I depend on the farm produce to survive (Jojo, Fisherman, Interview 59).

I normally go to the farm, at least for the farm I can get some cassava for myself and family (Kwesi, Fisherman, Interview 77).

We have not had fish for a long time now; my husband is a fisherman. When he doesn't get any fish we both go to the farm, but during this period, things are difficult (Adzo, Farmer, Interview 11).

There are periods during which my husband returns from fishing without any fish catch. We go to the farm, during that period. We grow and harvest cassava which we use for gari. I sell the gari to other members of the community (Syliva, Fishmonger, Interview 102).

Despite the fact that depending on one source of income was difficult for families, it nevertheless provided a fall back option for households in times of crises. Some wives of fishers in times of fish crises resorted to trading in commodities aside fish as explained by Sylvia in the quote above. The standard practice for wives of fishers in *Apyam* as previously mentioned (see chapter four) was to sell the fish catch of their husbands when they returned from a fishing trip.

However, not all of the community women adopted this approach during a fish crisis. For instance, Oboshie and Naki in the following quotes indicated that during periods of fish crises they engaged in no economic activity.

When my husband comes back with fish, I smoke and sell it, and on days that he doesn't come back with any, then I stay idle (Oboshie, Fishmonger, Interview 93).

Now when my husband goes fishing he doesn't get any fish, so I just stay idle (Naki, Fishmonger, Interview 92).

Challenges in fishing seemed to impact on the economic activity of some of the women in the community because they were inactive during this period. Perceived fish scarcity also affected other members of the village. Consumers of fish claimed they relied on frozen fish during periods of fish scarcity even though this was more expensive than fresh fish.

We buy fish sourced from the cold store when fishermen come back without any fish. Fishmongers buy the fish from Agona and then sell to us. These usually are expensive because fishmongers have to include their transport cost to the price of fish (Rosemary, Farmer, Interview 100).

We go to Agona to buy some fish. It is more expensive than fish from the village, and fish from the cold store is not even as tasty as the fresh fish (Mavis, Farmer, Interview 87).

For families who depended on only farming for their livelihood, during changes in farming activities (see chapter 4) they could still survive with the little they got from agriculture.

Farming is not so good, but we are just coping with the little we get from farming. We can get a meal out of the little we harvest (Matilda, Farmer, Interview 86).

Other farmers also resorted to planting rubber instead of their usual staple of cassava since they claimed growing cassava no longer provided the needed income for their family's needs.

Growing cassava no longer helps so I now grow rubber and sometimes plantain. Normally when it is time to pay the fees of my kids, the cassava is not ready for harvest. When I even harvest the cassava, I don't get people to buy it and so I have decided to grow rubber instead (Kufuo, Farmer Interview 70).

Rubber cultivation seemed a better option compared to growing other crops since farmers were guaranteed a regular source of income until the farmer harvests the rubber.

Rubber takes a longer time to mature, but you get more money from the rubber. For the cassava, it takes a year to grow, but sometimes you might not get the market for it. On the other hand for the rubber even though it takes about five to six years to mature, every month you are given some money (Ebo, Farmer, Interview 39).

So it appears farmers had a choice of diversified economic activity in farming in the midst of challenges in fishing. This is because they had an additional option of growing other crops aside their staples in times of a farming crisis. Quotes of household representatives presented above indicate that farming mostly served as a source of income during periods of fish scarcity. Even though agriculture also had its challenges, it seemed that even in the direst circumstances, people could still count on a meal from the farm. Farming represented a sense of food security during an economic crisis in *Apyam*. This is indicative of agriculture and fishing subsistence economy and hence does not depict a unique survival concept. The guarantee of a meal even during economic hardships goes to show that the way of life in communities like *Apyam* seems more sustainable albeit the challenges instead of relying on the central government's promises of development as a result of petroleum discovery. Signs of new growth as a result of oil and gas resources most often do not result in tangible benefits for indigenous communities.

Other household representatives also spoke of people who had moved out of the community because of claims that fishing was no longer profitable and also because of the limited job prospects.

Some people have moved out of the community to engage in "galamsey" mining because the sea is no longer profitable (Ato Kwamena, Farmer, Interview 24).

Most of the young guys have left here to do small-scale mining because of the lack of jobs (Kobie, Farmer, Interview 62).

People have moved out of the community because there is a lot of hardship here. Some of them have moved to Tarkwa and Bonsaweere to do "dig and wash" (illegal mining) because there are no jobs in this community. So those of us here find things challenging (Kwabena, Farmer, Interview 73).

As has been previously noted, the Western Region is home to both small and large-scale mining activities. It, therefore, seemed some inhabitants found it more profitable to engage in mining activities during periods of crisis.

With the fading hope of benefits of oil as envisaged by *Apyam* community members when the government announced Ghana's commercial oil discovery, community members of *Apyam* had in the meantime got on with their lives. However, signs of displeasure shown through resistance to oil deliberations by community members indicate that all is not well with the community of *Apyam*.

6.4 Summary

This chapter has highlighted contemporary concerns of the people of *Apyam* about the impact of the oil and gas discovery on their community. Findings in this chapter

point to the fact that despite claims that development in the form of modern housing and alternative jobs will accrue to inhabitants as a result of the oil discovery, conditions in *Apyam* remained the same two years after oil production began. There is, therefore, no real belief amongst the people of *Apyam* that their conditions are going to change.

CHAPTER SEVEN

DISCUSSION

7.0 Introduction

This section combines a consideration of the social, economic, and environmental impact of oil exploitation on the community of *Apyam*, drawing upon the findings outlined in the previous chapters. The discussion in this section will shed light on whether Ghana is likely to be successful in ensuring that revenue from oil benefits ordinary citizens especially communities in the oil region. Excluding citizens from the benefits of oil production could lead to conflict, similar to cases reported in neighbouring Nigeria. Ikelegbe (2005) for instance notes that disturbances in the Niger Delta Region in Nigeria which houses the country's oil is attributed to, years of oil exploitation, environmental degradation and state neglect in a weak and marginalised citizenry. State neglect has culminated in resistance against the Nigerian state and the Multinational oil companies (Ikelegbe, 2005).

The first part of this chapter recaps the expectations of *Apyam* community inhabitants during the initial stages of the oil discovery (see section 4.3). It highlights the importance for individuals of expectations relating to oil exploitation regarding their living standards. The second part of the chapter then discusses oil contract negotiation between oil companies and the government of Ghana and how that impacts on revenues for resource benefit activities if the government has such expectations. The third part of the chapters dwells on the primary aim of this study which is the perceived economic, social, and environmental impact of resource extraction on the community

of *Apyam*. The fourth part of the chapter then focuses on how the community of *Apyam* has handled the outcomes of oil extraction activities. In doing so, this study highlights several features of the situation which suggest that there is a risk of conflict to develop similar to the Niger Delta region (Idemudia and Ite, 2006). Hence while officials of government agencies are quick to dismiss a potential conflict situation in Ghana's oil region on the premise that Ghana's oil fields are offshore (see section 5.2), the evidence presented in this study indicates that other possible scenarios are likely.

7.1 Expectations of Resource Extraction Benefits

The literature on natural resource extraction as reviewed in chapter two shows that many residents and leaders of rural or less developed regions envisage the extraction of natural resources to reduce regional poverty (Frickel and Freudenburg, 1996). Additionally, previous research also stresses that communities without an earlier history of resource extraction welcome companies with the expectations of future benefits (see Garvin et al., 2007 and Veiga et al., 2001). The study by Garvin et al., for instance, established that the high expectations of host communities were due to various promises made by companies during initial meetings held with neighbouring towns before the commencement of oil production. Similarly, Ayelazuno (2014) notes in a recent study that ordinary Ghanaians and political leaders expect that the government will use oil incomes to improve wellbeing. The findings in this study also support the assertion that rural or less developed regions have high expectations of beneficial outcomes from natural resource extraction activities. *Apyam*, a deprived community lacking essential social amenities and with no previous experience of the extractive industry was expectant of favourable results from the Jubilee oil extraction. There were expectations of better housing conditions, job opportunities in the sector

and provision of social amenities (see section 5.3). The findings in this study have established that expectations were due to promises made by government officials and oil company representatives. Aside from the expectations of *Apyam* community members about benefiting from the oil find, inhabitants were also of the view that they were entitled to some of the proceeds.

The absence of essential social amenities locally, the community's proximity to the oil rig and perceived disruption to fishing activities were the reasons identified by *Apyam* residents in making their case for a share of the oil benefits (see section 6.1). A study by Idemudia (2007a) also recognises the socio-economic condition of communities as one of the issues that influence expectations of benefits from resource extraction. Idemudia (2007a) in examining the issue of CSR and community development in the Niger Delta additionally identified drivers of community expectations to include crude oil ownership by communities and benefits as compensation for adverse effects of oil production. Unfortunately, in some cases (see Fentiman's, 1996, Okoli, 2006, Kumah, 2006, Ayelazuno, 2014 and Rolfe et al., 2007) as highlighted in chapter two, rural residents in specific regions perceive that the negative impacts overshadow the benefits from resource extraction. The case of *Apyam* illustrates this.

7.2 Oil Contract Negotiation

To recap, in chapter two, it was apparent that the OBM (Abdelrehim and Toms, 2017) will help contextualise MNCs and host government relations in the case of Ghana. Hence it was concluded in chapter five that because the government obtained just 13.64% share in the oil resource, then the initial bargain power favoured oil

companies. Although other scholars (see Eden, Lenway and Schuler, 2005 and Abdelrehim and Toms, 2017) have questioned the relevance of the OBM, this study attempts to explore whether the OBM is still useful. Therefore it is necessary to address whether the bargaining power shifted to the government of Ghana with time as the OBM stipulates? For instance, Vivoda (2011) explained that rising oil prices caused host governments to renegotiate oil agreements with international oil companies and this often resulted in higher taxes and asset expropriation in some instances. Also in a few cases, MNCs are thought to lose their initial power over host government after they have made investments that tie them to the host country (Keeseey & Moon, 2000; Marsh, 2007). Regarding the Jubilee resource, the main threat to a renegotiation of the oil contract was a campaign promise made by the National Democratic Congress (NDC) a party which was then in opposition that it will review the oil contract when it won the national election. Although the party won in the year 2012, it could not fulfil its promise of renegotiating the oil contract. The official of the energy ministry whom I interviewed for this study, in the quote below justifies why the oil contract remained the same.

We believe in the sanity of contract. We do not want to do anything that will jeopardise our relationship with the oil companies (Energy Ministry official, Interview 120).

The government appears to be more concerned about its relationship with oil companies than renegotiating the oil contract to its benefit. This current posturing of officials indicates that the government might have limited revenue for development if it is committed to channelling some resource funds for developing resource-rich areas. It is therefore not surprising that concerns of *Apyam*, - despite its closeness to the oil resource - about being left behind in resource distribution issues have not garnered

the needed attention from the government. It appears that in the case of Ghana; the OBM seems far-fetched and unlikely.

7.3 Impact of Resource Extraction

Maconachie and Hilson (2013) note that the livelihood impacts of increased resource extraction at the community-level have been varied and profound. The authors note that the struggle for natural resources in Africa, Asia and Latin America has resulted in sweeping environmental and socio-economic change. For instance, Okoli's (2006) study revealed that rural residents in the Rivers State in Nigeria perceived that oil exploitation had impacted negatively on their socio-economic activities. As a consequence, people were forced to undertake to trade as an alternative to their fishing and farming activities. Although respondents recognised road, electricity, education and water as developmental benefits of oil exploitation activities, they believed that the negative impacts of oil exploitation overshadowed the benefits derived from the industry. In the offshore oil and gas industry in Louisiana, small rural communities have reported positive effects of the industry because the income allowed occupations like farming and shrimping to survive (see Forsyth et al. 2007). This scenario is possible for commercial fishers who most often have skills that are transferable to the offshore oil and gas industry. Harrison (2012) for instance notes that Louisiana shrimpers in the face of industrial decline could find alternative jobs in the oil and gas sector because ex-fishers already had the technical skills often required for work as tugboat captains, welders and so on. Contrary to this, the case of *Apyam* community shows that overall, there are perceived to have been negative social, economic and environmental impacts of the Jubilee oil discovery. To a small deprived community like *Apyam*, the most devastating effect has been the perceived impact of

oil drilling activities on fishing which has left families worse off. The findings in this study, therefore, appear to support those of others who have suggested that the economic impact of oil and gas investments is likely to be more damaging for oil-producing countries than the environmental effect related to oil spills and other atmospheric pollution (Frynas, 2005). The following section will present a summary of the impact of oil discovery in *Apyam* and how this relates to the broader body of documented knowledge on natural resource management.

7.3.1 Changes in Fishing Activities

In the case of *Apyam* community, the findings indicate perceived changes associated with fishing activities as a result of oil drilling activities (see section 4.2.8). These changes included decreased catch levels, fishers spending a long time at sea, the loss in enthusiasm for fishing due to reduced catch levels, the high cost of fish for local households, environmental effects and complaints of oil installations serving as inaccessible havens for fish (see chapter four). These changes affected the very fabric of community life in *Apyam*. Fishers were unable to cater for their families adequately, and they hence depended on farming to supplement their income. Such changes are not undocumented about oil and gas production activities elsewhere. Tiddens and Cincin-Sain (1989), for instance, note that there was a fear that expansion of offshore oil operations in the North Sea would result in adverse impacts on fishery resources as well as other environmental effects. The authors further drew attention to the fact that as a result of this in certain parts of the United States, fishing communities, fishing organisations and environmental groups had been thriving in amending lease agreements involving the development of offshore oil reserves. The success in changing these lease agreements stems from the fact that in these areas, the

economic and social importance of the fishery resources rivals the value of offshore oil and gas. It would constitute a far-fetched claim in the case of *Apyam* community where fishing is done on a small scale mostly for household consumption with the few fish caught sold mainly to community members or neighbouring villages. The distinction between the cases of the United States cited and *Apyam* lies in the vast disparity between the economic values of the fishery industry vis a vis that of significant revenues to be derived from oil drilling activities in Ghana.

Despite claims by oil companies that their activities do not affect communities in the oil region due to the offshore nature of fishing and the open access nature of fishing in Ghana, community members in *Apyam* reported negative impacts on fishing.

7.3.2 Employment

Job opportunities in the extractive sector are arguably the issue that receives the most focus during an oil discovery. Brasier et al., (2011) for instance note that economic benefits regarding jobs and business activity are in most cases the primary reason energy development is embraced by community members, especially in communities with a history of economic decline. Unsurprisingly, *Apyam* community inhabitants were expecting job opportunities to arise in the oil sector. In the early stages of the announcement of the oil discovery, they accepted promises of jobs in the industry without questioning how that was going to be feasible considering the low skill levels of most inhabitants. With the passing of time, inhabitants came to realise that their skill levels would be a barrier in attempting to get jobs in the sector (see section 6.2.2). Ultimately, the situation resulted in disappointment for community members as the

promises made to local communities came to nothing. The frustration of *Apyam* residents is consistent with other accounts of the oil and gas industry which suggest that companies provide minimal job opportunities for residents in host communities due to the specialised skills required in this kind of work (see Brasier et al., 2011 and Alstine and Afionis, 2013). Hence, most of the direct industry jobs usually are occupied by workers from outside the community or state of resource extraction (ibid). For districts which have reported positive impacts regarding the provision of employment to members of local communities and access to educational resources, this often unevenly takes place (see Bury, 2004 and Gilberthorpe and Banks, 2012). In Ghana's case, claims made by employers involved in the Jubilee oil development suggested that they had employed some members of the local communities in the oil region in the 'pipe yard' and as drivers (see section 5.4). However, no such case was reported in the community of *Apyam*.

Local communities in deprived regions are particularly at a disadvantage since many people are not even able to take advantage of capacity building or training programmes which are implemented by government and oil companies. In the case of *Apyam*, the findings indicate that as a result of the high minimum qualification required for people to take advantage of training programmes and issues of access to training centres, community members could not benefit from such projects (section 5.4). Since oil companies involved in the Jubilee oil discovery also established training centres and instituted scholarship schemes without paying attention to the needs of local communities like *Apyam*, these projects were not beneficial to *Apyam*. Inhabitants who were primarily educated only up to the Junior Secondary School level had no chance of being considered for scholarships given for postgraduate studies. Training centres

established in the capital of the District were also out of reach for inhabitants of *Apyam* due to the weak nature of the road and lack of capital resource to travel to the district capital. Hence in the case of *Apyam*, there were no benefits regarding jobs or the opportunity for inhabitants to take advantage of training programmes associated with the development of the Jubilee field.

7.3.3 Local and Social Impacts

Some communities or states experiencing natural resource development have reported increases in population and business activities due to spending by employees of the industry (see Brasier et al., 2011 and Alstine and Afionis, 2013). In *Apyam* this was not the case. On the contrary, there were reports of people moving out of the community in search of 'greener pastures' as a result of economic hardship in *Apyam* (see section 6.3.2). Although the oil industry cannot be responsible for the movement of people, there were no extraction related activities in *Apyam* and therefore no associated economic stimulus. Regarding small-scale business activities, petty traders instead reported a dip in business activities because of decreased spending by community members. Traders attributed a drop in business to the decline in fishing. Additionally, new forms of inequality identified elsewhere which had to do with people receiving payment for land sold to companies while others without properties are at a disadvantage (Hinojosa, 2013) were absent in *Apyam*. The resource literature highlights the social impact on communities of such inequalities (where networks of reciprocity and mutual exchange among households become more asymmetrical because of uneven land purchasing strategies and hiring practices of companies to see Bury, 2004 and Hinojosa, 2013). In the case of *Apyam*, there were different social

impacts. Here, the perception was that due to the scarcity of fish, people took care of their needs first before that of their neighbours. A contrast to past practice, where fishers expressed personal fulfilment from the little profit they got from selling fish when they gave part of their catch away or limited the price of their fish so that locals could afford it (see section 4.2.7).

7.3.4 Community Infrastructure

Contrary to the expectations of *Apyam* community members about the potential for infrastructure benefits as a result of the discovery of oil, officials were yet to implement any visible physical infrastructure project at the time of the research. Promises of estate houses, good roads, toilet facilities and pipe borne water were not fulfilled hence the deprived infrastructure condition of the community of *Apyam* remained (see section 6.1.1). Although there were electricity poles in the town, there was no guarantee that officials will complete the project leaving the village with poles but no electric cables running between them to bring electricity to the community. Although on the surface, this seems like a classic case of government and companies renegeing on their promises of infrastructure benefits from resource extraction, *Apyam's* case is exceptionally worrying. Unlike other jurisdictions where complaints have often centred on unmet expectations regarding insufficient infrastructure or assistance provision (see Garvin et al., 2009 and Eweje, 2007); in the case of *Apyam*, there was no benefit at all.

7.4 Unmet Expectations

When expectations of communities about benefits from resource extraction do not materialise, inhabitants feel a sense of bitterness and resentment towards the government and oil companies (see Banks, 1993 and Davis, 2000). The companies in this study acknowledged the issue of CSR which has received much attention in the resource extraction literature in explaining their commitment to communities. Unlike some other cases, (see Yakovleva, 2011) inhabitants of *Apyam* were involved in discussions about the Jubilee oil project right from the beginning as evident in the findings presented in this study (see section 4.3). In chapter five it will be recalled that the reason attributed to the involvement of communities in project discussions from the onset was because the project was a first of its kind in the history of the country and also the IFC which provided financial support to the oil companies mandated consultations with project-affected communities. However, despite this improvement, the findings show that this did not result in beneficial outcomes for *Apyam* community. The previous chapter suggests that the fishing community of *Apyam* can be described as "powerless" in their interactions with oil companies and government. However, it must be noted the power dynamics at play in this study is complex because of the changing dynamic of power relations among oil companies, government and *Apyam* community. Previous chapters, as well as this current chapter, show that the initial negotiation arrangement between the government of Ghana and oil companies showed that oil companies had a superior advantage culminating in a smaller percentage of the oil and gas resource going to the government of Ghana. On the other hand, the power dynamics among the government, oil companies and *Apyam* community are not so clear-cut. For instance, regarding government interactions with the community, it can be said that in certain instances, the government has "power

over" community members mainly because it is the sole custodian of the Jubilee resource hence decisions to do with resource benefits disbursement rests with it. However, the "power" dynamics between the government and community members might be reversed at certain points because the community could exercise an influence upon the government during elections. Ghana is a democratic country meaning the officials who oversee oil contracts are appointed by the President of the country who is voted into office by an electorate of which *Apyam* is part. It means that during elections, the community of *Apyam* has the opportunity to tilt the power in its favour. However, findings presented in the previous chapter acknowledged that even though some members of *Apyam* recognised government officials as a part of their current predicament, there seems to be no push to use the "power" elections affords as a means of exerting influence on the government to attend to their needs. On the other hand, the interaction between oil companies and community members is more of a straitjacket where oil companies because of their expertise in negotiating oil contracts all over the world could use their superior public relations skills to downplay grievances of community members. The complexity of power dynamics among oil companies, the government of Ghana and *Apyam* community is akin to the Aguinda case explored by Bernal (2011) where there was an elaborate power dynamic among residents of Ecuador's Amazonian rainforest, Texaco, US federal court and the Ecuadorian state.

So in a nutshell, the power that the government of Ghana and oil companies exhibit in the bargaining process is akin to Dahl's first dimensional conceptualisation of power. Power is a public exercise, likened to decision-making in the political arena. Power is the skills and resources that influence the decision (Bernal, 2011). Similarly, the

powerless state of *Apyam* is as a result of the following. First of all, the community cannot negotiate with oil companies because they are not recognised as the legal custodians of oil and gas even though the oil is in their region. In other jurisdictions, local communities are legal custodians of the natural resource hence in such a situation, the power dynamics among communities, oil companies and government will play out differently. Secondly, the sources of income of *Apyam* inhabitants are not stable because the village is a predominantly fishing and farming subsistence economy hence members of the community do not pay tax to the government. Therefore community members cannot be considered as part of the formal sector. In the past, the town had failed to influence the local government to attend to their infrastructure and basic needs which provides evidence of its weak state. Additionally, the community appears unorganised in their present state, and also they look not to have any formal network which will help them project their needs and grievance to local authorities. However, the current unorganised state of the community will not last because things can suddenly change since the discovery of oil can serve as a possible trigger as the following section will show.

7.4.1 Unfavourable Outcome

When initial expectations of communities are not met, then a loss of legitimacy can occur. In the case of Nigeria, Eweje (2006) has noted how the corporation and societal expectations are crucial factors. Eweje (2006) further indicates that a legitimacy gap occurs when there is the difference between performance and societal expectations. In the case of *Apyam*, it is interesting to note that such a "legitimacy gap" was not particularly evident in conjunction with attitudes to the oil companies involved in the oil extraction but rather what the study identified was anger directed towards the

government. Nevertheless, the expectations of community members differed significantly from the perceptions of companies. Hence while *Apyam* community was counting on benefits from programmes to be implemented by oil companies, companies, on the other hand, were not focused on benefits to individual communities (see section 5.2). It is important to state, however, that the case of *Apyam* is different to the situation identified by Idemudia (2007) where oil MNCs lost their legitimacy with communities and made them prone to attack and criticism. In some respects, the difference lies in the offshore nature of oil exploitation. As a result of the oil activities taking place away from communities, the oil companies operating in the Jubilee oil field do not have to worry about communities creating a halt to their operations. Notwithstanding this, any organised, vocal complaints mounted by *Apyam* community members against oil companies could damage the corporate image of oil companies. Parson et al., (2014) for instance note that any vocal community opposition can wield both direct and indirect influence especially through affecting corporate reputation. The importance companies attach to their image globally has been the primary driver of the CSR agenda, making community perceptions or actions crucial to business, and in this instance critical for the oil companies in the Jubilee partnership.

7.4.2 A Case of Discontentment?

Although the government of Ghana was quick to dismiss the possibility that Ghana would see a repeat of Nigeria's conflict situation as related to onshore drilling activities, this study argues that such a posture represents an oversimplification of the conflict situation in the Niger Delta. Oil production in the Niger Delta is a combination of onshore and offshore activities. Idemudia (2007a, pg. 165) gave the following categories of communities in the Niger Delta:

Producing communities - communities in which onshore oil exploration takes place. Terminal communities - coastal communities where you can find territory, port or terminal facilities because oil exploration takes place offshore and Transit communities – communities on whose territory transit pipelines pass through. However, some communities are neither producing, terminal nor transit, but by being situated within the region also claim that they should also be catered for by the oil companies.

So attributing the conflict situation in the Niger Delta Region to the onshore nature of oil operations would be oversimplifying the issue. Idemudia (2007a), for instance, noted that communities form their perceptions out of the relationship between the oil companies and communities in the Niger Delta. The author further states that whether these impressions are right or not is no longer of relevance but rather what matters is that over time, they have become facts for community members and hence realities which companies must face. This study argues that a similar situation as identified by Idemudia (2007a) is brewing in *Apyam* but in this case, community members direct their anger towards the government. It is a departure from other studies on resource extraction in which government failure in developing countries is the reason why MNCs are gradually expected to take responsibility for development in areas in which they operate (see Frynas 2005 and Ite, 2004).

Despite government failure in *Apyam* regarding the absence of social infrastructure, the people saw the government as responsible for development. Idemudia (2014) for instance asserted that the closeness of host communities and the associated contacts with oil MNCs is the reason why oil MNCs are accountable for development. The author found in his study in some towns in the Niger Delta Region, where oil production was mostly offshore that communities without any contact with oil MNCs (regarding the absence of terminal office for companies) declared that government should have

more responsibility for development. In contrast, communities in which oil MNCs had terminal posts expected these organisations to have more responsibility for community development. This, therefore, suggests that community members tend to hold groups with which they have a direct association responsible for their development needs. It implies that community members in *Apyam* feel they do not have any relationship with oil companies nor were companies physically present in the community. However, with the government, there is always a government representative in the person of the Assemblywoman who represents the local government and is elected by members of the community. Also, politicians visit the community to campaign for votes during elections. So in the case of an offshore oil extraction activity in which companies have no community presence, this study argues that one of the possible explanations for communities holding government primarily responsible for development lies in a direct physical interaction that exists between government and communities compared to oil companies.

7.5 Emerging Issues

Brasier et al. (2011, pg. 34) note that:

During times of rapid energy development, residents' attitudes span four stages: enthusiasm in initial stages when residents express positive expectations, uncertainty as residents notice that expectations are not being met and unexpected changes occur, panic as residents realise the magnitude of unexpected impacts on their community, and finally adaptation as the changes become viewed as permanent.

Findings presented in this study show attitudes of *Apyam* community as consistent to that of the enthusiasm, uncertainty, panic and adaptation stages as identified by Brasier et al. (2011). However, this study argues that in spite of the current perceived

adjustment of *Apyam* community inhabitants in the light of the changes in their community, this adaptation stage may be short-lived and presents a worrying situation. In spite of the resilience of community members to changes in the two most dominant sources of income (fishing and farming), there was currently the issue of the refusal of communities to be part of oil discussions. Their refusal to be part of oil deliberations is of concern because of the possibility of a potential recourse to a conflict. Hence, this study having adapted Brasier's framework of the attitudes of residents' spanning energy development recognises defiance as an additional stage. It means that in the case of *Apyam*, during times of energy development, residents' attitudes involve five main stages of enthusiasm, uncertainty, panic, adaptation and defiance. This section, therefore, argues that the actions of people from *Apyam* came about because of the failure of the government to take advantage of the oil discovery as a means of delivering development to *Apyam*. Companies also fail to meet the objectives set out in their CSR agenda genuinely but instead merely restoring to advancing a commitment to CSR to achieve a positive public image like the following section will show.

7.5.1 CSR as Greenwash

Companies may be driven towards CSR by the so-called business case of CSR. It suggests that pursuit of positive community image and minimisation of negative could have a positive effect on company profits (Hamann and Kapelus, 2004). Critics, however, argue that CSR is mainly about projecting a suitable image while ensuring business as usual (ibid). This criticism has resulted in the argument that CSR is primarily about "greenwash" or the projection of a caring image without substantial change to socially or environmentally harmful business practice (ibid). In line with the

"greenwash" criticism, this study argues that the CSR interventions of oil companies involved in the Jubilee project are a result of maintaining the corporate image of companies. Therefore oil companies' claims of the Jubilee resource as a state asset, community engagement as critical to the CSR agenda, and CSR interventions seen as part of community support, reinforce the notion of companies being mostly concerned about their image. The idea which drives this argument is the fairness principle as applied by Hamann and Kapelus (2004) which established whether CSR, as practised in the mining industry in Southern Africa, is proper accountability or just greenwash. The fairness principle is based on the idea that "companies can only claim to be socially responsible if their direct, indirect, and cumulative impact on society benefits the most vulnerable and worst off" (Hamann and Kapelus, pg. 87). I use the fairness principle in discussing whether the claim by oil companies in the Jubilee oil project of beneficial outcomes to communities as a result of their CSR agenda is in place. What should be made clear at the onset of this analysis is the fact that government and oil companies in the Jubilee oil partnership are on the same side when it comes to community claims for benefits from oil drilling. Hence the following argument although particularly aligned to oil companies also holds true for government as the findings in this study have shown.

7.5.2 Jubilee Resource is a State Asset

The phrase "Jubilee resource is a national asset" as used by officials of oil companies interviewed in this study is strongly suggestive of some deviation from the fairness principle in as much as it implies that there is an insufficient concern to make sure that the operations of companies benefit the most vulnerable and worst off. Due to the belief that the Jubilee resource belonged to 'all citizens', there was no deliberate

attempt to ensure that the CSR policies of companies benefitted host communities, especially deprived ones like *Apyam*. The phrase signals to companies that in adopting this approach they would be likely to escape criticism from the government for failing to attend to the social needs of local communities in the oil region. By claiming that the resource belongs to the whole nation then the yardstick for measuring companies' performance would include all projects instituted by companies and not necessarily those of benefit to the most deprived and proximate communities like *Apyam*. Also, the offshore nature of drilling activities enabled companies to adopt such an attitude since it was difficult to identify specific host communities. It was therefore not surprising that company officials in interviews often touted national CSR projects such as help given to the country's universities among others (see section 5.4).

7.5.3 Community Engagement Is Critical

Criticisms about the behaviour of companies in resource-rich regions have often centred on the failure by companies to involve the beneficiaries of CSR in consultation processes (see Frynas, 2005) and for that matter resource management issues. One of the questions that informed this study, therefore, is whether *Apyam* community was involved in the planning, implementing, monitoring and evaluating sustainable resource management and alternative livelihood activities. The findings in this study, however, indicate that contrary to criticisms about the lack of involvement of communities in resource management issues, *Apyam's* case was different. Community members in *Apyam* were involved in discussions concerning benefits and effects of the industry on their community (see sector 4.3). However, the problem was that the motivation for this approach was driven by the concern amongst companies to fulfil a contractual requirement rather than utilising inputs made by communities. It

is a case of corporations enhancing their public image. Although communities like *Apyam* were involved in stakeholder meetings, this did not result in any benefits because their concerns were not taken on board (see chapter six). A commitment to community engagement by companies assumes that there are no power imbalances in the relationship between government, communities and businesses. It relates to what was noted by Alstine et al., (2014, pg. 50) as, "the rhetoric of partnership and engagement conceals processes of disconnection and power imbalance". Communities were included in stakeholder engagement programmes to fulfil a legal requirement while at the same time the most critical decisions such as those concerning the recipients of resource benefits continued to be made elsewhere by others (Gillespie, 2012). So while community members in *Apyam* felt that their involvement in stakeholder meetings entitled them to automatic benefits from oil companies, such meetings and discussions were mostly to fulfil the mandate of the International Finance Corporation (IFC). In a nutshell, in the context of *Apyam*, CSR projects were not adequately adapted to the specificities of the local context (Gilberthorpe and Banks, 2012).

7.5.4 CSR as Part of Community Support

The resource extraction literature highlights activities due to resource extraction. Various support initiatives for communities include pipe-borne water, schools, clinics, as well as other infrastructure benefits for communities. The district implementation approach by companies in the Jubilee partnership resulted in interventions benefitting developed districts which run contrary to the fairness principle. Vulnerable communities like *Apyam* could not benefit from projects which were mainly designed to build on existing projects in the area. A homogenous project implementation without

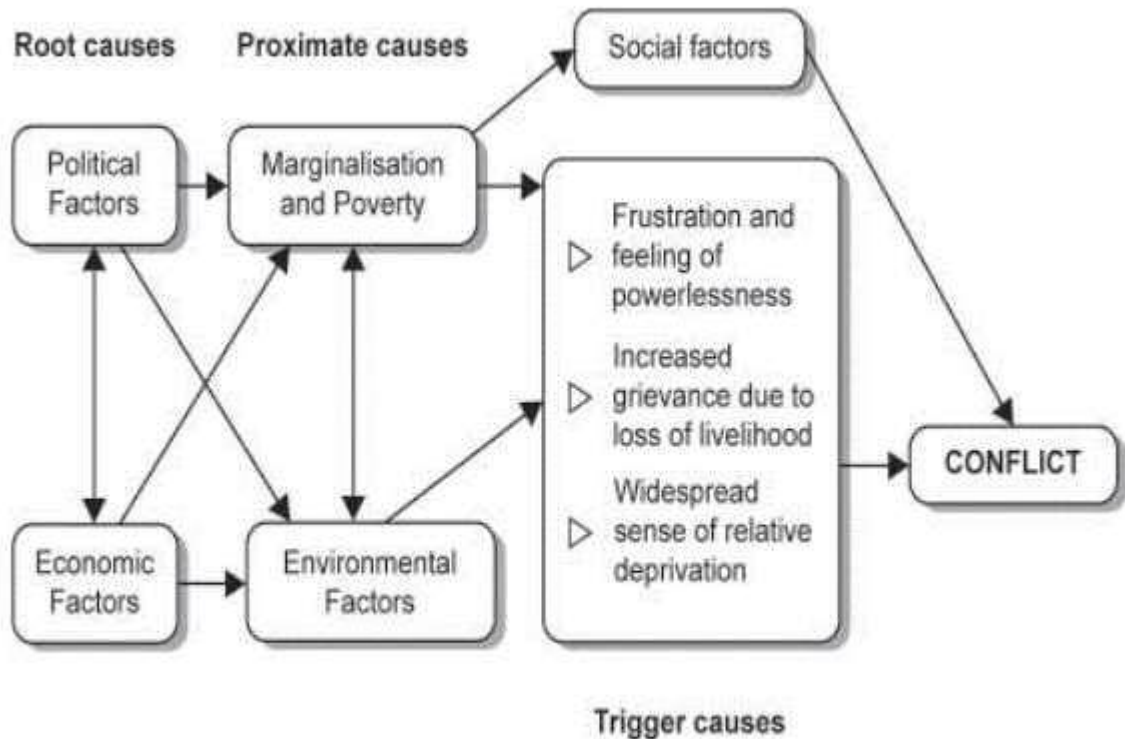
Careful attention to the needs of various communities in the oil district, therefore, resulted in widening the inequality gap between developed and less developed areas. Such an approach ensured that companies were again able to avoid criticisms due to a lack of specific guidelines for project implementation.

The three approaches adopted by companies as highlighted above, therefore, shows that the pronouncement by oil companies of a commitment to CSR in the oil region was mainly a public relations stunt. This study argues that businesses were able to adopt these strategies because of the failure of the government to institute stringent regulatory measures.

7.5.5 The Likelihood of Social Unrest

Due to the failure of oil discovery to result in beneficial outcomes for *Apyam*, this study posits that there is an urgent need to speed up the process of redistribution of resource benefits and maximise investment in regional infrastructure to prevent conflict in Ghana's oil region. This study in discussing the likelihood of social unrest in the community of *Apyam* draws on literature on the causes of the conflict in the Niger Delta Region of Nigeria (see Idemudia and Ite, 2006, Ikelegbe, 2005, Osaghae 1995 and Nwokolo 2005). Specific reference is made to the causes of social unrest in the Niger Delta Region as advanced by Idemudia and Ite (2006b). The authors noted that "political and economic factors are the causes of the conflict in the Niger Delta, with environmental and social factors as the proximate and trigger causes, respectively"(pg.16). The diagram in Figure 7.1 depicts the interaction among the various factors identified by authors.

Figure 7.1: Causes of Social Unrest in the Niger Delta Region



Source: Idemudia and Ite (2006b)

The discussion that follows will show how the factors identified by Idemudia and Ite (2006) relate to the situation in *Apyam* and why it is a situation of concern that needs urgent attention.

Oil production and its socio-economic impacts changed the Niger Delta Region from a relatively remote region to one of geopolitical importance nationally and internationally (Idemudia and Ite, 2006). The authors, however, note that the publicity of the area had more to do with the negative impact of oil production on local

communities than the widely anticipated positive benefits of oil production. This study notes that the transformation of the Niger Delta Region from a relatively insignificant region with the discovery of oil is consistent with the community of *Apyam*. In that *Apyam* which was virtually unknown received high publicity as a result of the Jubilee oil discovery. Oil discovery brought the population of *Apyam* into national, and worldview and with it was the anticipation of beneficial outcomes from oil production. Idemudia and Ite (2006) drew attention to the fact that due to the domination of the Niger Delta Region by the Ibo and Yoruba ethnic groups, other minority groups in the region suffered neglect regarding the lack of necessary socio-economic and development infrastructure. This study also argues that the community of *Apyam* has suffered neglect because of the lack of essential social amenities in the town (see section 4.2.1); however, the reason for this is not along ethnic lines as advanced by Idemudia and Ite (2006). The neglect of *Apyam* community was due to the failure of the district assembly system to ensure equitable distribution of resources to villages under its jurisdiction. An essential cause of the conflict in the Niger Delta Region was government failure regarding delivering developmental benefit coupled with the perceived political and economic marginalisation which resulted in a state of disillusionment within the region (Idemudia and Ite, 2006b). This study notes that the disengagement experienced by the people of the Niger Delta region is beginning to surface in *Apyam* (see section 6.3). In the case of *Apyam*, although the people vote in national elections and hence are part of political decision making, it has not resulted in the provision of necessary social infrastructure. Public protest was the means of redress adopted by the people of the Niger Delta to vent their grievances because of growing frustration, bitterness and a sense of powerlessness (Idemudia and Ite, 2006b). Although the public protest was not evident in *Apyam* during the time of this

study, people's refusal to be part of future oil deliberations (see section 6.3.1) showed the general dissatisfaction with how officials handled concerns of the community. This situation if not addressed by the local governance system has the potential to result in a scenario where the government would be unsuccessful in maintaining order as well as unable to meet the social responsibility of its people in the local area of *Apyam*.

The economic factors identified by Idemudia and Ite (2006b) as responsible for the Niger Delta conflict were to do with the fact that the oil revenue generated from the region was not seen to have been returned 'back' to the region. The authors further noted that the people felt that they had not benefited from the oil wealth instead outcomes were catastrophic. A similar feeling exists among the people of *Apyam* who perceive that despite the community's proximity to the Jubilee oil rig other districts appear to be benefitting from the oil. At the same time, many residents blame the oil wells for their falling catch levels.

The environmental factors responsible for the Niger Delta conflict which Idemudia and Ite (2006b) recognise as the "proximate causes" of the conflict in the model replicated above have to do with the environmental degradation by the oil industry as well as the acquisition of land to build oil infrastructure which deprive communities of areas for agricultural purposes. In the case of *Apyam*, although there was no compulsory acquisition of properties for oil infrastructure, fish scarcity and seaweed blooms meant there was pressure on fishing impacting negatively on their primary sources of income. Additionally, reports of changes experienced in farming activities also indicated stress on agriculture as a source of income for most families.

Social factors noted as causes of the conflict in the Niger Delta region included a sense of relative deprivation (see Runciman, 1966, Birrell, 1972), youth unemployment and the recognition that oil is a finite resource (Idemudia and Ite, 2006b). In the case of *Apyam*, there were deprivation and youth unemployment; factors which were present before the oil discovery but worsened as a result of perceived fish scarcity and the inability to get jobs in the burgeoning oil sector. Some young men were seen hanging at the beachside in the community with no work to do because of limited employment in the village. Although this scenario might have existed before the oil discovery, fish scarcity and low agricultural productivity furthered the frustration of young people. In the case of the Niger Delta, youth unemployment resulted in youth activism, militancy and rebelliousness among the young people in the region (Idemudia and Ite, 2006b).

The summary provided by Idemudia and Ite (2006b, pg. 26) echoes the situation in *Apyam* currently although as has previously been stated the inequalities that have grown are not related to ethnic but to geographic differences.

Political and economic marginalisation meant the people of the region felt worse off than the people from the majority ethnic groups. The environmental change in the Niger Delta made sustaining livelihoods via traditional means untenable with no ready alternative, while the failure of the oil boom to provide modernisation meant widespread expectations were not met.

The authors note that the interplay of political, economic, social and environmental factors led to the conflict in the Niger Delta region of Nigeria. These elements of *Apyam* represent a disturbing strand to Ghana's quest in using its oil wealth for the benefit of its people.

7.6 Summary

The discussion in this chapter has demonstrated that contrary to the expectations of *Apyam* community inhabitants about benefiting from the Jubilee oil discovery, there were instead reports of adverse economic, social and environmental impacts. The unmet aspirations of the people of *Apyam* have resulted in a feeling of discontentment towards the government for its inability to fulfil promises made at the onset of oil discovery in the Jubilee oil field. This chapter has shown how the discontentment of people in *Apyam* manifest through their refusal to take part in oil discussions and also open hostility towards visitors to the community all of which has the propensity to result in social unrest. The study highlights how CSR interventions by oil companies although proffered by corporations as their commitment to the social well-being of communities in the oil region have failed to provide benefits for deprived and marginalised communities like *Apyam*. This thesis has identified these CSR projects as "greenwash" which is mostly a public relations strategy used by the companies for enhancing their image.

CHAPTER EIGHT

CONCLUSION

8.0 Introduction

This chapter offers concluding remarks on this study. It begins with how my research contributes to what we know about outcomes of resource extraction for local communities in resource-rich areas. The rest of the chapter also reviews the findings of the study, spells out the limitations of the study and proposes areas for further research.

When Ghana discovered commercial quantities of oil in the Jubilee field, it reignited the debate of the "resource curse" phenomenon with commentators on the lookout for what the outcome in Ghana will be. The government of Ghana and the oil companies appear satisfied with how issues surrounding oil contract negotiation, social responsibility and community expectations have been handled. However, for *Apyam* community, outcomes seem less desirable. Results of this study appear to indicate that *Apyam* does not have the "power" to compel the government and oil companies to channel benefits their way. The case of *Apyam* seems to indicate that even though the "resource curse" phenomenon might serve as a yardstick for explaining outcomes in resource-rich areas at the national level, it does not seem to capture the complexities at the local level. Hence this study provides evidence to the effect that the outcomes in resource-rich local communities mainly depend on the "power" of communities to influence resource distribution issues. The notion of "power" employed in this study follows Dahl's first-dimensional conceptualisation of power where its

mechanisms manifest in the skills and resources that influence decision-making (Bernal, 2011).

8.1 Critical Reflection on Findings

Findings in this study appear to indicate that the nation-state still yields considerable power over MNCs in various forms such as that detailed in the case study of MNCs operating in China reviewed in chapter two where the state had the direct influence on operations of companies (see Osland and Bjorkman 1998). This study is of the view that rather than determining whether the nation-state has lost its power in the midst of globalisation, the discussion should instead focus on why nation states do not exercise their right over MNCs even when they have a clear opportunity to do so as the findings in this study have shown. The study provides further evidence that indicates that the bargain of MNCs did not obsolesce with time as established by the OBM as the government did not appear committed to changing the initial contractual agreement. Although international oil companies had superior advantage of capital, technology and skills when negotiating with host governments, the government could also have used its political stability, quality and size of resource to tilt the bargain in its favour (Vivoda, 2011). Ghana's success story in Africa regarding peace and stability, democracy and governance and control of corruption (Moss and Young, 2009) was sufficient grounds for a renegotiation of the contractual agreement. Also, the reliability of Africa's oil in the midst of the increasingly "unreliable" nature of the Persian Gulf (see McCaskie, 2008) was a further boost to the bargaining power of the government. This study also seems to broaden the academic discourse on "the decline of the nation-state" where as a result of the operations of multinational companies, the state is seen to lose its political authority. This study shows that the nation-state still yields

power in the midst of globalisation. However, the state fails to use this power to its advantage. The political stability in Ghana, as well as the high quality of Ghana's oil, was sufficient to give its superior strength over the oil companies. However, the country settled for a 13.64% share in the oil resource possibly because those who negotiated on behalf of the nation might not have had the needed skills to negotiate with oil companies. Radon (2007) for instance cautions that the first challenge that states will have to grapple with are typically negotiation challenges. Oil companies often have more considerable financial resources, superior knowledge of the resource fields and more experience in negotiating contracts (ibid).

This study also provides evidence that shows that when the government do not obtain a more significant percentage share in the oil resource, then it is constrained to ensure equitable distribution of the oil resource. A small percentage share in the oil resource means that the government will have to rely on companies to institute social intervention projects for local communities because oil companies had the upper hand during oil contract negotiation. Again, Radon (2017) has observed that during talks with international oil companies, little time and effort is expended by officials on the "people" side of development. It is therefore easy to ignore environmental, social, economic and political issues. It is therefore not surprising that outcomes in *Apyam* show that few development projects instituted in developed districts by oil companies were continuously highlighted to boost the public image of companies hence diverting attention from more pressing concerns of communities like *Apyam*.

As stated earlier in the introduction of this chapter, only communities which have "power" seem to influence outcomes in resource-rich areas. Officials do not prioritise the needs of *Apyam* community because as stated earlier the community of *Apyam* was considered "powerless" in their dealings with oil companies. Oil companies and the government did not institute intervention projects in *Apyam* although the community was involved in stakeholder programmes organised yet their concerns did not affect resource distribution modalities adopted by oil companies. Also, oil companies might have realised that communities could not impact their operations negatively. Oil companies were completely detached from the day to day activities of communities because the oil and gas activities were offshore. When it comes to *Apyam's* relationship with the government, the previous chapter showed how the power dynamics are not static. During elections, the community could exercise "power over" the government, but unfortunately, although community members seem to be aware of this political capital, there was no collective effort to do so. Perhaps members of *Apyam* realised that even during elections they did not have the political clout to cause a change. Cleary (2007) for instance draws attention to the fact that elections provide a useful tool and in most cases the best tool, for producing responsiveness and accountability. The author further explains that governments only consider the demands of citizens when they can convincingly threaten to vote officials out of office. Similarly, as noted in the discussion in chapter seven, Besley and Burgess (2002) acknowledge that politicians are only responsive to the needs of poor and vulnerable citizens if they have sufficient electoral power to "swing" votes. It might account for the reason why *Apyam* community members had not boycotted past elections despite the neglect of the community. Considering the way elections work in the Ghanaian system, it is difficult to envisage that the community of *Apyam* will receive attention for its social

needs simply because it cannot change the balance of power. Even in developed regions and districts in the country where electorates have the numbers to "swing" votes during elections, there are still challenges when it comes to the provision of adequate social amenities. Politicians in Ghana appear to embark on development projects in an election year. The government even abandon these projects after the elections. This posturing of politicians' means areas that do not have the numbers to influence election results will always end up being side-lined regarding development projects. Hence deprived areas like *Apyam* always end up without any development projects in an environment where because of challenges with adequate sources of public finances, governments prioritise needs of citizens who have the mandate to retain them in power. It feeds into a much larger discussion on what propels government to develop certain areas while other areas do not see any development. In chapter two the "urban bias" literature was introduced as a way of contextualising the spatial inequalities that exist in most countries in colonial Africa. Lipton (1977) for instance asserts that urban biases remain the greatest institutional obstacle to growth and poverty reduction in world's poorest countries. The government of Ghana and oil companies might have prioritised the needs of communities in developed districts simply because the authorities allocated resources to various areas in an urban-biased way (Lipton, 1977). Although developed districts in the oil region which have received intervention social projects are rural, the urban bias literature also asserts that decisions in less developed countries are in favour of the rural rich. Hence developed districts in the oil region could fit the "rural rich" label.

In chapter two of the thesis, grievance theory (Gurr, 1977) was projected to explain community conflicts in the midst of relative deprivation. Happenings in the community

of *Apyam* was indicative of anger at the government for neglecting the community while other areas appeared to be benefitting from the oil resource. This study, therefore, validates the notion that conflicts are likely in areas where a sense of relative deprivation exists (Gurr, 1977).

Regarding methods, my study offers some insights into how gatekeepers who occupy influential positions in a locality can influence participant recruitment. As I reiterated in chapter three, when I got to *Apyam* on the second day of my fieldwork, I learnt the chief of the community had told community members to assist me with my research. This gesture from the leader seems to have offered my study some legitimacy which helped to ward off protests in a tensed political environment. It presents a departure from cases of participant recruitment discussed in the methods literature.

8.2 Limitations

Every study suffers from some limitations, and equally this study had its share of challenges. One difficulty was a language barrier between myself and the respondents interviewed in *Apyam*, which required that I employ the services of an interpreter. This meant that interactions with respondents could have been stronger at all times if there were direct interactions with participants. Also, because of the hostile atmosphere in the community when I arrived for the fieldwork, I had to engage a community member to accompany me to all households visited in the town, which also meant the introduction of another individual into the research process with participants. Again, although this approach ensured that I could recruit as many participants as possible and most importantly secure my safety throughout fieldwork, it, however, meant that

participants had to cope with another individual aside from the interpreter. These two individuals might have influenced the accounts of participants

Another challenge had to do with the fact that although the research contributes to a body of evidence, it cannot be used on its own to draw broader conclusions about another resource - rich community.

Also since fieldwork took place two years after oil production commenced in the Jubilee field, it represents a short time span to assess the impact of extraction activities comprehensively. *Apyam* is a community that is enrolled in a much broader world undergoing continuous changes hence as posited by Hudson (2001, pg. 258):

Irrespective of the conceptualisation of geometry, places must not only be defined regarding their spatial location and attributes but also regarding their position in time.

My interaction with research participants revealed that things had changed in the community. For this reason in exploring the changes in lifestyle in the community, that characterises most fishing communities, I had to rely on accounts provided by participants. There was no way of checking on the validity of these reports. The study would have therefore benefitted from a longitudinal approach where I could have carefully observed both past and present community lifestyles. However, the PhD study was time restricted which meant this was not feasible.

8.3 Areas for Future Studies

Further research can consider a comparative study. It will be interesting for such comparative approaches to study communities where there have been some benefits, e.g. where oil companies have done something – education and training, social projects, and so on. It should provide a better understanding of why companies prioritise some regions and not others.

This study has also shown that in an offshore oil extraction situation where companies do not have linkages to communities, the push to address community grievances is limited. Hence future areas of study could concentrate on how communities in such a situation may be empowered to demand accountability from companies and governments. Other research works could consider how feasible it will be to petition the home governments of companies involved in the extraction process since most of these companies are multinational companies with stringent regulatory regimes in their home countries.

Lastly, a future area of study can concentrate on whether the disgruntlement of the people of *Apyam* and other communities in similar situations stirs social solidarity resulting in mass political movements. The case of the Niger Delta Region of Nigeria could serve as a reference point since poverty and pollution in the region (despite the area generating billions in oil revenue for the government) has resulted in violence (Aghedo and Osumah, 2015).

Having spent quite some time in *Apyam*, I sometimes wondered what will happen to the community if the social and economic conditions remain the same. There is a famous saying that nothing rarely stays the same forever, so the community of *Apyam* seems susceptible to change. Therefore, a trip to the town four years after my initial fieldwork helped to determine whether there have been any changes.

8.4 Post Development in *Apyam*

The fieldwork for this study was carried out in the year 2012. Since quite some time had elapsed before the thesis was submitted, I visited *Apyam* for a day (the 3rd of September, 2016) to see if any of the promised infrastructure – school block, second borehole, toilet facilities and electricity – had been constructed. Also, I wanted to find out if the road to the community had seen any improvement and whether the clinic, which was under construction by an expatriate philanthropist at the time of my last visit was completed and had become operational.

8.4.1 Observations

The government has finally connected the community to the power grid. The power connection happened in February 2016, about four years after the erection of electric poles. As discussed previously in this thesis, the electric poles were erected a few months to the national elections held in the year 2012, and at that time, it was uncertain if the electricity was going to be subsequently connected. The uncertainty was because as earlier argued, government appear to carry out development projects in most areas in an election year, a strategy meant to canvass for votes and gain political advantage. Some community members alluded to the fact that after the erection of the

electric poles in 2012, they had mounted "pressure" on the government to connect the electricity but to no avail subsequently. The electricity was finally connected ten months to a national election. It is therefore plausible to attribute *Apyam's* connection to the national grid as a ploy of government to garner support in an election year. According to community members, the past representative of the district assembly in the community who is sympathetic to the ruling party lost the district assembly election held in 2015 to a representative sensitive to the main opposition party. Some community members are of the view that the sitting Member of Parliament for the area who is a member of the ruling party is scared of losing his seat in the upcoming national election in December 2016 hence the drastic move to finally connect electricity to *Apyam*.

Also, in the early part of 2015, the second borehole which was under construction at the time of my primary fieldwork was completed. Community members acknowledged that this development has dramatically reduced the stress on the single water facility, which used to serve the whole community. The clinic, which was also under construction by a philanthropist at the time of my fieldwork was operational at the time of my recent visit to the community. However, community members complained about their inability to obtain medication at the health facility. According to them, when the philanthropist was operating the health centre, community members received free medication. The clinic was later handed over to the Ministry of Health, but community members complained that since then, they are made to buy medicine, which they cannot afford. Although Ghana operates a national health insurance scheme, which means basic health needs are for free -after the payment of an initial fee - community members could still not get medication. Hence the presence of a clinic in the

community did not translate into automatic health care as envisaged. The health centre is an essential facility which provides primary health care needs hence does not offer maternity services. The issue of deaths in labour as discussed earlier (see section 4.2.7) therefore remains a significant concern for community members.

Regarding the construction of school blocks, public toilet facilities and road network to the community, there has been no shift in the status quo. I must say the road network was in a more miserable state compared to the time of my fieldwork in the community. For instance, on my way from the village on my recent trip, a local taxi cab was stuck in muddy water at a portion of the road, so I had to spend about forty-five (45) minutes waiting. The sports utility vehicle, which I rented to the community had to tow the taxi cab from the swamp before we could continue our journey and also to help another car, which was en route to the town proceed on its drive. The travel difficulties encountered appear to be quite common since community members mentioned that the road had become impassable for about two days because a vehicle carrying stones got stuck on the way, which meant cars could not move in or out of the community. Also, the continued absence of toilet facilities is detrimental to the whole village because open defecating on the beach and other areas pose serious health risks for community members.

Recent developments in *Apyam* outlined above appear to indicate that deprived communities must capitalise on the leverage they possess in an election year, and this seems the only way to impress on the government to give them a share of the national cake.

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APPENDICES

Appendix 1: INTERVIEW GUIDE – FOR OIL COMPANIES

1. Research Study Information

Prompts

- Thank respondent for agreeing to interview
- Purpose of the research
- Assurance of confidentiality and obtain consent to record interview

2. Company background

Prompts

- What the company does
- Parts of the world in which they operate
- How long the company has been in the oil business

3. Interviewee's background

Prompts

- Position in company
- Job description
- Duration in company

4. Corporate Social Responsibility (CSR) policy

Prompts

- Does company have a CSR policy
- Definition of CSR by company
- CSR policy for communities in which they operate (local examples)
- Industry's regulation towards CSR
- Variances in CSR policies (developed and less developed countries)

5. Operations in West Cape Three Points oil block

Prompts

- Nature of oil activities
- Interference to oil rig from external sources
- Nature of partnership with other Jubilee partners
- Nature of partnership with government of Ghana

6. Relationship with fishing communities

Prompts

- Effect on fishing grounds
- Allocation of alternative fishing grounds to fishermen
- Compensation schemes to fishermen
- Benefits to study community (infrastructure, employment etc)
- Meetings with community members (examples)

7. Employment and Skills

Prompts

- Skills needed to work with company
- Recruitment policy of company
- Recruitment agreement between government and oil companies
- Recruitment of people from study community (examples)
- Scholarship schemes (examples)

8. Feedback

Prompts

- Feedback from community about company's operations (community liaison officer)
- Public Institutions available in Ghana for the oil and gas industry
- Dealings with other jubilee partners (joint venture CSR)
- Dealings with government of Ghana
- Future of Ghana's oil and gas industry
- Other issues not discussed previously

9. Conclusion

Prompts

- Thank respondent
- Permission to contact respondent if need be for further clarification on any of the issues discussed

Appendix 2: INTERVIEW GUIDE - FOR FISHING COMMUNITY

1. Research Study Information

Prompts

- Thank respondent for agreeing to interview
- Purpose of the research
- Assurance of confidentiality and obtain consent to record interview

2. Background

Prompts

- Respondent
- Family members
- Occupation

3. Changes over time (over last ten years)

Prompts

- General life in the village
- Fishing activities
- Fish catch sizes
- Distance to fishing grounds
- Fish selling activities and tourist activities
- Community's traditions or customs

4. Oil exploitation

Prompts

- Migration of village folks
- Conflict with other fishing communities
- How long fishermen are away from home
- Competition between fish mongers for customers

5. Adjustment to changes experienced over time

Prompts

- Restriction on fishing activities
- Fish catches
- Fish mongering activities
- Family's standard of living

6. Oil exploitation deliberations

Prompts

- Public meetings with government officials and oil company officials
- Promises by government and oil companies
- Infrastructural development (roads, schools, hospital, drinking water, etc)

7. Employment

Prompts

- Have any family members applied to work on rigs or with oil companies

8. Other

Prompts

- Satisfaction with government's handling of the oil exploration
- Channel for feedback to government and oil companies (community liaison officer)
- Other issues apart from those discussed above

9. Conclusion

Prompts

- Thank respondent
- Permission to contact respondent for further clarification

Appendix 3: INTERVIEW GUIDE – FOR ENERGY MINISTRY

1. Research Study Information

Prompts

- Thank respondent for agreeing to interview
- Purpose of the research

- Assurance of confidentiality and obtain consent to record interview

2. Ministry's background

Prompts

- What the ministry does
- Role of ministry in oil and gas industry

3. Interviewee's background

Prompts

- Position in company
- Job description
- Duration in company

4. Local content and local participation policy document

Prompts

- Background of policy document
- Objectives of policy document
- Has document been passed into law
- Including local communities as part of local content capacity development

5. Structure of oil and gas industry

Prompts

- Public Institutions available in Ghana for the oil and gas industry
- Companies involved in the Jubilee oil partnership
- Nature of Jubilee oil partnership (joint partnership)
- Benefits of the Joint venture partnership to the government
- Reflections on the joint partnership agreement (satisfaction or regret)
- Future of Ghana's oil and gas industry
- Way forward for the Jubilee oil partnership project
- Other issues not discussed previously

6. Conclusion

Prompts

- Thank respondent
- Permission to contact respondent if need be for further clarification on any of the issues discussed

Appendix 4: Interview Guide- for Ministry of Fisheries

1. Research Study Information

Prompts

- Thank respondent for agreeing to interview
- Purpose of the research
- Assurance of confidentiality and obtain consent to record interview

2. Ministry's background

Prompts

- What the ministry does
- Role of ministry in oil and gas industry

3. Interviewee's background

Prompts

- Position in Company
- Job description
- Duration in company

4. Consultations with resource communities

Prompts

- Nature of meetings
- People involved in meetings
- Sorts of issues discussed with communities
- Level of interaction with community members
- Feedback from community about meetings

5. Baseline Study on fishing communities

Prompts

- Any baseline study conducted
- Statistics on fish catch levels around Jubilee field
- Depleting fish stocks

- Reasons for depleting fish levels
- Any collisions between canoes and oil supply vessels

6. Fishing community (emphasis on study community)

Prompts

- Effect of oil exploitation on fishing grounds
- Allocation of alternative fishing grounds to fishermen
- Compensation schemes to fishermen

7. Conclusion

Prompts

- Thank respondent
- Permission to contact respondent if need be for further clarification on any of the issues discussed

Appendix 5: Interview Guide for EPA

1. Research Study Information

Prompts

- Thank respondent for agreeing to interview
- Purpose of the research
- Assurance of confidentiality and obtain consent to record interview

2. Company background

Prompts

- What the agency does
- Link of the agency to the oil and gas industry

3. Interviewee's background

Prompts

- Position in agency
- Job description
- Duration in agency

4. Jubilee oil project

Prompts

- Involvement of agency in stakeholder meetings
- Involvement of agency in feasibility studies
- Dedicated division for oil industry

5. Perception of effect of oil exploitation on fishing communities

Prompts

- Effect on fishing grounds
- Allocation of alternative fishing grounds to fishermen
- Environmental effects of oil field on fish catch levels
- Monitoring process for environmental effects

- Opinion on level of involvement of fishing communities

6. Community of Focus

Prompts

- Any meetings with target fishing community
- Level of participation from community members
- Education of community members on potential environmental effects
- Other issues not discussed previously

7. Conclusion

Prompts

- Thank respondent
- Permission to contact respondent if need be for further clarification on any of the issues discussed

Appendix 6: INTERVIEW GUIDE – FOR NGO

1. Research Study Information

Prompts

- Thank respondent for agreeing to interview
- Purpose of the research
- Assurance of confidentiality and obtain consent to record interview

2. Company Background

Prompts

- What the organisation does
- How long the organisation has been in existence
- Role of the organisation in Ghana's oil exploration

3. Interviewee's background

Prompts

- Position in company
- Job description
- Duration in company

4. Consultations

Prompts

- Involvement in stakeholder meetings
- Nature of stakeholder meetings
- Involvement of affected communities in stakeholder meetings

5. Relationship with study community

Prompts

- Any consultations with community
- Nature of consultations
- Level of participation of community members

6. Relationship with other fishing communities

Prompts

- Any consultations with other affected fishing communities
- Nature of consultations with communities
- Level of participation of communities members

7. Opinions

Prompts

- Government handling of oil contracts
- Government dealings with oil companies
- Transparency in oil contracts
- Engagement of civil society in oil consultations
- Behaviour of oil companies towards fishing communities (alternative livelihoods, skill development, infrastructural benefits and so on)

8. Conclusion**Prompts**

- Thank respondent
- Permission to contact respondent if need be for further clarification on any of the issues discussed

Appendix 7: Questionnaire for Fishing Community



QUESTIONNAIRE FOR FISHING COMMUNITY

CARDIFF UNIVERSITY

SCHOOL OF SOCIAL SCIENCES

SEAFARERS INTERNATIONAL RESEARCH CENTRE (SIRC)

DECLARATION

My name is **Amewu ATTAH** and I am a student studying for a PhD at Cardiff University in the United Kingdom. I am interested in what has been happening in your community in the last two years following the discovery of oil. I will therefore like to ask you some questions about your household and I want to assure you that your responses will be kept confidential. I will be using these responses solely for my academic work. Any questions can be directed to Prof. Helen Sampson (principal supervisor) through email: Sampsonh@cf.ac.uk or Dr. Nelson Turgo through email: TurgoN@cardiff.ac.uk

PERSONAL INFORMATION

1) Can you please indicate which of the following age brackets you belong to?

- i. 18 – 28 years
- ii. 29 – 39 years
- iii. 40 – 50 years
- iv. 51 – 61 years
- v. Above 62 years

2) Are you currently.....

- i. Married
- ii. Widowed
- iii. Divorced
- iv. Single
- v. Separated

vi. Other (please specify)

3) Which ethnic group do you belong to?

- i. Nzema
- ii. Ahanta
- iii. Other (please specify)

4) What is your religion?

- i. None
- ii. Christian
- iii. Muslim
- iv. Traditional
- v. Other (please specify)

5) What is the highest educational level you have attained?

- i. Never Been to School
- ii. Primary School
- iii. JHS
- iv. SHS
- v. Vocational / Technical
- vi. Old system

6) How long have you been living in the community?

- i. Less than 5 years
- ii. 6 to 11 years
- iii. 12 to 17years
- iv. 18-23 years
- v. More than 23 years

7) What was your occupation as of 1st of January 2010?

- i. Student
- ii. Fisherman
- iii. Farmer
- iv. Fishmonger
- v. Trader
- vi. Other jobs
- vii. unemployed

8) What is your current occupation?

- i. Student
- ii. Fisherman
- iii. Farmer

- iv. Fishmonger
- v. Trader
- vi. Other jobs
- vii. Unemployed

9) Do you do other jobs apart from the one mentioned above to supplement your income?

- i. If Yes, please specify
- ii. No

10) Have you being unemployed¹² in the last three years?

- i. Yes
- ii. No

11) Who owns the house in which your family lives in?

- i. Family owned
- ii. Rented
- iii. Communally owned
- iv. others

12) Do you own any other property in the community?

- i. If yes, please specify.....
- ii. No

13) How does the system of land ownership operate in this community?

- i. Land allocations
- ii. Land transfers
- iii. Others (please specify)

14) Do you own any land in the community?

- i. Yes
- ii. No

15) How many people apart from you, live in your household?

- i. One
- ii. Two
- iii. Three
- iv. Four
- v. More than four (please specify)
- vi. None

¹²'An unemployed person' for this study is defined as anyone who is able, available and willing to work as a fisherman, farmer or any other type of job undertaken by members of the community but who cannot find work despite an active search for work.

16) Are all the people living in your household part of one family?

- i. Yes (please specify number)
- ii. No (please specify number)
- iii. Lives alone

17) People who currently live in your household

Serial No.	Relationship to Interviewee	Age	Occupation	Highest Educational Level Attained
1	Wife / Husband			
2	Children (18 and above)			
3	Children (below 18)			

18) Do any of your children help out in your job after school hours or on weekends and holidays?

- i. Yes
- ii. No

19) Do any of your children undertake paid work to supplement your family's income?

- i. If yes
- ii. No

20) Are you aware of the oil discovery offshore Cape Three Points?

- i. Yes
- ii. No

21) Do you vote in national elections?

- i. Yes
- ii. No

Appendix Eight: Research Participants Information Sheet

Background to the Study

I am a PhD student at the School of Social Sciences, Cardiff University and my research dwells on the recent oil discovery in the Jubilee oil field in Ghana. My research is funded by the Nippon foundation through the Seafarers International Research Centre (SIRC)-Cardiff University.

I have decided to approach your company because your company will be helpful in providing resources for issues relating mainly to the impact of oil extraction activities on my community of focus and communities in the resource region in general. The information collected will be confidential, anonymous and hence no one else will have access to them except myself and my two supervisors. Everything you say will be held in confidence.

I will record interviews but recordings will be confidential with your responses masked by using pseudonyms for any identifying information.

You can withdraw from the research at any point in time and you can also refuse to be included in a particular aspect of the research. If you agree to take part in the research please complete the research consent form.

I hope you will take part in this important research.

Thank You.

If you need any further information about the research you can contact me through the following contact details:

Amewu Attah - +2332244889884 or +447583803432

Email: AttahA@cardiff.ac.uk

Any queries about the research can be directed to Prof. Helen Sampson through email: Sampsonh@cf.ac.uk or Dr. Nelson Turgo through email: TurgoN@cardiff.ac.uk

Appendix Nine: Consent Form

Impact of Oil Exploitation on a Ghanaian Fishing Community

- I am willing to take part in the interview for this research
- I understand that no one else will have access to the data generated from the interview beyond the researcher.
- I understand that any personal statements made in the interview will be confidential with all comments masked in any reports or papers that are produced as a result of the research.
- I understand that taking part in the research is voluntary and that I may withdraw at any time.

Signature of Researcher:

Date:

Signature of Respondent:

Date:.....

Appendix Ten: Specimen Research Access Letter

Amewu Attah

C/o Seafarers' International Research Centre,
Cardiff University,
52 Park Place,
Cardiff University,
CF10 3AT.

Tel: (0)2920874620

Fax: (0)2920874619

www.sirc.cf.ac.uk

July 5, 2012.

[Address of Company]

Dear [Contact Name],

I am writing to you in connection with a PhD I am currently undertaking at the Seafarers' International Research Centre (SIRC) in Cardiff University, United Kingdom, which is sponsored by the Nippon Foundation. My PhD focuses on the oil and gas industry and it seeks to explore from key stakeholders in the oil and gas industry in Ghana, issues relating to the effect of oil exploitation activities on resource-rich communities.

I would be extremely grateful if your company would allow me to interview a member of the management within your company for about an hour. Ideally, I would like to interview someone who is knowledgeable about the CSR strategy of your company relating to the Jubilee Oil Project. This interview will include questions about:

- CSR
- Employment and skills development
- The relationships between communities, the government, and industry.

Any data which emerges in the course of the interview will be entirely confidential and data obtained will solely be used in my PhD thesis and for other academic work. My data collection for the project is scheduled for the 6th of August, 2012 to the 5th of October, 2012. I would be grateful if an interview appointment could be scheduled for me during this period.

Many thanks.

Sincerely,

AMEWU ATTAH