Preventing the Oil Curse Situation in Ghana: The Role of Civil Society Organisations

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Situation in Ghana:
The Role of Civil Society Organisations

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Abstract
Since Ghana started commercial production of oil in 2011, the overarching concern has been how to avoid a resource curse. This article examines the role civil society organisations (CSOs) have played in preventing Ghana from falling into the oil curse situation. It notes specific civil society initiatives that aim to promote transparency and accountability in oil governance. The Civil Society Platform on Oil and Gas has facilitated the creation of legislative frameworks, checks and monitoring systems to keep government and oil companies on their toes even though weak capacity, politicisation and lack of access to information remain a challenge to CSOs’ effective mobilisation. They need to pursue collaborative rather than adversarial relationships with the government, promote participatory learning in their internal management and instigate the government to promote macroeconomic stability, wealth creation, infrastructure development and employment for the youth with oil revenues.

Keywords
Civil society, resource curse, Ghana, oil, preventing

Introduction
Ghana is a country endowed with immense natural resources; its rich gold deposits earned it the name, Gold Coast by the colonial exploiters. The mining sector makes a great contribution to its economy. For instance, Ayee et al. (2011) note

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that the mining sector contributes 12 per cent of government revenues, 7 per cent of total corporate earnings and 41 per cent of total export earnings. Yet, the revenues from the sector have not been utilised for the benefit of the people. The mining communities are underdeveloped in terms of infrastructure and disease and poverty are endemic. Therefore, when Ghana discovered oil in 2007 and started commercial production in 2011, many people were not really awed by the discovery. The critical question that has dominated the media and public discourse is ‘if Ghana has not translated revenues from minerals into economic and social development, would proceeds from oil be used to free the people from the quagmire of economic deprivation and poverty?’

Critics relied on harrowing experiences from other parts of sub-Saharan Africa where production of oil has become a curse rather than a blessing to the people. For instance, since Nigeria started production of oil over 50 years ago, poverty levels have been extremely high, with 50 per cent of the population living on less than US$1 per day. By 2010, poverty figures in Nigeria had exceeded the total poverty levels as prior to the discovery of oil in the 1970s (Mahler, 2010). Similarly, the poverty situation in Angola, Sudan, Gabon, Sierra Leone and Liberia, among others, heightens the anxiety about what will happen to Ghana’s oil revenue (Mbabazi, 2009). On the other hand, in countries such as Norway and Qatar, revenues from oil have been channelled into productive use for material improvements in the lives of the citizens. The examples of ‘positive use of oil revenues in these countries have inspired a minority of the population, including some civil society groups to champion the campaign for the use of oil wealth to transform the lives of Ghanaians’.1 Interestingly, President Kufuor is one of the optimists; his radio addresses, assured the nation that Ghana would avoid the resource curse by using oil revenues to inspire the economic boom (Cavnar, 2008). In February 2008, the government arranged a two-day forum to learn from the experiences of oil-producing countries that have utilised wealth from oil to improve the lives of their peoples. The interactions with these countries confirmed the claim that the resource curse could be avoided in countries with high-quality institutions. Indeed, Boschini et al. (2003) have noted that countries with strong institutions, well-developed financial systems and open international trade policies suffer less from the resource curse. For instance, good policies, strong political leadership, long-term development plans and effective anti-corruption laws have helped Botswana to escape the curse of natural resources. As a result, the IMF in 2005 demanded of resource-rich African countries to improve their institutions in order to reduce the impact of the resource curse.

Other studies have drawn attention to the role of sound fiscal and monetary policies; creation of natural resource funds; transparency, accountability and public involvement in avoiding the resource curse (Weithal and Luong, 2006). Literature also points to institutions such as the legislature, regulatory bodies and the judiciary to act as countervailing force against the possible emergence of resources misfortune without featuring the role of civil society in the discussions. Yet, throughout much of Ghana’s political history, including the fight against dictatorship and human rights abuses, civil society organisations have been at the
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forefront. Although Prempeh and Kroon (2012) and Gyimah-Boadi and Prempeh (2012) have observed that an increasing number of Ghanaian civil society organisations, including think tanks are becoming active in the oil and gas sector, these studies are anecdotal rather than empirical. Moreover, they concentrated discussions on a few think-tank organisations without a detailed examination of the critical mass of civil society groups that have developed new orientations on the oil industry.

It is against this background that this article examines the role civil society organisations (CSOs) have played in the quest to avoid resources curse in the wake of oil discovery and commercial production of oil in Ghana. It contends that Ghana will escape the resource curse situation because CSOs have fostered transparency and accountability in oil governance. To arrive at this conclusion, the paper surveys the CSOs’ landscape to identify and discuss their specific character and capacity to keep Ghana from falling into the resource curse situation. It examines specific CSOs’ initiatives including actions taken to ensure that oil wealth is used to better the lives of the people. It identifies factors that are impeding the effective performance of CSOs’ watchdog role and discusses alternative ways to strengthen their capacity to achieve efficient oil governance.

Methodology

To address these imperatives, 50 key informants with different backgrounds were identified for face-to-face interviews. Of these, 35 were chosen purposively based on whether they were from CSOs, policy makers, media, oil companies and experts in the oil industry. Only CSOs affiliated to the Civil Society Platform on Oil and Gas (CSPOG) and policy makers who were actively involved in the making of laws to regulate production and management of Ghana’s hydrocarbons were included in the sample. They comprise policy think tanks, non-governmental organisations and community-based organisations. Twenty of the 35 respondents purposively chosen belong to CSPOG. Two each were selected from the following:

- Institute for Democratic Governance (IDEG)
- Integrated Social Development Centre (ISODEC)
- Africa Centre for Energy Policy (ACEP)
- Christian Council of Ghana (CCG)
- Ghana Bar Association (GBA)
- Global Youth Organization (GYO)
- Western Regional Network of NGOs (WERENGO)
- Extractive Friends of the Nation (FON)
- Foundation of Action Development of Western Region (FADWR)
- Civil Society Platform on Oil and Gas (CSPOG)
Of the 10 respondents chosen from policy makers and media, two were members of Parliament, three ministers (finance, energy and mines and environment), two from the bureaucracy, one each from Joy FM, The Chronicle (that has a permanent senior correspondent on oil in Takoradi), and Metropolitan Assembly. In addition, five key experts on oil and gas from some state and not-for-profit institutions such as Chief Executive of the Minerals Commission, Country Director of Friedrich Ebert Stiftung (FES), an official from Kosmos Energy Ghana Limited, Chairman of the Finance Committee of Ghana’s parliament and an energy consultant were selected for interviews. Five civil activists from the Takoradi Metropolis (the centre of oil production where traditional business activities such as fishing have been truncated due to the oil production) were deliberately targeted for interviews. They comprise a chief, teacher, fisherman, metropolitan assembly member and priest. Ten other respondents consisting of four women and six men who are registered voters were randomly selected from the list of registered voters obtained from the office of the Electoral Commission.

Researchers used interview guides aided by digital tape recorders for the face-to-face interviews. Those who could not be reached at their offices were contacted through telephones. The transcribed audio data was subjected to rigorous content and thematic analysis. It is worth mentioning that an aspect of the data analysis involved using field information to validate some of the general claims of how to avoid the resource curse in the literature.

**Social Capital Theory**

This study is situated within the social capital theory, which emerged as a framework for understanding and analysing relationships among stakeholders involved in community development. Grant (2001), for instance, maintains that social capital has its roots in social support, social networking, governance and community participation. Social capital first appeared in the works of Bourdieu (1970) and Coleman (1988), which emphasises the importance of social ties and shared norms for societal well-being and economic efficiency (Baron et al., 2000). Putnam (2000, 2) applied the concept to mean ‘connections among individuals—social networks and norms of reciprocity and trustworthiness that arise from them’. It is both a structural phenomenon, namely, social networks of friends, neighbours and colleagues and a cultural phenomenon such as social norms, which facilitate collaborative cooperation. Hence, Coleman (1988) refers to social capital as social structures and networks of institutionalised relationships of mutual acquaintance and recognition.

According to Putnam (1993), social capital involves horizontal networks found in civic society. The networks, norms and values relating to them have positive externalities that go beyond individual benefits. For instance, the networks of friends, colleagues and neighbours are associated with norms of reciprocity in mutual obligations and responsibilities. They not only promote norms of generalised reciprocity and trust but also foster participation for
collective benefits for sustainable development (Bowles and Ginitis, 2002; Carroll, 2001; Pretty and Ward, 2001; Woolcock, 2001). The strength of the social capital theory is that it focuses on positive consequences of sociability and highlights the idea that non-monetary forms are a source of power and influence (Norris, 2002; Pharr and Putnam, 2000). According to Putnam (2000), networks create conditions for collaboration, coordination and cooperation, which in turn create collective goods. Voluntary organisations such as parent–teacher associations, women’s groups and youth clubs are regarded as particularly important for this process because they promote active engagements. They not only bring local people into face-to-face contact to achieve specific community goals but also encourage interpersonal trust (Abom, 2004). The theory portrays civic society as directly promoting social networks, cultural norms, political participation and good governance.

Haynes (2009), however, states that social capital is based on a misleading metaphor because there is nothing capital about it. In his opinion, social capital is different, for instance, from what economists describe as capital. Along the lines of Arrow’s (1999) argument, Haynes explains that the word ‘capital’ implies three elements, namely extensions in time, an intended sacrifice for the deferred benefit and alienability. Yet, the concept of social capital lacks these outcomes. Thus, while social capital might describe important relationships, the conceptualisation of the term in the literature differs from other forms of capital. Haynes (2009, 10), acknowledges the complexity of deploying social capital:

Untangling the cause, effects, correlations and conjunctions of the term, social capital is a difficult undertaking when dealing with networks and complex interdependencies, and bold claims should base on theory, a mechanism, excellent case studies or other solid empirical findings, preferably triangulated with other data.

According to Lin (1999), social capital failed to consider ways in which social relationships have found new ways in expressing themselves. In other words, social capital is not the only means of social networking. For instance, he observes that technology facilitates communication through blogs, postings on the message boards with several people that also lead to social interactions, relationships, campaigning and spread of information and knowledge. Wuthnow (2002) also shows that there are changes in participation, particularly with changes from bureaucratic form to more ad hoc kinds of participation, which have manifested themselves in different forms that social capital research has not captured. Haynes (2009, 10) further observes that ‘social capital interpreted as the right kind of connectivity can be a form of hindsight or confirmation bias even when it seems to be a cogent explanation’.

**Civil Society Landscape in Ghana**

Intermediary organisations and associations that operate in the social and political sphere between the individual, families, clans and ethnic groups, on the one hand,
and the state and its agencies, on the other, have featured prominently in Ghana’s governance processes (Drah and Oquaye, 1996; Gyimah-Boadi, 1996). Ghana’s civil society comprises varying voluntary, professional and charitable associations; community and faith-based groups, non-governmental organisations (NGOs) and policy research think tanks (Debrah et al., 2013; Gyimah-Boadi, 2004). Also, there are trade unions (TUC), guilds, fraternities and choral organisations as well as students, clans and traditional social groups such as of chiefs and queen mothers’ associations and ‘Asafo’ companies.

These associations operating in arenas of un-coerced collective actions around shared interests have actively influenced the democratic process. In particular, the activities of these independent groups and associations have coalesced along three paths, namely political, social and economic. At the height of colonial rule, nationalist groups such as the Aborigines’ Rights Protection Society, a mixture of Chiefs, youth and intelligentsia mobilised against some obnoxious colonial policies (Amoako, 2008; Debrah et al., 2013; Gyimah-Boadi, 2004). In the 1930s, local economic interest groups vehemently opposed expatriate-controlled commodity markets such as the monopoly of the retail trade by the Association of West African Merchants (AWAM). Local groups led by Nii Bonne, the Osu-Alata Mantse agitated against the rise in the prices of imported goods. The boycott movement blamed the colonial government for being responsible for the extremely low price for cocoa rather than those based on the international market prices. It challenged the Colonial Government to improve on the prevailing microeconomic conditions by curbing inflation and controlling the profiteering activities of AWAM (Debrah et al., 2013). It put forward alternative proposals including, trade indigenisation to allow Ghanaian entrepreneurs to take over the ‘commanding heights of the economy’. During the period, the Association of Ex-servicemen advocated better resettlement policies and an end to racial discrimination in the Gold Coast. The power of the private associations manifested in the 1948 nationwide riots, which fuelled the tempo for the struggles against colonial rule and eventually led to the proclamation of independence on 6 March 1957 (Amoako, 2008; Gyimah-Boadi, 1996).

Civil society was in 1970, the principal force that debated and called on the government to initiate improvements in the socio-economic conditions of the people during the period of political and economic decadence in the 1970s (Drah and Oquaye, 1996). The decision to implement an authoritarian policy christened, ‘Union Government’ (UNIGOV) incurred the wrath of the disparaged civil society groups (Amoako, 2008). Under pressure from the Ghana Bar Association (GBA), the Catholic Bishops Conference (CBC), National Union of Ghana Students (NUGS) and the Military Regime aborted the implementation of the UNIGOV and conceded to return the country to constitutional rule in 1979. At the end of the 1980s when results from the Economic Recovery Programme (ERP) failed to bring about economic transformation in the lives of the people, it was the Movement for Freedom and Justice (MFJ), GBA, NUGS, TUC, and CBC that challenged the Military establishment and instigated a return to constitutional rule in 1992 (Gyimah-Boadi, 2004).
Since the liberalisation of the political space in 1992, civil society has stepped up its leadership role in holding the government accountable to the people. The GBA has collaborated with the oppositionists to secure amendments to several legislations that aim to protect citizens’ rights and freedoms, and the TUC has lent support to other groups to advance civic education (Gyimah-Boadi, 1996, 2004). The rise of think tanks in the mid-1990s and other not-for-profit advocacy groups has added an aura of respect to civil society activities. These policy think tanks, including the Centre for Democratic Development (CDD), Institute for Economic Affairs (IEA), Centre for Policy Analysis (CEPA), IDEG, among others, have promoted good governance. They have not only made an impact on the agenda setting and policy advocacies on gender and the excluded but also monitored five of the six general elections. Civil society has shaped the design and implementation of several economic and social policies and programmes as well as the provision and delivery of social services including humanitarian activities to help the deprived. In the preparations for poverty reduction programmes, the media, TUC, NUGS, and assortment of NGOs have made significant contributions (Debrah et al., 2013; Drah and Oquaye, 1996; Gyimah-Boadi, 2004). Therefore, when Ghana discovered oil and started commercial production, these civil society groups turned their attention to the oil industry with a definitive objective, ‘to ensure that Ghana does not fall into the oil curse situation’ (interview, CSPOG’s Coordinator, 6 November 2013).

**Formation of the Civil Society Platform for Oil and Gas**

This section examines formation of the critical mass of civil society groups to engage government on the management of Ghana’s hydrocarbons. It notes that while civil society groups have always differed in their interests and operated at the individual level, the desire to prevent Ghana from falling into the oil curse situation brought them together. As already indicated, CSOs have been formidable actors in Ghana’s democratic process; however, when oil was discovered in 2007 only a few of them had specific experience in the oil business. It was therefore extremely imperative for the CSOs to pool together their individual talents and resources. The need for partnership encouraged the otherwise fragmented CSOs to submit to the formation of a coalition known as Civil Society Platform on Oil and Gas (CSPOG). In 2009, close to 120 CSOs, including policy research think tanks, human rights and environmental groups as well as community-based organisations from the Western region, teamed up with local oil-policy experts and activists to form CSPOG (interview, CSPOG’s Chairman, 5 October 2013).

Cavnar (2008), has identified three key stakeholders in the oil sector including, oil companies, government and the public. While oil companies and the government have direct access to, and control over oil revenues, the public does not and the ordinary citizens are the hardest hit by the consequences of the resource curse. He further believes that unless governments channel oil revenues into productive use, their living conditions would not see improvement.
One of the surest ways of preventing a resource curse is for independent social groups to mobilise forces to create conditions that enhance transparency and accountability in the production and management of oil wealth. According to key CSOs’ informant, ‘CSPOG aims to ensure that, government and oil companies are held accountable, and there would be transparency in oil legislations’ (interview, IDEG official, 14 November 2013). This can, however, only be realised where there is an effective monitoring system. Hence, CSPOG’s priority is to monitor oil production, government spending and environmental impact on the population. As an informant rightly indicated, ‘the priority of the coalition is to engage government to create the necessary governance framework, and monitor the implementation of such frameworks’ (interview, CSPOG’s Chairman, 4 November 2013).

CSOs also know that a coalition would strengthen their ability to have their voices heard in oil and gas legislations. The CSOs recognised that ‘splintered groups acting on their own would not be able to confront the forces including government and oil companies whose interests oftentimes have proven to be in conflict with those of the citizenry’ (interview, Chairman of CSPOG, 4 November 2013). Therefore, the formation of CSPOG is to strengthen the capacity of the splintered CSOs to deal with the multifaceted and complex social, environmental and economic issues that the discovery of oil has brought to the governance arena. IDEG’s informant concurs with the view of FON’s informant that, ‘the voice of a coalition of civil society is powerful to confront the forces whose overriding motive is profit without regards to the interest of the ordinary Ghanaian’ (interview, IDEG and FON officials, 14 November 2013). Clearly, CSPOG’s goal is to coordinate the voices of CSOs in order to provide a formidable countervailing force against government and oil companies that are stronger stakeholders. Indeed, the CSOs have acknowledged that their ‘inability to unite their efforts and resources to challenge government led to abuses by mining companies and a near resource curse in the mining sector. The formation of CSPOG is to avoid the mistakes of the past’.2

The CSPOG has been formed in response to community outcry. The exploration and subsequent production of oil in the Cape Three Points region had halted fishing activities and thousands of fishermen have been pushed out of business. Yet, they had no defenders to negotiate compensation and other alternative forms of livelihood. Against this backdrop, the coalition seeks to project the concerns of the fishermen and arrange for a better deal with government and oil companies to enable them create a new wealth to sustain their livelihoods (interviews, WERENGO, FADWR and FON informants, 7 November 2013).

Given its importance to the governance process, CSPOG has attracted funding from external donors. It receives financial support from STAR-Ghana under its civil society support facility known as Strengthening Transparency, Accountability and Responsiveness. STAR-Ghana is a multi-donor pooled funding by the EU, DFID, DANIDA and USAID. The funds have enhanced CSPOG’s capacity to stimulate enforcement of accountability and responsiveness of government to the people howbeit inadequate (interview, ACEP and ISODEC informants, 12 November 2013). It has adopted two strategic approaches to deal with
government and oil companies. On one front, it encourages platform member-organisations to take the lead on any specific activity of the government and oil companies regarding the production and management of oil wealth, while others lend support to the issue. Another dimension of its operation involves the pursuit of activities at the national level with a common voice, particularly with regard to national advocacy such as the development of policy briefs and memorandums (interview, Chairman of CSPOG, 4 November 2013).

**Has Civil Society Helped to Prevent the Resource Curse?**

Gyimah-Boadi and Prempeh (2012) have noted that CSOs can play an important role in promoting sound management of oil and gas revenues and mitigate the negative social, economic and environmental consequences of oil production on the lives of peoples. Since its formation, CSPOG has influenced the government to fashion policies to protect the national interest as against the pursuit of parochial interests by oil companies. It has forged convergence of opinions through compromises with other stakeholders to ensure that in the management of Ghana’s hydrocarbons, the national interest is not sacrificed to the detriment of the people’s welfare. To this end, CSPOG has prevailed upon the government to formulate a long-term national development framework to serve as guide for spending oil and gas revenues. It believes that a comprehensive development plan that prioritises the deployment of oil and gas revenues would serve as a catalyst for transforming the weak economy to a strong one that enhances citizens’ ability to create wealth for good living (interview, CSPOG Chairman, 14 October 2013).

In the quest to ensure transparency in the production and distribution of resources from oil and gas, CSPOG has facilitated the creation of legal frameworks that aim to prevent the occurrence of resource curse in Ghana. It has done this by facilitating the passage of the Petroleum Revenue Management (PRM) Bill into law. Mohammed Amin Adam, CSPOG coordinator indicated that, ‘of the 15 proposals submitted for the consideration of Parliament regarding the Bill, only one was rejected’. Important clauses in the PRM Act 815, which originated from CSPOG, were geared towards enforcing government accountability to the people. For instance:

- Clause 8 requires publication of records of petroleum receipts on the Ministry of Finance’s web site and at least, in two state-owned newspapers;
- Clause 10 creates a Heritage Fund (into which a per cent of oil profit is paid) to support investments of oil revenue for use by future generations;
- Clause 16 mandates Minister of Finance to reconcile quarterly petroleum receipts and expenditures, report and submit it to Parliament and publish same in the newspapers;
Clauses 46, 47 and 48 establish four different types of audits of petroleum accounts, namely internal audits, external audits, annual audits and special audits;

Clause 48 requires Minister of Finance to provide a detailed report on Petroleum Account and Ghana Petroleum Fund in the presentation of government annual budget and economic policies to Parliament;

Clause 49, outlines fundamental principles of transparent management for international best practices in oil governance;

Clauses 51 and 52 create a Public Interest and Accountability Committee (PIAC) to monitor and evaluate compliance with Act 815, and offers the platform for public debates and independent assessments of the management and use of oil revenue;

Clause 53 details the composition of PIAC, which has civil society dominance. They include Trades Union Congress, National House of Chiefs, Association of Queen Mothers, Association of Ghana Industries and Chamber of Commerce, Ghana Journalist Association, GBA, Institute of Chartered Accountants, Ghana Extractive Industry Transparency Initiative, the CCG, the Federation of Muslim Council and Ghana Academy of Arts and Sciences.

CSOs’ dominance of the PIAC makes it a potential force in the decision-making process of Ghana’s oil. Two key informants believe that, ‘it further indicates the extent to which CSPOG has worked to ensure that the voice of non-state actors would be louder in the management of oil and gas revenues’ (interviews, ACEP and CCG officials, 12 November 2013). It is worth noting that the PIAC has issued two reports that have been highly critical of the government’s management of oil revenues and expenditures. These damaging reports from PIAC on the use of oil revenues have forced the government to re-examine how it is managing the sector. The assurance by the government to improve upon the management of oil revenues shows the depth of civil society pressures to have things done rightly. Hence three informants think that, ‘CSOs have put strong brakes on government and oil companies to prevent them from circumventing the processes for managing Ghana’s oil and gas’ (interview, Tony Osei, The Chronicle correspondent, Kofi Bentil, Fisherman and FES official, 18 November 2013).

CSOs’ inputs in the oil and gas legislations have not only enhanced the quality of laws passed but also ensured that government would obtain the best for the people of Ghana. For instance, the CSPOG made important contributions to the Petroleum Exploration and Production Bill. It was able to prevail on Parliament to alter some provisions in the Bill to reflect local interest. Through CSPOG’s intervention, the law now contains provisions that ensure that oil and gas management conform to international standards (interview, Chairman, Finance Committee of Parliament, 21 November 2013). In particular, CSPOG’s memorandum on the Bill has guaranteed checks and balances in the distribution of power between the Ministry of Energy, Ghana National Petroleum Corporation and the Petroleum Commission (interview, officials of CCG and GBA, 15 October 2013).
Civil society has also mobilised popular opinion to get an independent commission to oversee the management of Ghana’s hydrocarbons. When government attempted to have a representative of the Ghana National Petroleum Company (GNPC) on the Petroleum Commission (the governing body of oil and gas production), CSPOG registered its strongest opposition to the decision. It contended that the autonomy of the Petroleum Commission (PC) would be compromised if government-controlled GNPC were to be assigned a place on it. Rather, it pursued the parliament to have a civil society representative on the PC (interview, CSPOG’s Chairman, 4 November 2013). Resultantly, the Chief Executive Director of ISODEG, Bishop Akologo, has been appointed as CSPOG’s representative on the PC. The representative has used his position to project rural communities’ concerns and safeguarded against actions that could be detrimental to their collective interest. In addition, the CSPOG caused suspension of the passage of the Petroleum Exploration and Production Bill on grounds that it would allow oil licences and contracts to be awarded through negotiations rather than on an open and competitive bidding process. It also opposed the lack of a mandatory disclosure of oil and gas contracts and agreements between government and third parties, and encouraged the parliament to introduce transparent mechanisms in the contract processes (interview, CSPOG Coordinator, CBA and ACEP, 19 October 2013).

The fear that revenues from oil would be diverted to other areas, led CSPOG to influence government to create the Public Interest and Accountability Committee (PIAC) in 2011. PIAC is an overseeing committee with responsibility to monitor and evaluate compliance with the law, provide independent assessment and space for debating the management and investments of proceeds from oil and gas production. According to four key respondents, the PIAC has ensured that government follows its legislated responsibilities in the use of oil revenues (interview, traditional ruler and Joy FM official, 11 October 2013). Since its inauguration in September 2011, the PIAC has launched ferocious attacks against the government for breaches regarding compliance with the rules of conduct and equity in the management of oil revenues. For instance, it pointed out to the government the monthly drops in oil production and recommended checks on the oil companies to keep to the established rules on production and charges to the Petroleum Holding Fund (interview, Kwesi Jonah, 8 October 2013). Again, early in 2013, it drew the government’s attention to the fact that ‘allocation of 18.3 per cent of excess revenues to the Ghana Heritage Fund and 81.7 per cent to the Ghana Stabilization Fund is not consistent with Act 815’. The widely circulated report forced government to concede to the error and promised compliance with the law.

A number of CSOs have taken on expenditure analysis and investment strategies to ensure the judicious use of oil and gas revenues for national development. For instance, with support from Oxfam and FES, ACEP has undertaken expenditure analysis of the oil revenues and as to whether the government has spent it in accordance with provisions of the law. It has taken on tax justice campaigns to encourage companies to fulfil their corporate social responsibilities (CSR) in terms of provisions of social services to communities in Cape Three
Points, and make prompt payments of statutory taxes (interview, ACEP official, 6 October 2013). Similarly, locally based civil society groups in the Western region such as FON, WERENGO and the media have studied comprehensive education programmes to create awareness in the communities about some of the negative consequences of oil and gas production on livelihoods of people (interview, Joy FM and FON officials, 16 October 2013). Other aspects of their outreach campaigns have centred on impact assessments of oil and gas on the six communities in the Cape Three Points, namely Shama, Jomoro, Ellemelle, Nzema East, Ahanta West and Sekondi-Takoradi (interview, Ewura Mensima, Ministry of Environment, 23 November 2013).

CSPOG has established its own mechanisms for assessing the performance of the government regarding the management of the hydrocarbons. In 2011, CSPOG issued the Readiness Report Card (RRC), which evaluated the performance of government in managing challenges emanating from the oil sector, and has sensitised the government on the need to formulate action plans to deal with the deficits. The RRC evaluates ten dimensions of the government’s performance that are critical for achieving transparency in oil management, including independent regulation of the sector, licensing and contracting, citizen/public participation/oversight, budget openness, social and environmental issues (interview, FES and James Ocran, Energy Expert, 7 November 2013). The RRC has offered another avenue for promoting transparency in the management of the oil and gas industry. As Moussa Ba, Oxfam America’s West Africa Regional Coordinator for Extractive Industries rightly noted, ‘a big milestone has been achieved by the civil society in Ghana’ because ‘the RCC has raised key issues of transparency and accountability in the oil sector, which open the space for proactive and constructive dialogue among stakeholders’ (OXFAM America 2011, 1). Since the institution of the RRC, the government has acted cautiously within the legal requirements for the management and distribution of oil revenues even though concerns about abuses persist (interview, Ama Coomson and Rev. John Obodai, Takoradi, 6 October 2013). Some of the CSOs have further developed independent scorecards to rate the government’s performance. For instance, IEA has developed the Petroleum Transparency and Accountability Index (P-TRAC-Index) to track how government has responded to various legal requirements. Using its criteria, IEA revealed the following performance scores for the government in 2011: Revenue Transparency was 64.3 per cent, Contract Transparency, which measures the disclosure of information regarding the award of contracts scored 66.7 per cent, and publication of Environmental Impact Assessments by the Jubilee Partners was awarded a score of 100 per cent. Given the government’s average performance as 59.7 per cent, IEA has enjoined the creation of conditions that improve transparency and accountability of government in managing contract awards, among others (interview, Van Gyampoh, IEA, 17 October 2013).

Independent international reports on Ghana’s oil and gas have confirmed the perception about relatively efficient management of the oil resources. For instance, a report released by Revenue Watch Institute (2013) ranked Ghana highest in sub-Saharan Africa in good natural resource governance. The Resource Governance Index, which measured the quality of governance in the oil and gas
sector of 58 countries, scored Ghana 15th, ahead of Liberia, Zambia, South Africa, Tanzania and the Democratic Republic of Congo, among other countries. The report, which assessed the quality of oil governance in these countries on the basis of institutional and legal settings, reporting practices, safeguards, quality control and enabling environment, gave Ghana a high score for reducing corruption in the extractive sector (Revenue Watch Institute, 2013).

The key question is, given the impressive CSO initiatives to instigate transparent and accountable frameworks for managing the hydrocarbons, can it be said that Ghana is on course of avoiding the resource curse? There indeed are strong indications that Ghana is moving towards averting an oil curse situation. Through several CSOs’ interventions, government has acted cautiously to guard against the mistakes of the past where inefficient management of Ghana’s mineral resources such as timber, gold and diamonds, led to a virtual resource curse. Three respondents singled out CSOs’ struggles that have led to enactment of laws to govern the oil sector. They noted that, ‘the laws CSOs helped to create, have established clear mechanisms for collecting and distributing oil revenues’ (interview, priest, traditional ruler and teacher, 15 October 2013). These laws have not only specified percentages from oil revenues to be allocated to physical development in the annual budget but also what should be invested for use by future generations (Dovi, 2013). The Chairperson of the Parliamentary Sub-committee on Energy and Mines acknowledges that, ‘CSOs in Ghana have assisted Parliament in no small measure in making laws that have made oil a blessing rather than a curse’ (interview, Moses Asaga, Accra, 13 November 2013). Also, Emmanuel Kuyole, the Africa Regional Coordinator of the Revenue Watch Institute has observed that, ‘civil society enforcement of oil legislations have ensured government and oil companies’ accountability for the oil revenues’ (Revenue Watch Institute 2013, p. 1). For instance, in order to make tracking of funds from oil production easy, CSPOG has insisted that oil monies are paid to a single fund before disbursement. Thus, according to two key respondents, ‘without civil society’s pressure, it would be palpably impossible to monitor receipts from oil production’ (interview, Ramatu Yuri and Peter Quashie, Accra, 6 November 2013). By prevailing upon policy makers, including lobbying with parliamentarians, CSOs have ensured that Ghana follows best practices in oil governance as in Norway and Saudi Arabia, among others (Dovi, 2013). A number of key respondents interviewed, praised civil society initiatives that have influenced government to build collaboration with non-state actors to manage oil and gas resources. For instance, another respondent said that, ‘it is rare in Africa for CSOs to be given authority to oversee the management of natural resource revenue’ (interview, Keta MP, Accra, 19 November 2013).

The Civil Society Platform on Oil and Gas has been able to challenge the government to ensure public disclosure of oil and gas contracts. Acting as public interest advocates, CSPOG has educated the public to accept the rules on disclosure as a genuine measure to curtail public officials’ ability to negotiate bad contracts on behalf of the state and the people. To this end, it has insisted that draft agreements and contracts should be widely published for a period of 30 days for the public to make inputs before the parliament ratifies them (interview, GBA
Further, it has in fact worked assiduously to ensure that political strings to oil deals are controlled. Consequently, it has campaigned aggressively to neutralise government power to control the management of oil revenues without the involvement of the public and CSOs. For instance, CSOs have undertaken a mammoth demonstration to get the parliament to remove from the petroleum legislation, the power of the Minister of Finance to withhold information on oil revenues (interview, Kwesi Jonah, 8 October 2013). To prevent government from acting against the public interest regarding disclosures, CSPOG has pressured it to pass the Right to Information Bill into Law. Similarly, in order to check corruption, CSPOG has demanded capacity building for the Ghana Revenue Authority for effective verification of tax returns (interview, Kosi Dake, Accra, 21 October 2013).

There is high optimism among donors, NGOs, experts, government and other individuals that Ghana will be able to avert the oil curse conundrum because of its relative openness in oil management. For instance, Ian Gary, Oxfam America’s Senior Policy Manager for Extractive Industries has commended stakeholders in Ghana’s oil industry for the significant progress made in terms of ‘perceptible degree of openness’ (OXFAM America, 2011). Ishac Diwan, World Bank Country Director for Ghana has remarked that:

> Oil could be managed better than gold to become a blessing in Ghana. Oil brings with it technological development and economic stability, but these processes take some time. I have no doubt whatsoever about Ghana’s ability to manage this, judging by the way things are going. (OXFAM America, 2011, 2)

### Constraints on CSOs’ Ability to Monitor the Oil and Gas Industry

Despite facilitating the creation of sustainable frameworks for governing Ghana’s hydrocarbons, CSOs face several challenges in the performance of their watchdog role. One critical challenge to their effectiveness to hold government and oil companies accountable is access to information. Neuman (2002) has rightly declared that a democracy depends on a knowledgeable citizenry whose access to a broad range of information enables them to participate fully in public life, determine priorities for public spending and hold public officials accountable. Conversely, poor public access to information feeds corruption because secrecy allows back-room deals to determine public spending in the interests of a few rather than the many (Neuman, 2002).

Ghana, like many African countries, has a long tradition of denying citizens access to vital information that would keep them informed about governance issues. The major concern of CSOs seeking better governance for Ghana’s oil and gas is how to access information on inflows from oil production to the common fund (interview, Chairman, CSPoG, 4 November 2013). Government’s behaviour is regarded as an orchestrated strategy to keep CSOs and the public from knowing the actual revenues that generated from oil and gas production. For
instance, some key respondents lamented the ‘lack of progress to get access to the most important information about oil production, which will help us monitor government and the oil companies’ (interview, George Amagyei, Accra, 28 October 2013). Similarly, the coordinator of the CSPOG queried, ‘Government has carried out certain decisions and actions without the involvement of civil society groups’. According to two key CSO respondents, ‘most CSOs have obtained information about oil revenues through the back corridor rather than the official door’ (interview, FON and FADWR officials, 17 October 2013). The general opinion of CSOs indicates that government has been unwilling to recognise them as legitimate partners in the management of Ghana’s oil and gas. For instance, the Chairman of the CSPOG and a media anchor explained, ‘when production of commercial oil began, government did not want to share information about the management of the oil and gas with CSOs until ISODEC led a mammoth challenge against the government for recognition’. Thus, ‘the lack of information on oil and gas production has impeded citizens and civil society’s ability to assess the decisions of their leaders about the management of the oil sector’ (interview, Yaw Akrofi, Alhaj Sumaila, Nketia Frank, Rockson Dadge and Esi Agyekum, Accra and Takoradi, 12 December 2003).

Above all the CSPOG is weak in capacity. CSOs have not been able to sustain watch over government to deliver on its commitment to promote transparency and accountability in the management of oil and gas resources because they face analytical and adaptive capacity challenges (interview, Kwesi Jonah, 8 October 2013). After several months of silence over government’s actions and inactions regarding the management and uses of oil resources, it has become increasingly clear that the CSPOG ‘lacks sufficient capacity to comprehensively and sustainably engage the state in policy analysis/evaluation and monitoring of production, distribution and use of oil funds for the collective benefit of Ghanaians’ (interview, Agnes Edusei and Yaa Manu, Takoradi, 16 November 2013). Obviously, most CSOs are not knowledgeable about oil and gas governance. An oil expert/informant discloses, ‘CSOs lack the requisite skills and expertise for the oil industry’. Similarly, the Coordinator for CSPOG admitted that, ‘the technical skills needed for research and advocacy in the oil industry are lacking in the composition of the current CSOs’. Except for a few of the think-tank organisations that boast of experienced human resource with skills to handle issues relating to oil and gas, Abdullah Asamani notes that, majority of CSPOG members lack the competence to monitor government and oil companies’ performance of the sector.

Another reason for the inability of CSOs to keep government on its toes is their politicisation. It is commonplace in Ghana that, ‘the media is cleaved along partisan lines’. Instead of objective reporting and assessments of the most critical issues, media anchors have resorted to partisan selection of issues for debate. Similarly, some respondents note that ‘leading civil society figures have demonstrated allegiance and loyalty to either the National Democratic Congress (NDC) or political oppositionists, to the extent that, largely, parochial rather than national interests are projected’ (interview, Afua Dankyi, Lawson Gyan, Esi Banson and Ken Prah, 14 November 2013). As a result, many CSOs
monitoring oil and gas governance have failed to demonstrate the commitment
to hold government accountable (interview, Akim Oda MP and Kojo Sey, 24
October 2013).

Civil society’s inability to challenge reflects the larger picture of internal
weakness. In the opinion of Kofi Tawiah, an officer at the Ministry of Energy and
Mines, ‘a number of the CSOs lack the capacity for effective leadership, manage-
ment and governance’. Kwesi Jonah also confirms this deficiency, ‘a large number
of CSOs that were hurriedly formed when Ghana started commercial production
of oil do not have sustainable organisational structures and resources’. Added to
this absence of organised internal support framework is weak leadership that has
worsened their ability to attract funding. This scenario of internal weaknesses
of CSOs in Ghana, confirm Buxton and Abraliev (2007, 1): ‘many CSOs do not
survive beyond the first years in their organisational life cycle due to leadership
and management constraints’. Most CSOs in Ghana thus lack the capacity for
strategic planning and resource mobilisation as well as transparency and account-
ability in their internal affairs. These problems have further resulted in the preva-
ience of high turnover of professional staff due to low salaries and uncertainty in
funding opportunities for continued personal development and advancement
(interview, Kwesi Jonah, 8 October 2013). All these factors have further exacer-
bated the problems facing CSOs. The concern of a CSO respondent pictures
the situation: ‘We need funds to hire and retain high calibre staff, carry out
research, analyse government policies and monitor compliance with legislative
provisions on oil and gas but the funds have dried up!’ (interview, FON and
FADWR officials, 7 November 2013). Donor financial support has dwindled over
the years; the World Bank, Oxfam, FES and GTZ Revenue Watch’s financial
support for CSPOG has been irregular (interview, CSOPG Chairman, 4 November
2013). The chairman explained that at the beginning of the formation of CSPOG,
donors provided adequate funds to build CSO capacity to influence the design and
formulation of oil and gas policies. However, donor funding is now not easily
forthcoming, particularly after the passage of the PRM Act. These difficulties
have forced some CSOs to suspend their advocacy and outreach activities. Others
have lost some of their highly skilled staff to other institutions (interview,
Coordinator of CSPOG, 6 November 2013).

At the launching of the RRC, CSOs revealed several hidden challenges, includ-
ing among others, gaps in the legal framework that governed the management of
oil and gas. The report referred to prevailing transparency problems, including
government’s secret deals with oil companies. In particular, it chastised the gov-
ernment for ‘the black holes in the licensing process and contract terms’.6
Observations by independent individuals affirm the lack of transparency in the oil
management process. For instance, Ian Gary notes, ‘there is still need for trans-
parency in issues pertaining to contracts, a legal framework for an independent
regulatory authority and strong environmental regulations’ (OXFAM America,
2011, 1). Important activities have taken place without the involvement of
the public and CSOs. For instance, in 2011, the media reported that the calibrated
flow metre (a device showing records on daily production of oil) was faulty.
Government removed and replaced the device without involving CSOs
Debrah and Graham

(Ghanaweb, 8 December 2011). Mohammed Amin Adam, Coordinator for CSPOG noted, ‘Call is to ensure that there is transparency in the whole oil production process’. Further according to two respondents, ‘the refusal of government to disclose information on the calibrated flow metre to the public suggests that, government and oil companies were in collusion to cheat the nation’ (interview, Mark Appiah and Mustapha Majeed, Takoradi, 16 October 2013). Similarly, ACEP Director, Mohammed Amin Adams has pointed out that government is not spending petroleum revenues efficiently:

I do not think Ghana is getting it right with the efficient investment of its oil revenue resources ... this would defeat the objective of ensuring that resources were translated into good development outcomes. (Ghana Oil Watch, 2013, 1)

Conclusions: What Civil Society Should Do

Ghana could escape the oil curse syndrome because civil society has fostered legitimate processes for enhancing transparency and accountability in the management of its oil and gas. Through CSOs’ initiatives, important laws have been enacted to provide regulatory frameworks to govern Ghana’s oil. A critical mass of civil society is actively involved in the search for sustainable transparent and accountable instruments for managing the oil. CSOs’ independent reports have continually exposed weaknesses in the regulatory frameworks and government’s actions that have the potential for spilling corruption. But, CSOs lack the capacity to provide effective surveillance over what government does with its oil resources. The problems have arisen because of complex structural, organisational and financial constraints on CSOs. It has been suggested that efficient management of Ghana’s hydrocarbons requires a multifaceted approach, including among others, the following:

Given the complex nature of activities CSOs are pursuing in the oil industry, it is clear that their effectiveness will depend on their strategic relationship with government and other stakeholders. Collaborative rather than adversarial relationship with government and oil companies would enable peaceful dialogue and settlement of differences regarding the efficient management of oil and gas resources. In countries where civil society and government relationship over the management of oil turned adversarial, the consequence on productive use of resources was disastrous. Therefore, CSPOG would make a long-term impact on oil governance in Ghana if it adopts the mutual respect approach to resolving emerging challenges in the oil sector. This way, they stand the chance of gaining access to the corridors of political power and state institutions and ultimately to decision making. This requirement, however, does not connote political alignment of CSOs with the government. On the contrary, civil society needs to maintain political neutrality. This is important because ‘any interest that stands in conflict with the democratic exchanges of opposing ideas and consensus building is counterproductive to achieving efficient oil governance’ (interview, Kwesi Jonah, 8 October 2013).
Further, to achieve effective oil governance the internal disposition of CSOs is a necessary condition. Apart from the imperative for cohesion among the diverse groups, the competencies and skills of the individuals in the coalition as well as the resources at their disposal remain critical to the survival and efficient functioning of CSPOG. Thus, to build sustainable engagement with government and oil companies regarding prudent oil management, civil society must pursue political socialisation through the participatory learning approach. This means that CSOs’ internal procedures must not only promote accountability and transparency but also the culture of skills and technologies be transferred from top management to middle and junior level officials. The continuity in skills-building strategy would strengthen the CSOs’ capacity to keep government and oil companies on their toes for prudent management of the oil and gas sector.

Overall then, civil society’s overarching goal of avoiding resource curse in Ghana can only be possible when the economy records high growth rates and achieves maximum macroeconomic stability. For this to happen, CSOs ought to advise government not only on the need to adopt efficient macroeconomic and fiscal instruments for achieving economic development but also agree with government to spend oil revenues primarily on identified priority sectors for poverty reduction. CSPOG could sponsor a non-partisan stakeholders’ conference to align oil revenues to specific areas of national development, including investing oil revenues in pro-poor development programmes. Since conflicts in oil-rich countries in Africa have occurred around government’s unwillingness to use revenues from oil to better the lives of the people, civil society should influence government and political parties to use oil revenues to create wealth and employment for the youth (interview, FADWR and GYO officials, 7 November 2013). For instance, the initiatives could involve training young people in sustainable livelihoods such as advanced welding and effective maritime transport systems.

While the transparency approach is a strong factor that aids the avoidance of resource curse, absence of surveillance on companies involved in oil extraction and export could fuel corruption. Therefore, civil society needs to facilitate policy instruments to discourage capital flight by expatriate workers and their foreign oil companies. Collaboration with local and foreign banks and mounting monitoring strategies to hunt down money laundering practices may deter economic saboteurs from distorting economic development. Again, to promote justice, CSOs must enforce compliance of oil companies with their corporate social responsibilities (CSR). They must prevail on them not to ignore the development needs of the communities where they are extracting oil and gas. Implementation of CSR strategy will pressurise oil companies to use considerable portion of their profits for infrastructure and service development for the benefit of the host communities even though CSR cannot compensate for the structural, environmental and economic damages done to the people in the extraction areas.
Notes

1. CSO respondents explained that they were encouraged by the successful experiences of positive use of oil resources in Norway and countries in the Middle East, to play advocacy for efficient management of Ghana’s oil.

2. Most CSO interviewees conceded that, their inactions on abuses by mining companies led to a virtual resource curse in the sector. The formation of CSPOG in the wake of oil discovery and production is intended to demonstrate civil society’s readiness to curtail occurrence of resource curse in Ghana.

3. An official of the Takoradi Metropolitan Assembly and a traditional ruler share the same view with the Coordinator of CSPOG that, CSOs have mobilised forces against the pursuit of parochial interests by oil companies and government.

4. For a detailed structure, functions and activities of PIAC, see www.piacghana.org

5. See a comprehensive discussion on this subject by Martin Amidu, the former Attorney General at a two day Conference organised by the CSPOG 13–14 May 2013, at the Maxlot Hotel Nima, Accra.

6. For more information on the weaknesses in the management of Ghana’s oil and gas, see http://www.oxfamamerica.org/files/gahanaoil-readiness-report-card-pdf

References


