‘The Oil is Drilled in Takoradi, but the Money is Counted in Accra’: The Paradox of Plenty in the Oil City, Ghana

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Abstract
Recent scholarship on Ghana’s oil industry has focused primarily on its grand contributions to the national economy while its intra-city impact has received less academic attention. Borrowing from Terry Karl’s interpretation of the paradox of plenty, and drawing on empirical evidence from 25 purposefully selected interviewees, the study examines how the oil production off the shores of Sekondi-Takoradi is creating complex processes of accumulation, contradiction, and displacement in a low-income community—New Takoradi. The results point to the accentuation of socio-economic risks in the community following the inflow of oil revenue which is shaping government’s macro-level policies. The paper opines that without attention to place-specific contexts, understanding its socio-economic risks and decadence, and its semblance of strong resilience becomes deceptive. The paper concludes that context and situation are significant for how and to what degree the oil boom matters in the oil city.

Keywords
Oil and gas, social risks, good governance, oil city, Ghana

The euphoria
In the last 10 years, technological advances have fuelled a flourishing oil industry in Ghana. The first commercial oil began to flow in 2007 and the ‘hallelujah chorus’ that greeted the event from civil society organizations, government functionaries, and even presidents, was deafening (McCaskie, 2008; Gyampo, 2011; Obeng-Odoom, 2012, 2015). Breaking the news shortly after the oil taps were turned on, an elated government minister stated: “We were informed by Energy Kosmos Group . . . that they have discovered oil . . . we should have oil in commercial quantities” (Clottey, 2007). An equally excited President of Ghana told a BBC interviewer that day:

We’re going to really zoom . . . You come back in five years, and you’ll see that Ghana truly is the African Tiger . . . My joy is that I’ll go down in history as the President under whose watch oil was found. (BBC, 2007)
Touting the virtues of the discovery in 2010, another President remarked: “The Western Region where the oil and gas is located will be given the pride of place as far as development is concerned . . . to reap the benefits of this God-given asset” (Adogla, 2010). US President Obama also chimed in: “it is important to also focus on the good news that’s coming out of Africa, and . . . Ghana continues to be a good news story” (Growth Green Agriculture, 2013: 8).

If the official reactions to the discovery of the black gold discovered and being mined 60 kilometers from the coast of Takoradi were euphoric, then its research attractions have been phenomenal. In the main, Obeng-Odoom (2015) systematizes the plethora of studies on the discovery from within, between, and across disciplines between 2011 and 2015. The researchers come from various disciplines and include economists (Asafu-Adjaye, 2012), political scientists (Gyampo, 2011), business management scholars (Hilson, 2014), political economists (Obeng-Odoom, 2014), geographers (Ablo, 2015), sociologists (Darkwah, 2013), historians (McCaskie, 2008), and anthropologists (Chalfin, 2015). Also included are multi-disciplinary researchers (Panford, 2014) and those whose work defies simple categorization (Kwawukume, 2012). Significantly, these studies focus strongly on direct social interventions, including the Local Content Bill (L.I. 2204) passed in July 2013 (Government of Ghana (GOG), 2013: 4) to promote value-addition and job creation (e.g. Darkwah, 2013; Panford, 2014; Arthur and Arthur, 2015). These studies highlight valuable insights into the emerging industry. The anecdotal evidence is that the oil has been the catalyst for investment, reviving Sekondi-Takoradi’s fortunes as an export hub for Ghana’s many resources (Jones, 2014). In addition, Sekondi-Takoradi, a once sleepy coastal town, has now become the hub for the new industry, or the oil city as it is known locally, the first city in Ghana to host the oil industry. Most of the oil companies have premises there and it provides a base to move workers to and from the drilling platform, thus making it one of the fastest urbanizing cities in Ghana. (Walker, 2011).

Beyond the broad ramifications, these macro-level studies simultaneously blur our appreciation of the intra-city impact of the industry, which seems to be firmly dividing the city into two: first, by reversing the decline of the affluent neighborhoods; and second, leaving the informal settlement virtually unrecognised. As Jones (2014: 1) rightly puts it, for the ordinary resident or casual visitor, “reports of Takoradi’s ‘booming economy’ appear greatly over-stated”. In other words, the net gains of the oil economy, particularly among those who live and work informally, are somewhat less dazzling than generally assumed and hyped, yet these have been so far typically overlooked, understudied, and often misunderstood. This paper attempts to fill this knowledge gap by exploring the fate of residents of New Takoradi, an economically challenged community three kilometers from the city Central Business District (CBD), which serves both as ‘a dormitory town’ in Sekondi-Takoradi Metropolitan Assembly (STMA). More widely, the paper explores the effects of the black gold on the livelihoods of those at the lowest ebb of the city’s economy by addressing two major questions. First, are the gains from the oil industry physically and visibly felt across the oil city? Second, how is the trickle-down effect (if any) of the oil proceeds perceived among pre- and post-oil boom residents in New Takoradi?

This paper tackles these questions by arguing that though earlier studies have focused and alluded positively to the broader outcomes of the oil industry, its management can breed disproportionate and negative impact on ‘endangered’ communities if conscious and appropriate policies are not adopted, implemented, and monitored. Put differently, the paper maintains that without proper planning, the structures and incentives an oil-dependent society creates can lead to what Terry Lynn Karl of Stanford University terms the “paradox of plenty,” literally referring to a situation where a city is rich in natural resources but the poor segment of that society is bedevilled by myriad of problems. This reflects perverse linkages between economic performance, poverty, bad governance, injustice, and conflict (Karl, 2007). The paper is organized as follows: In the next section, the conceptual approach of the study is briefly outlined, followed by an introduction to the case study
community. Attention then shifts to a description of the methodology. The research results are subsequently presented and discussed. The paper concludes by highlighting its contributions to the debate and by reflecting on what the findings mean for livelihood opportunities in disadvantaged communities in the oil city.

**Poverty and social exclusion: A relational perspective**

The importance of black gold to the Ghanaian economy is not in question. The industry is one of the biggest to be found in Africa since the millennium, with the oil companies pumping 110,000 barrels of oil a day from the seabed (Hilse, 2014). The sudden inflow of dollar-dominated revenues has undoubtedly provided an immense economic respite for the government, increasing the country’s annual Gross Domestic Product (GDP) from 3.9% in 2009 to 14.4% in 2011 (Aryeetey and Kanbur, 2008; World Bank, 2009; BOG, 2013; Ghana Statistical Service (GSS), 2014). But for the recent drop in crude oil prices from US$75 per barrel to below US$30 in 2015, the country was expected to earn approximately US$ 1 billion per year for the next 10 years (World Bank, 2009; Asafu-Adjaye, 2010). This would have facilitated the country’s quest to ameliorate its infrastructural deficit, which in the case of housing, for example, stood at 1.3 million in 2015 in absolute figures, demanding an annual investment of approximately US$1.6 billion to remedy the situation. The government has also implemented a single spine salary policy, which has increased its public sector wage bill to 11.3% of GDP in 2008 (GOG, 2013; Eduful and Hooper, 2015). Thus, the influx of oil money could hardly have been a better “God-sent coincidence.”

The global challenge confronting oil marketization notwithstanding, the industry continues to manifest significantly in the Ghanaian economy, particularly in the area of foreign direct investment (FDI). In 2010, for example, oil-induced FDI totaled US$2.27 billion, an amount 19 times greater than the average annual FDI in the country between 2000 and 2005 (Hendrix and Noland, 2014: 53). In terms of infrastructural development, the €160m (US$182.1m) civil and dredging works at Takoradi Port, US$1.5m Tema Port expansion, US$622m Bui power project, €1.8b (US$2.05b) eastern corridor roads, €74m (US$2.05m) Kwame Nkrumah Interchange projects (Oteng-Ababio, 2016), and US$3b thermal plants at Atuabo are but a few that have been initiated and sustained courtesy of the black gold (BoG, 2013; GSS, 2014). Hendrix and Noland (2014) also highlight the correlation between the oil boom and the hospitality industry, with Accra and Sekondi-Takoradi witnessing unprecedented increases in 5-star hotels (e.g. US$100m Ambassador Hotel) and the erection of skyscraper edifices. Building a portrait of a society in transformation, a BBC reporter, Rob Walker, who had once described Takoradi as “a dusty, run-down port city,” narrated how newly built villas with wide verandas are rapidly eating into green forest and farmland (Walker, 2011: 2). Quoting one Alfred Fafali Adagbedu, the owner of a local company set up to service the oil industry, Walker writes:

> But it is not just international oil companies that are booming here. In five years time, I see Takoradi becoming one of the modern cities of the world. I can imagine skyscrapers, six-lane highways and malls. . . . The transport industry is going to improve, because workers on the rig are going to need to be transported. Agriculture is going to see a boom because all those people on the rig will need to be fed. Even market women are going to see more business, because a lot of workers are going to have very fat paychecks. Everyone in this city is going to gain in business.

What remain unexplored are the industry’s micro-level (intra-city) ramifications including the hardship that befell those in the informal settlement and economy after the oil discovery, which relates more to how vulnerability (poverty) is conceptualized by city authorities and how they
effectively respond to emerging dynamics. Avoiding a situation where the industry disproportionately favours or disadvantages a section of the society (as in Karl’s paradox of plenty) requires a deeper reflection on how people’s livelihoods have changed or are changing in tandem with the oil boom. This calls for inclusivity and a relational approach to poverty, both of which offer an effective conceptual toolkit for such analysis. Rooted in an interdisciplinary lens of developmental studies, proponents argue that “the market” alone is not sufficient to guarantee progress in economic systems, much less the well-being of all citizenry (Adamovsky, 2014; Bachalet, 2014). For Bachalet:

development is not defined solely by a high GDP per person. Rather, true development involves sustainable growth, inclusion, social cohesion, governability and the broadening of democracy. (2014: 2)

As an analytical toolkit, this approach contradicts conventional wisdom or the non-relational approach, which makes who is poor, why he/she is poor, and how to act on poverty a personal choice. A non-relational approach makes poverty only “a problem of the poor, who lack skills, ambition, social capital, and/or have personal shortcomings—lazy, criminal, brutish” (Adamovsky, 2014: 3). In this sense, the poor are erroneously blamed for being personally responsible for their plight, and therefore their condition has nothing to do with the (in)actions of the wealthy and powerful. And thus, what the State can do for the poor (if anything) is to help them overcome their own inefficiencies, by offering palliatives including education, micro-credits, and incentives (Chen, 2016).

Contrary, a relational approach sees poverty as ‘over-determined’, arising from a set of interlocking processes including the workings of materialist capitalism (Bachelet, 2014). The framework involves social policies that allow increased access to opportunities for everyone and creates a citizenry that is well-informed, engaged, and has its own opinions (Chen, 2016). Moses (2007) highlights a number of recent empirical innovative studies, which borrowed the framework, including his personal study which highlights poverty and inequality as effects of social categorization and identity, drawing specifically on the experience of adivasis (tribals) and dalits (untouchables) subordinated in Indian society. His approach follows Charles Tilly’s Durable Inequality, which combines Marxist ideas of exploitation and dispossession with Weberian notions of social closure (Tilly, 1998). He also draws on the work of Lukes (2005) and Appadurai (2004) to argue for the need to incorporate a multi-dimensional conception of power, which sets the terms in which poverty becomes (or fails to become) politicized.

This paper builds on these scholarly works to unpack how the inflow of the oil bounty is shaping livelihoods in New Takoradi, one of the most deprived communities in STMA. The paper argues that in a situation where the government’s orgy of domestic spending has left the country with a number of white-elephant projects, huge foreign debts and declining social spending can also impact negatively on poverty alleviation. As already indicated, though much has been written about the black gold in the oil city, relatively few studies have paid nuanced attention to how the “bottom of the barrel” is felt and perceived by all those (near and far) whose socio-economic characteristics and circumstances complicate their path to successfully join the oil revolution. In order to set the background for the discussion, the paper interrogates the study area’s socio-economic dynamics from a historical perspective.

Overview of the research location

Background of New Takoradi

As already indicated, Ghana’s oil fields are about 60 kilometers off the coast of STMA. However, the industry’s administrative activities—offices, recruitment, and training of staff—as well as other
socio-economic activities and infrastructure (residential, recreational, hospitality, etc.) take place in Takoradi, a town traditionally called Toworase (a large tree where people sit to take decisions), a name corrupted by mispronunciation by Europeans. Covering a land area of 34,571 square acres (see Figure 1), and with a current population of 76,665 (GSS, 2014), the indigenous residents are said to have migrated from Techiman in Brong Ahafo region, led by one Nana Yaw Nketsiah I, in the early 15th century, settling first at Apollonian and then Princes Town, before finally settling at the present location due primarily to its artisanal fishing potential (Amankwah et al., 2015). The research location, New Takoradi (also known as New York), one of the neighbourhoods in Takoradi, was chosen due to its peculiar characteristics. Aside from its low-income status, the area is the eighth largest community (with 21,924 people) in STMA after Takoradi (76,665), Effia Kuma (60,101), Kwasimintim (40,542), Kojokurum (37,722), Tanokorum (35,616), Anaji (31,669) and Sekondi (30,453) (GSS, 2014). It is also a microcosm of informal urbanism with 5735 households and the most blighted and densely populated area in STMA (74,672 persons/km²), compared to Bakoekyir which has a density of only 20 persons per square kilometer (STMA, 2015). It has a relatively young, uniquely heterogeneous population, with about 35% below 15 years and 58% between 15 and 59 years as of 2010 (GSS, 2014). The young population is typically perceived as a boon, especially in the context of acquiring the needed labour force to boost growth and development. However, only 8015 of the 12,704 persons of working age (15–59 years) are working, of which about 80% work in the informal sector (GSS, 2014).

Structurally, the community can be divided into lower and upper parts, with residents in the former living in mostly improvised shacks and engaging in fishing, while those in the latter rely on other informal activities (harbor work, petty trading, driving, etc.) for survival. Typically, the
inadequacy of existing regulations to address the complexities and heterogeneity of contemporary multicultural living account for the informal status of the lower section, making the place attractive to economic migrants who hope to establish their personal shacks (STMA, 2015). The upper section, on the other hand, is relatively planned but is currently undergoing intense gentrification involving office space development in response to the demands of oil and oil-related activities. The community’s proximity to the city’s CBD also makes it attractive to those who eke out a living in and around the market. The competition for space from the oil companies in particular has led to the ‘dollarization’ of transactions, creating serious consequences for the poor informal residents (Amankwah et al., 2015). Indeed, New Takoradi, which bears scars of informality and where drug peddling is “without limits”, is home to a large urban poor that is excluded from formal wage labour and housing markets and therefore has to adopt survivalist strategies including illegal ones such as robbery in order to reproduce itself (Gillespie, 2015: 66). It is a microcosm of notoriously challenged societies whose economy is being re-configured courtesy of the oil boom, many living with little choice but “to trade to eat” (Little, 1999: 2). The paper sees the increasing incidence of evictions in favor of oil-related facilities as clear manifestations of capital’s desire and ability to valorize the urban fabric, creating worsening living and working conditions for the poor and disadvantaged.

Methodology

The study adopted a qualitative research technique owing to its flexibility and allowing for the in-depth interrogation of interviewee experiences. The author and two local research assistants carried out the fieldwork. The team targeted 10 respondents each of first- and second-generation residents (also known as indigenes) who lived and worked in New Takoradi before the inflow of the oil revenue, and 10 post-oil discovery migrants (dubbed hustlers). The residential locations of potential interviewees were determined during the reconnaissance survey, and respondents were purposefully selected by walking through these pre-determined areas. Guided by the need for maximum variation in sampling (Kuzel, 1999; Patton, 2001), the team approached each resident who was encountered in the selected areas. The method provided greater insights into a wide range of attributes, behaviors, experiences, incidents, qualities, etc., and helped identify the common themes that were evident across the sample. This provided sufficient justification for some theoretical, analytic and/or logical generalizations to be made from the sample.

Table 1 presents the sampled population, showing diversity and considerable variation. This sample is not expected to be statistically representative; rather, the intent was to draw on a smaller but diverse sample in order to extend the relevance (or otherwise) of the notion of the “paradox of plenty” in relation to black gold and the fate of poor residents of New Takoradi. The data collection involved face-to-face, in-depth interviews using an interview guide developed after a careful review of available literature. The interviews were held in the respondent’s preferred location, which was usually their home—a location which also frequently serves as their work place. This presented a double benefit, as the process involved spending significant time with the respondents and allowed for in-depth appreciation of their livelihood strategies. On average, each interview lasted for 55 minutes (ranging from 45 to 133 minutes), in most cases after reaching theoretical saturation in the types of responses.

In all, the team initially scheduled 30 interviews but recorded a refusal rate of 16.5% (with five scheduled second-generation interviewees withdrawing at later stages for “personal reasons”). All the interviews were audio-recorded with permission. These audiotapes were transcribed verbatim and added to other field notes and analyzed manually using hand coding and highlighter pens to
color important texts. The thematic areas were carefully identified and the frequency of each theme was recorded, as well as the number of participants who articulated that particular theme. As a way

<table>
<thead>
<tr>
<th>Pseudonyms</th>
<th>Age (years)</th>
<th>Gender</th>
<th>Status</th>
<th>Livelihood type</th>
<th>Additional notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amina</td>
<td>25</td>
<td>Female</td>
<td>Indigene</td>
<td>Trader in cosmetics</td>
<td>Used to assist mother (fishmonger)</td>
</tr>
<tr>
<td>Sella</td>
<td>55</td>
<td>Female</td>
<td>Indigene</td>
<td>Salted fish dealer</td>
<td>Lifetime trader in salted fish</td>
</tr>
<tr>
<td>Vivian</td>
<td>59</td>
<td>Female</td>
<td>Indigene</td>
<td>Deals in fishing nets</td>
<td>Graduated from fish mongering</td>
</tr>
<tr>
<td>Mercy</td>
<td>45</td>
<td>Female</td>
<td>Indigene</td>
<td>Fishmonger</td>
<td>Inherited from mother</td>
</tr>
<tr>
<td>Six</td>
<td>21</td>
<td>Male</td>
<td>Indigene</td>
<td>Drinking bar operator</td>
<td>Professional footballer</td>
</tr>
<tr>
<td>Kofi</td>
<td>34</td>
<td>Male</td>
<td>Indigene</td>
<td>Mini cold store operator</td>
<td>Sells frozen fish owing to low catch</td>
</tr>
<tr>
<td>Beauty</td>
<td>65</td>
<td>Female</td>
<td>Indigene</td>
<td>Home-based enterprise</td>
<td>A retiree from inter-regional fish trade</td>
</tr>
<tr>
<td>Love</td>
<td>56</td>
<td>Female</td>
<td>Indigene</td>
<td>Petty trader at the CBD</td>
<td>Diversified from mother’s fish trade</td>
</tr>
<tr>
<td>Romeo</td>
<td>54</td>
<td>Male</td>
<td>Indigene</td>
<td>Deals in fuel and fishing lubricants</td>
<td>A former local authority representative</td>
</tr>
<tr>
<td>Kate</td>
<td>23</td>
<td>Female</td>
<td>Indigene</td>
<td>Sells phone recharge cards</td>
<td>Among the few university graduates</td>
</tr>
<tr>
<td>Davis</td>
<td>61</td>
<td>Male</td>
<td>Indigene</td>
<td>Fisherman, but also repairs fishing nets</td>
<td></td>
</tr>
<tr>
<td>Dan</td>
<td>42</td>
<td>Male</td>
<td>Indigene</td>
<td>Local ‘susu’ operator</td>
<td>Accepts deposits and grants soft loans</td>
</tr>
<tr>
<td>Alhaji</td>
<td>28</td>
<td>Male</td>
<td>Indigene</td>
<td>Construction worker</td>
<td></td>
</tr>
<tr>
<td>Bob</td>
<td>73</td>
<td>Male</td>
<td>Indigene</td>
<td>Fishing boat mechanic</td>
<td></td>
</tr>
<tr>
<td>Joe</td>
<td>64</td>
<td>Male</td>
<td>Indigene</td>
<td>Local pastor, engaged in fishing</td>
<td></td>
</tr>
<tr>
<td>Angel</td>
<td>28</td>
<td>Female</td>
<td>Non-Indigene</td>
<td>Operates business with partners</td>
<td></td>
</tr>
<tr>
<td>Lizzy</td>
<td>35</td>
<td>Female</td>
<td>Non-Indigene</td>
<td>Table-top trader in CBD</td>
<td></td>
</tr>
<tr>
<td>Asuo</td>
<td>28</td>
<td>Male</td>
<td>Non-Indigene</td>
<td>SHS graduate (casual worker)</td>
<td></td>
</tr>
<tr>
<td>Sam</td>
<td>29</td>
<td>Male</td>
<td>Non-Indigene</td>
<td>Community pupil teacher</td>
<td></td>
</tr>
<tr>
<td>Alaba</td>
<td>35</td>
<td>Female</td>
<td>Non-Indigene</td>
<td>Sells sachet water</td>
<td></td>
</tr>
<tr>
<td>Fred</td>
<td>39</td>
<td>Male</td>
<td>Non-Indigene</td>
<td>Harbor worker (security officer)</td>
<td></td>
</tr>
<tr>
<td>Ian</td>
<td>29</td>
<td>Male</td>
<td>Non-Indigene</td>
<td>Deals in mobile phones and accessories</td>
<td></td>
</tr>
<tr>
<td>Baaba</td>
<td>25</td>
<td>Female</td>
<td>Non-Indigene</td>
<td>Petty trading (CBD)</td>
<td></td>
</tr>
<tr>
<td>Rich</td>
<td>29</td>
<td>Male</td>
<td>Non-Indigene</td>
<td>Private security officer</td>
<td></td>
</tr>
<tr>
<td>Innocent</td>
<td>33</td>
<td>Male</td>
<td>Non-Indigene</td>
<td>Sales clerk in Mobil Mart</td>
<td></td>
</tr>
</tbody>
</table>

CBD: Central Business District; SHS: Senior High School.
of validating the preliminary findings and soliciting further input, feedback, and clarification, the
results were used as the basis for four separate focus group discussions (FGDs) held on separate
dates and at venues among the residents—and on one occasion with the inclusion of one officer
from each of the metropolitan planning office and the environmental service department. The
intention was to solicit the general community’s perspectives on the identified themes by examin-
ing individual responses. The feedback from these exercises led to further refinement of the results
presented in the next section.

Taking a leaf from Miles et al. (2014), the results are presented in two ways. First, the emerging
themes are presented in terms of the number of times each theme is mentioned and the number of
interviewees who articulated each theme (see Table 2). This demonstrates the relative prominence
of each theme, illustrating the impact of the oil industry on the poor. Second, seeking to record
observations in terms that are as concrete as possible, we reproduce vivid exemplary quotations
that serve as low-inference descriptors (see also Seale, 1999: 148). These verbatim quotations,
which illustrate how participants attached meaning to each theme, represent the core findings of
the study. For confidentiality and ethical reasons, the respondents are identified only by a self-
generated pseudonym.

The survey results and analysis

As alluded to above, the influx of oil money and the country’s socio-economic development are
linked in complex and multi-faceted ways across diverse sectors and vary both temporally and
spatially. Some of the earlier studies on STMA have increasingly depicted the city as becoming an
important hub for both local and trans-national economic activities (see Debrah and Graham, 2015;
Eduful and Hooper, 2015; Obeng-Odoom, 2015). The current study highlights the tangible benefits
ordinary residents in STMA enjoy from the oil bounty. The findings indicate that in spite of the
obvious socio-economic windfall such as massive infrastructural developments accompanying the
oil boom in STMA, this positive development is yet to register any significant positive impact
among the sampled population. Typically, some local initiatives are starting to shine a cold light on
the murky business of oil. The local economic landscape, for example, is characterized by a patch-
work of informal livelihood activities, including fishing, fish mongering, outboard motor mechan-
ics, petty trading, as well as those of artisans, bar operators, and construction workers. Some young
women also engage in trading in mobile phone credit or run table-top and container stores. These
activities are concentrated and highly visible along the coast and the findings are consistent with
earlier studies (Amankwah et al., 2015; Debrah and Graham, 2015).

The question, however, is whether these “diverse livelihood opportunities” make residents of
New Takoradi better off now than they were before oil. Providing a fuller answer based on a single
nuanced study is academically challenging. Suffice to say, however, that the study sees these
fledging livelihoods as a survivalist rather than a sustainable strategy, and therefore the inherent price volatility of oil hurts the poor most as they are least able to hedge their risks. Additionally, the constant inflow of new migrants is also fast eroding the few gains. From this background, the subsequent sub-sections examine the four major challenges as identified by the respondents of New Takoradi after the oil flow.

**Increased cost of living**

From the results, the most explicitly stated concern, attracting an aggregate of 55 mentions by all respondents, relates to the perceived high cost of living shortly after the oil taps were turned on. While the respondents agreed that there has been an increase in foreign direct investment, which has provided a catalyst for profound, positive changes at both the city and national level, they at the same time indicated that because the resources are concentrated at the ‘top’, monies are often misdirected to huge capital investment at the peril of the day-to-day basic needs of disadvantaged communities. Within that context, the costs of the oil industry, including the rapidly increasing number of slum-dwellers, pale into insignificance compare to developments on the national scale. Crucially, most indigenes expressed frustration about the current unprecedented increases in the cost of almost everything in almost everything—food, rent, water, electricity—as reflected in the following sentiments:

These days, life is hard. You go fishing at huge cost but come back empty-handed. The business [fishing] is collapsing; the others too [boat-making, cooked food vendors, net-mending, etc.]. Now landlords are also collecting 2-year rent advance. Strangely, in Takoradi today, you’ve to buy pepper when you buy kenkey.2 “Davies” [fisherman]

I loved the spirit of camaraderie when we first came here. But these days the area is changing fast and dangerously: theft, fighting, police swoops, alcoholism, etc. These are because of increasing poverty and the quest for survival because man must live! “Beauty” [home-based entrepreneur]

Yes, the oil has brought new things even here. But most of them are for multinationals who recruit and train their staff in Accra. The opportunities attract people from outside and we bear the scars [high rents, cost of living, crime, etc.]. The fact is, now one can shop even in supermarkets anytime because of the oil—only if one could afford the prices, that is. “Bob” [mechanic]

The situation is unfair. They bring their workers here, pay them well, and put sand in our gari3 . . . robbing Peter to pay Paul. They mine the oil here, create problems for us, and take the money to Accra to spend. “Sella” [trader]

From their responses, most indigenous respondents (12 out of 15) exhibited coherent understanding and appreciation of their predicament (decreasing revenue). Suggesting that the oil revenue has rotted democratic institutions in the community, respondents maintained that the ongoing economic growth also requires social stability, which can be greatly assisted by efficient urban planning that addresses the equitable provision of public services to all citizens. These “professional fishermen” confirmed that they now have to engage in multiple livelihoods to survive. On their part, oil-induced migrants claimed they also adopt a “suffer-to-gain” attitude, where breakfast and/or lunch are sometimes suspended in anticipation of a “heavy dinner”:

Honestly, we are struggling! The market is less vibrant . . . It has lost attraction. A growing number of the fishmongers are even reverting to trading in other goods at the frontage of their homes and along the streets. “Baaba” [petty trader]
We’re really suffering these days! Initially, you could cook in the morning and all ‘brothers’ could share. Today, there is no sharing of meals. Basically, everybody virtually eats one meal a day! “Fred” [harbor]

Compared with life before oil, most participants in the FGDs perceived their traditional artisanal fishing as fast-collapsing owing to the activities surrounding the mining of the black gold. Their concern was not only related to the many imposed restrictions on where to operate, but more importantly, the discharge of oil into the sea by many prospecting ships. Indeed, 11 out of the 15 indigenes interviewed alleged that the release of chemicals into the sea during oil production affects the fishing industry and by extension, their livelihood.

**Chronic housing deficit**

Generally, good housing fosters good citizenship. But, according to the “New Yorkers” interviewed, a chronic housing shortage is the second major concern (attracting 53 counts from interviewees), a situation attributed to the many job-seekers trooping into STMA in search of non-existent fortunes. Seen as a dormitory town, most indigenes (10 of 15) alleged that the new migrants have brought intense competition for rooms in New Takoradi, with monthly rent for a single room skyrocketing to GH¢40 from a previous rate of GH¢10. In addition to increased rent, landlords now demand a 2-year advance payment (i.e. GH¢960), something beyond the reach of most prospective tenants as captured in the following:

> I see the problem bigger than people think! Accommodation has affected everything we do here. Formerly, one could give a bottle of schnapps or even a bowl of fish in exchange for a room for those who temporarily came to fish. Now, we have to pay huge rent advances; hence the proliferation of ‘container houses.’ “Joe” [fisherman]

> Now, boys are forced to put up ghettos everywhere, so spaces between houses are large enough for only one to pass through aslant. Women have also built huts on every available space to smoke their fish—creating potential fire hazards. “Vivian” [trader]

> Look! Irrespective of our poor state, new migrants continue to troop in. This tells how desperate people are. They look beyond physical environment when considering where to stay in this city. “Romeo” [former local government representative]

> Today, there are innovations galore! We have situations where boys-boys will contribute to erect a container or wooden structure that they use for their work in daytime and as a bedroom at night. “Ian” [phones/accessories dealer]

> When asked about the possible attractions of New Takoradi, only 2 out of the 10 respondents (oil-induced migrants) detested virtually everything about “New York”. The rest (8) were motivated by the numerous opportunities. All the eight oil-induced migrants who were positive about the attractions of New Takoradi fancied the opportunity to meet their tribesmen, and six of the also liked the flexibility in rent payments. Importantly, these oil-boom migrants referred to the issue of necessity and lauded the element of affordability. One such respondent remarked:

> Most of us dream of having a place where we can get away, and one of the most economical options is to build a small container. No matter your lifestyle or location, you can find the small cabin you want here. Best of all, these are affordable and without skimping on comfort and style “Asuo” [casual worker]
Though participants in an FGD agreed in principle that the housing situation is dire, few were willing to seek accommodation elsewhere, mainly because of the settlement’s relative proximity to the CBD. The indigenes on their part also lauded the great cohesiveness and good sense of belongingness within the community. The findings further revealed gendered social risks with the oil-boom. For example, most indigenes (13 out of 15) perceived the impact of housing problems as a lot heavier on female children, particularly as large numbers of the young people were compelled to sleep outside. These sentiments were affirmed and most acutely captured by an indigene female respondent:

I believe I speak for most women on this matter. Today, parental control here has broken down completely. These people [girls] have more money than us because of the men they go out with. They hardly take advice from anybody. Their brothers can also drink and smoke [marijuana] the whole day. “Mercy” [fishmonger]

**Increasing job insecurity**

The third most pressing challenge after the oil taps were turned on expressed by the interviewees is increasing unemployment and job insecurity (attracting 47 counts). Though respondents acknowledged visible improvements in some infrastructural services, they conceding the emerging jobs are too ‘foreign-centered’. Almost 60% of the interviewees indicated that they were optimistic about the oil industry and hoped for employment opportunities, income creation (increases) and subsequent improved living conditions. Although the oil industry has generated employment opportunities ranging from direct administration functions, including project management, procurement and finance, to direct operational functions such as civil engineering, these are mainly technical jobs requiring high levels of skills, training, and experience which they do not have. To them, even the few informal opportunities particularly in the construction industry, including masonry, carpentry, and steel bending, have become very competitive due to the influx of job seeking youth from across the country, while the high cost of living is also fast eroding any gains.

The respondents noted that due to the highly saturated labour market, employees are being compelled to accept the daily wage on offer or potentially lose the job. Some interviewees who used to work either in the flour or cement factories at the harbor emotionally described how they have been crowded out of their jobs owing to increasing competition:

It’s quite heartbreaking. Wages are too low but you can’t refuse. Those looking for jobs are many. Now the question is: how do you survive? You will have to accept any wage for any job, or go hungry. “Alaba” [sachet water seller]

Among the indigenes, 7 out of the 15 respondents were unhappy specifically with the local content arrangement (i.e. the Local Content Bill’s call for reservation of some downstream activities for Ghanaians) of the oil industry. Alleging that the oil money flows directly from the oil companies to “the big men”, and the fact that the wealth passes through few hands and is therefore susceptible to misdirection, they claim authorities tend to have few incentives to “follow what bedevils poor neighborhoods.” Displaying some vague understanding of the arrangement, they maintained that the criteria set by the local content bill are beyond their reach. This, to them, explains why poverty has become their lot:

I don’t see any hope in the oil business. The opportunities so far favor outsiders who have the certificates . . . and in the harbor too. Gradually, we are being pushed from the coast to the courts, as many who lose
their work end up in illegitimate activities and, perhaps, eventually in jail. Many guys here are now being convicted. “Alhaji” [construction worker]

The interviewees’ comments here bring up an important issue that seems endemic to most informal settlements. That is, there is certain error in the city authority’s conceptualization of informality and its subsequent planning policies and interventions. While admitting that not all informal workers are vulnerable, under the circumstances, the indigenes are not only confronted with much poverty with the influx of oil-induced migrants saturating the market (Kabeer 2008: 88) and the ‘erosion of income and job insecurity’ (see Virtanen et al., 2005: 610), but they can also “be laid off without incurring statutory redundancy payments” (see Booth et al., 2002: 189). Appreciating that those whose jobs are unskilled and physically demanding, and who live and work informally on “sidewalks, construction sites, market places,” face problems including “pollution, noise, inclement weather and harassments of various kinds” (Kabeer, 2008: 90) will perhaps help rekindle and reinforce Meagher’s assertion that “Africa informal economies are as much about Africa commercial organization and accumulation strategies as they about price distortion” (2010: 299) and this should be well appreciated and recognized.

Increased social disorganization

The upsurge in social disorder emerged as the fourth prominent concern (attracting 40 counts). Most indigenes (10 of 15) attributed the situation to the unprecedented inflows of job-seeking youth including those from Nigeria and Côte d’Ivoire. This is said to have increased the use of illicit drugs, which, by their very nature, evade monitoring and documentation and operate beyond the reach of typical information-gathering methods. Such co-habitation of heterogeneous desperate job seekers routinely fosters alliances that are not always socially healthy, a process that either exposes the teens to abuses or brings them into close contact with socially repugnant behavior. Specifically, most participants at the FGDs confirmed and decried the infiltration of drug barons and sex workers from Nigeria and Côte d’Ivoire, respectively:

I hate to say this, but the drug business has really increased these days. We knew it existed . . . but today it is an open trade by the Anagos [Nigerians]. They are really masters. “Angel” [A Togolese businesswoman]

The rise in child prostitution and drug use are central to understanding the linkages between the oil and its impact on the community. You must just visit European Town at night! You will see 12-year girls busily persuading adult clients. “Joe” [local pastor]

If we knew what we know today, we wouldn’t be where we are . . . Our expectations were heightened by the political rhetoric, but now the reality is that “the oil is mined in Takoradi but the money will be spent in Accra”. “Bob” [mechanic]

The situation further manifests itself in increases in petty crimes such as pilfering, car break-ins, and drug-related violence. Indeed, petty crime signifies a reprehensible social decline, particularly regarding how night life is changing which Obeng-Odoom (2014: 69–70) succinctly describes: “migrants in sex work . . . busily working, negotiating, persuading, or inviting . . . sometimes through their great dance moves and good looks in a theatrically impressive setting.” Apart from the uncontrolled influx of job-seekers, participants in FGDs unanimously blamed the continuous neglect of the area in the city’s planning processes. To these interviewees, the community has not received any social intervention in the past five years. They also linked the increasing sophistication of the child
sex trade to increasing hardships accompanying the influx of oil induced economic migrants. Some respondents recounted daring scenes:

Takoradi has completely changed. Now the thieves operate without borders. In June [2015], the police in Sekondi woke up only to realize the batteries on their personal vehicles [13 cars] had been removed with impunity. This happened in a police barracks! “Kofi” [bar operator]

We should not behave as if there are no rules [structured planning] that govern a city like Takoradi. The discrimination must stop. All must stand up against the emerging sex business, or we will soon be caught pants down! Our children’s future is at stake. “Davis” [fishermen]

The current development can sometimes be a great embarrassment. You come out of a car with your family only to be greeted with calls from sex workers, some as young as 12 years. How? “Fred” [harbor security officer]

According to some indigenes, the current negative social outcomes have compelled the few wealthy New Yorkers to out-migrate to rent or build elsewhere, while retaining their rooms in the family houses. Often, these absentee New Yorkers rent out such rooms to generate extra income toward occasional maintenance or to acquire new property elsewhere. The comments by Kofi, Davis, and Fred raise issues of increasing social disorganization and unhealthy practices. The critical lesson is that without comprehensive attention to a community’s historical context, it will be difficult to appreciate how and why the residents behave the way they do. Connecting a community’s emerging coping strategies and decisions to its broader socio-economic context is necessary to understanding the level of social risk and decline accompanying the oil boom and the underpinning realities of the community’s seemingly strong resilience.

**Discussion of results**

The findings exhume the importance of inclusivity in city governance. Though many studies have examined Ghana’s oil industry, most were undertaken at the macro level, independent of intra-city representation of socio-economic risks associated with the oil industry. Through in-depth interviews and using a livelihood lens, the study explores the risk amplification (attenuation) resulting from the oil boom. New Takoradi was used as a test bed, and constitutes a reasonably representative sample. In general, residents cannot easily secure “homes” or jobs while some also find their informal livelihood opportunities declining in the face of increasing oil revenue: the paradox of plenty. Put differently, in spite of increased public expenditure on infrastructural development including building new hotels; increased road construction and port expansion, among others (Eduful and Hooper, 2015; Obeng-Odoom, 2015), New Takoradi remains notoriously underprivileged and distressed.

This development raises the question as to whether city authorities also plan for the have-nots. The evidence for now seems to suggest that the city’s planning regulations work only for the better-offs and against the urban poor. The oil-sector minister, speaking at a stakeholders’ forum in Takoradi in 2013, touted how government had judiciously invested the revenue (US$1.4b) from oil exports between 2011 and 2013 for agreed purposes (Buah, 2013). At the city level, the STMA multi-million dollar spatial development plan in part acknowledges that:

upgrading of the city’s infrastructure including transport [and] the provision of housing options within the larger natural environment will contribute to the city’s economic dynamism. (STMA, 2015: 1)
Without contesting the fact that the oil bounty has served as a catalyst for several capital investments, the findings from this study show that the dividends of these investments have not yet reflected on all segments of society in the metropolis, as poverty and inequality are still glaringly evident in the research location. Indeed, the hollow eyes and distended bellies of some starving children in the area observed during the field survey, which have already attracted the attention of some NGOs, give credence to the hardship residents are enduring. The respondents unequivocally spoke of the unprecedented increased cost of living, instigating an upsurge in child prostitution and illicit drug trading. Entwined with these phenomena is increased alcoholism as an unconventional strategy for coping with their frustrations and economic hardship, something that has already appeared in parallel findings from prior studies (Amankwaa et al., 2015).

In consonance with literature, the disproportionate social impact of the oil economy within the urban space of STMA appears to have gone largely unnoticed at the higher level. This could be due to the non-relational conceptualization of poverty, which makes city authorities see the poor’s social risks adaptive mechanism as rather built resilience. The STMA has today earned the enviable title of ‘Oil City,’ yet the formal sector, which tends to be the direct beneficiary of most capital investments, currently accounts for less than 5% of the metropolis’ economy (STMA, 2015: 1). Rather ironically, the neglected survivalist economy, which remains unregulated, unprotected, and unrecognized, contributes between 60 and 70% to the local economy. The evidence suggests that the social interventions and investments propelled by the oil revenue do not offer sufficient reason for all—especially those in the most deprived communities—to celebrate. Illuminating this discrepancy is the main contribution of this paper.

In this regard, we appreciate Lawson and Elwood’s (2014: 213) caution to policy makers to understand poverty “as arising from a set of interlocking processes including . . . processes of governing, and of making common sense.” This is a lesson city authorities are unlikely to accept graciously, but it will be an issue those responsible for risk management in urban areas will have to address in its full complexities and social context (Chen, 2016). Allowing “the rich to pursue their businesses as they please, while offering some hopes of future relief to the poor” (Adamovsky, 2014: 1) compromises sustainability. In totality, the findings show how livelihood and social risks surrounding the black gold are shaped by discriminative macro-level policies and which perhaps benefit “the rich” and “foreigners” far more than “indigenes”. This runs counter to the mission and vision of STMA, which states inter-alia that

the Assembly exists to improve the living conditions of the metropolis through the provision of sustainable socio-economic development and good governance that is responsive to the needs of the people (STMA, 2015: 4)

Concluding remarks

To say that the hopes of many who had felt the oil boom would influence pro-poor spending both at the Assembly and central government levels are dashed, would be an understatement. Evidence available at STMA indicates that although in 2014 the Assembly spent GHC 125,525 on waste management, GHC 253,049 on social welfare and community development, and GHC 161,887 on urban roads (STMA, 2015: 12), the community leaders interviewed maintained their area is sidelined in favor of expatriate neighborhoods, a position consistent with a writer’s commentary:

If the oil rush, land grab and lovely life that you can have as an expatriate in Ghana sounds vaguely familiar, it’s because it’s happened before in another era when gold was the mouth-watering lure. Africa is
once again the new frontier, with land, rare minerals and physical beauty. Although many Europeans and Americans living in Ghana say they still miss aspects of their birthplaces . . . there are a number of them who at present have no desire to repatriate. (Quartey, 2012: 4)

The intertwined effects of the above “offer[s] new ideas that can reshape . . . narratives about inequality and about who is poor, why they are poor, and how to act on poverty” (Lawson and Elwood, cited in Adamovsky, 2014). The paper extends the literature on the paradox of the oil boom and presents several policy implications. Principally, most deprived neighborhoods in STMA are places where urban interventions are conspicuously absent but seriously needed, a situation which can be referred to as a “governance curse”. Such exclusions breed reprehensible social decline and problematic behavior—hence the need for good governance that promotes and counteracts existing social risks. The paper opines that the benefits of the oil economy should not be overplayed or romanticized, particularly in the context of disadvantaged neighborhoods. Invariably, the very survival of such communities is born out of their peculiar characteristics, which tend to fall outside many of the strategic plans of the oil industry.

There is therefore a strong need now for city managers to consciously plan with the residents to address the anticipated social risks and threats accompanying the oil boom, so that all residents can maximize the benefits while minimizing the negative externalities associated with the “God-given” black gold. This provides a potent opportunity to chart a path toward the inclusiveness of cities offered by Goal 11 of the UN Sustainable Development Goals. It provides a framework through which crucial urban activities and investments are seen in relation to each other, with informal settlements like New Takoradi as a centerpiece, since such settlements can be both catalyst and vehicle for the achievement of greater inclusiveness while fostering innovation, creating jobs and developing social capital.

**Funding**
The author(s) received no financial support for the research, authorship, and/or publication of this article.

**Notes**

1. Takoradi is one of the Twin City (Sekondi-Takoradi) which doubles as both the capital of the western region and Sekondi-Takoradi metropolitan assembly. Sekondi and Takoradi are two different cities which over the years grew to join one another- hence the twin city.
2. *Kenkey*, also called *kormi* or *dorkunu*, is a staple and popular dish among the Ga community in Accra, Ghana, and their compatriots in the West African sub-region. It is similar to sourdough dumpling.
3. *Gari* is a starchy carbohydrate made from cassava tubers, and very popular in West African countries including Ghana.

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