

**THE EFFECTS OF OFFSHORE OIL AND GAS OPERATIONS ON THE SOCIO-ECONOMIC LIFE OF GHANAIS: A CASE OF THE PEOPLE OF ELLEMBELLE DISTRICT IN THE WESTERN REGION OF GHANA**

**BY**

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**JULY, 2017**

**DECLARATION**

I hereby declare that except for references to works, which have been duly cited and acknowledged, this work presented was done by me as a Master of Philosophy Adult Education student of the University of Ghana, Legon.

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## **DEDICATION**

This work is dedicated to my parents who are a specimen of excellent parenthood, my loving and caring wife Mercy Armoo, my children; James Eduku Jnr, Cornelia Esther Eduku and Mercy Eduku, my brothers and sisters and the late Rev. Fr. Anthony Umiker Quarm.

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## ABSTRACT

The oil and gas discovery and production in Ghana has given the country a new status which has invigorated the scholarly debate on the effects of oil and gas discovery on the socio-economic development of the citizenry. The discovery, and its subsequent production, at Ghana's Jubilee fields was met with high expectations by the Ghanaian citizenry, especially those within the catchment areas, as far as enjoying quality job opportunities, socio-economic development in infrastructure, improvement in education and health was concerned. Ghana became part of the oil and gas discovery and production nations when she discovered commercially large quantities of oil around the Cape Three Points Area. While the discovery and production of the oil and gas is envisaged to have positive effects on the socio-economic life of the citizenry, its negative effects should not be underestimated. This study aimed at critically examining the effects of the oil and gas discovery and production on the socio-economic lives of the people within the Ellembelle District in the Western Region of Ghana. The study also aimed at identifying the role of the government, oil firms and other stakeholders in solving the negative effects of the oil and gas operations on the people within the catchment area.

To digest these issues comprehensively, the study used the Resource Curse Theory, which describes the relationship between oil discovery and economic growth and the impact of oil and gas on national development (Auty, 1993). The Social Action Theory was also used to explain the reaction of human beings in a social context and how their actions and inactions affect their lives (Weber, 1991).

In addition, the researcher used the qualitative research approach, employed focus group discussions and in-depth interviews to collect data for the study. Afterwards, descriptive-

narrative method was used to analyze responses recorded on audiotapes from the field. The researcher used the descriptive case study under the qualitative method to explain the effects of the offshore oil and gas operations on the socio-economic development of the people within the catchment area.

The study concluded that the offshore oil and gas discovered and produced in Ghana has double-edged effects. The study also revealed that while a segment of the communities in the catchment area is benefiting from the oil and gas exploration in various degrees through corporate social responsibility and capital investment, others such as farmers, fishermen and traders have lost their most important capital without adequate compensation. The study revealed that pollution, migration, high cost of living and the breakdown of cultural values were the negative social effects of the oil and gas operations in the Ellembelle District. On the other hand, positive social effects such as infrastructural developments, provision of social amenities and tourist attraction that brings revenue to the local communities were revealed. The study again revealed mainly negative economic effects of the oil and gas operations in the Ellembelle District such as high unemployment rate, the breakdown of local businesses and land litigation. The researcher, therefore, recommended that in order to solve or reduce the issue of unemployment that emanates from loss of lands, the Ellembelle District Assembly in collaboration with relevant stakeholders, traditional authorities and Non-Governmental Organizations (NGOs) must initiate several alternative livelihood programmes from which the affected inhabitants can survive on, as this would help salvage the issue of unemployment in the Project Affected Communities (PACs).

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

Across the world, natural oil and gas reserves are being discovered and already endowed fields are being re-evaluated, accounting for an increase in onshore and offshore production projects (Industrial Info Resources, 2015). According to Industrial Information Resource (2015) report, a great number of countries throughout the world including Ghana are into oil and gas exploration and production activities and as a result, new and existing offshore oil and gas fields are being developed and rejuvenated using new technologies. History has underscored that many of the discoveries and operations of these lucrative offshore oil and gas resource countries in Sub Saharan Africa, Africa and the world at large have undertaken oil and gas activities without the feel of effect on their socio-economic development and environmental sustainability. Jakpor (2012a) claimed that Albertine Graben basin in South West Uganda exploration of lucrative oil and gas may possibly increase government revenue in several folds. Nonetheless, the commercial exploitation and production of oil and gas poses formidable environmental challenges to many countries due to feeble and ineffective institutions, absence of public involvement and participation, weak communication systems, and a large number of labour without the requisite expertise in the oil and gas industry. To add to the above, other indicators such as lack of essential policies, ineffective organizational structures and governance systems, which continue to affect all activities leading to unmaintainable actions at both the national and community levels of the country.

The Oil Spill Prevention Administration and Response (OSPAR) Commission (2009) in Iceland reported that within the OSPAR area, offshore oil and gas is a substantial

business, particularly in the Greater North Sea and Celtic Seas, but so eminent in the Arctic Waters. The various offshore oil and gas activities in the regions have culminated to an extensive spillage, pollution and degradation. Major pollution experienced had to do with contamination of air, water and land degradation. According to Jakpor (2012) since oil companies began operation some years ago in Nigeria, not only have communities in the oil and gas catchment areas been subjected to rising noise levels, but air and water sources of these communities have been polluted and farmlands deserted due to excessive oil and gas activities in these Project Affected Communities (PACs).

Ghana's discovery of major offshore oil fields, as happened in many other countries, has generated a blend of happiness and fear (Integrated Social Development Center, 2009). It is against this background that the study in the Ellembelle District, where the oil and gas Processing Plant and Free Port Project, are constructed is very necessary and equally important to unearth the effect of the offshore oil and gas discovery on the socio-economic life of Ghanaians in that area.

The West Cape Three Points block and Deepwater Tano block which Kosmos Energy and Tullow Ghana Ltd companies are championing respectively (Kosmos Energy, 2012) is a natural resource which is counted as one of the noticeable fossil fuels among which is coal, and natural gas. The discovery to the government and people of Ghana denoted a dramatic change in the progressive efforts of the country's development. In the sense that the advent of oil discovery, development and production presents Ghana with its next great test in terms of right institutions being put in place, accountability and transparent policies to efficiently and effectively manage the resource. According to Integrated Social Development Centre (ISODEC) report (2009), Ghana has had desirable record of good

governance and stability. The report added that despite this progress, the country with a populace of about twenty-three million still remain poor and depend largely on primary commodity exports such as cocoa, gold, and timber and about 10 million of Ghanaians live on less than two US dollars a day (ISODEC, 2009). Ghana's discovery and production of oil and gas could change and add to her over dependence and support on primary exports commodity subject to price swings that make development planning difficult. Petroleum, which is often called black gold in Ghana, is very valuable to mankind and has played enormous economic roles in the world especially in communities where they are explored and produced.

Africa is proud of a long list of oil and gas producing countries. United States Energy Information Administration (USEIA) Report (2010) intimated that sixteen (16) out of the fifty-four (54) countries in Africa could boast as exporters of oil. History indicates that from the year 1980 to 2012 and even beyond, oil production has increased from fifty-seven (57) billion barrels to one hundred and twenty-four (124) billion barrels in Africa. The estimation is given that at least another one hundred (100) billion barrels are offshore and waiting only to be discovered EIA (2010).

The offshore oil and gas operations in Ghana are relatively new undertakings that involve discovery and production of the resource far away from the land. The oil and gas activities involve the construction of the rig platform, drilling, dredging, filling and anchoring of vessels offshore. The operations as well include discharging from drill cut, supply vessels and the use of helicopters. In addition, the offshore oil and gas operations take into consideration transporting the unprocessed oil and natural gas from the offshore production point to refineries and plant on land. On the rig platform offshore, very little

refinery is carried out while the larger portion of the refinery is done on land (Arctic Offshore Oil and Gas Guidelines, 2009). It is in the light of the discovery of the oil and gas in the Ellembelle District that the thermal plant was constructed at Atuabo for the supply of oil and gas to Aboadze Thermal Plant to generate electricity in the country (Tullow Ghana Ltd, 2015). Tullow Ghana Ltd. (2015) added that to elevate and position Ghana as a pivot of oil and gas industry in the West Africa Sub-Region, free oil and gas thermal port was proposed to be constructed at Atuabo in the Ellembelle District, a facility in supporting the oil and gas operations in Ghana and gateway to West Africa offshore oil and gas industry.

## **1.2 Statement of the Problem**

Darkwa (2010) posited that fossil fuel helps stimulate the global economy and that its production facilitates movement in terms of transportation. The huge financial resources that are accrued from the oil and gas industry play an active part in terms of development in general. Darkwa further stated that the oil and gas discovery and production aids development in terms of employment creation as well as a means of generating income for the country. Ghana's oil and gas exploration, which produces fossil fuel, is done offshore about 64kilometres away from the coast. This, therefore, has called for the enactment of effective regulatory and legal frameworks to ensure the protection and preservation of Ghana's marine environment and ecosystem from the oil and gas pollutions. Worldwide, there have been several conventions designed to address issues relating to marine environment and ecosystem protection, for instance the Rio Declaration (1992), the Biodiversity Convention (1992), the Agreement of forest (2015), the Agenda 21 and Marine Environment Protection Convention (United Nation Conference on Environment and Development, 1992).

It is an established fact that, the Ghana Maritime Authority, which has the obligation to address those concerns, has embarked on institutional strengthening and capacity building programmes (Ghana Maritime Authority, 2009). According to Ghana Maritime Authority, (2009) as a first approach of their responsibility to deal with marine environment protection issues including oil and gas pollution, damage claims and compensation requirements marine engineers, nautical surveyors, search and rescue officers, maritime lawyers and maritime transport administrators have been recruited and trained.

Notwithstanding the number of steps and actions taken by the Ghana Maritime Authority in making sure that the country extracts its oil and gas effectively and proficiently to the benefits of the local people at the catchment areas and Ghana as a whole, it is equally important to take a critical look at both the positive and negative effects on the communities as well as the future expectations of the people living along the coast in the catchment areas and the kind of sensitization programmes and education to be given to them. The effect may be positive or negative on the socio-economic life and development of the communities in the catchment area.

The production of oil and gas in Ghana, like in other countries such as Uganda, Nigeria, Angola, Sudan, Ecuador, Norway and Libya, have the possibility to attract a lot of commercial activities within the provincial waters and along the coast of the communities in the Jubilee Fields. The combined effects of poor governance, corruption and conflicts have made people skeptical about Africa's vast natural resource endowment as both a blessing and a curse (Maass, 2009). Africa, therefore, remains the richest continent in

natural resources with the poorest people (ISODEC, 2009). Even though the oil and gas reserve discovery in Ghana is located offshore away from the immediate human communities, these communities expect to derive some benefits from the activities that are connected to the oil and gas operations by virtue of the fact that the resources have been discovered on their land (Ministry of Energy, 2012). In reference to the offshore oil and gas discovery and operation in Ghana three years ago in the Jubilee fields, it has not yielded the expected benefits as projected by the nation, individuals and institutions (Darkwa, 2010). In the light of this, the study aims at finding answers to the question; “what are the effects of offshore oil and gas operations on the socio- economic life of the people in the Ellembelle District in the Western Region of Ghana.”

### **1.3 Purpose of the Study**

The purpose of the study was to examine the effects of offshore oil and gas operations in the Ellembelle District in order to identify the issues of central importance regarding the role of the government of Ghana, various oil companies in the catchment area and all stakeholders in satisfying the socio-economic requirement of communities in the project affected areas. The position taken for this study is that there is much insight and understanding to be gained from the perspective of the people’s expectation, effects on the oil and gas operations in their deep waters and the kind of motivation to be established in order to bring a peaceful and harmonious rapport among all stakeholders (community members, government and firms) for smooth exploration, production and operation activities that are expected to help boost the economy of Ghana. According to ISODEC Report (2009), it is the hope of Ghana that her quest for development will be quickened as a result of the discovery of oil and gas in large quantities to achieve her development plans and the UN Millennium Development Goals (MDGs) by 2015.

#### **1.4 Objectives of the Study**

The general objective of study was to examine the effects of oil and gas discovery in the Ellembelle district. However, the specific objectives that the study sought to achieve were:

1. To identify the effects of the offshore oil and gas operation on the social life of the people in the Ellembelle District in the Western Region of Ghana.
2. To find out the effects of the offshore oil and gas operation on the economic development of the people in the Ellembelle District in the Western Region of Ghana.
3. To identify the feasible roles of the Government, oil companies and other stakeholders in solving the negative effects of the oil and gas operations on the local people in the catchment areas.

#### **1.5 Related Research Questions**

The research is aimed at answering the following questions:

1. In what ways are the oil and gas discoveries and operations affecting the social life of the people in the Ellembelle District in the Western Region of Ghana?
2. How does the operation of the oil and gas in the Ellembelle District affect the economic development of the people in the Project Affected Communities?
3. What role is the government playing in solving the negative effects of the oil and gas operations on the local people in the catchment areas?
4. What roles are the oil companies playing in solving the negative effects of the operations on the local people in the catchment?

### **1.6 Significance of the Study**

The importance of the study cannot be underestimated since it demonstrates how useful the research will be in adding to the field of literature and also to inform experts who identify the topic as important and therefore call for further research (Tagoe, 2009).

Furthermore, the outcome of the study will serve as a catalyst for further research by interested researchers who find it expedient to look at other dimensions of the oil and gas discovery on Ghanaians. The study will, therefore, highlight the effects of the offshore oil and gas operations on the socio-economic life and development in the communities along the Jubilee Field in the Ellembelle District in the Western Region.

Again, the study will help provide policy-makers and all stakeholders with adequate information so that they can develop and implement effective policies and programmes to meet the peoples' expectations and to address the issues that arise.

In addition to the above, the research will subsequently enlighten the local people to be aware of some of the conflicts that have been witnessed in some African countries that are blessed with oil so that they would be able to solve such problems in the event such situations arise.

### **1.7 Organization of the Study**

The organization of the study is in six chapters. Chapter one sought to deal with the background and rationale of the study, statement of the problem, objectives of the study, related research questions, the purpose of which the study is being undertaken, the significance of the study, the scope of the study and the operational definition of terms as

used in the study. Chapter two dealt with the theoretical frameworks and review of literature related to the topic under study. It specifically looked at the Resource Curse Theory and Social Action Theory. The second chapter went on to review related literature on the topic selected. The next chapter further dealt with the methodology, discussed the research design, population, sample, sampling procedures, instrumentation, fieldwork, and trustworthiness of the data, data analysis and ethical considerations. Chapter four was dedicated to the presentation of results, while chapter five dealt with the discussion of the results. Chapter six, which is the final chapter, sought to give a summary of the major findings, conclusion and recommendations of the study.

### **1.8 Operational Definition of Terms**

This section draws attention to the meaning of some keywords as used in the study.

#### ***Offshore Oil and Gas***

Offshore oil and gas as used in the study to explain exploitation of oil and gas in water some miles away from shore. It involves drilling and dredging a wellbore below the seabed to extract petroleum that is buried in rock formation beneath the seabed.

#### ***Resource Curse***

Resource curse in this usage portrays the idea that even though nations and areas are blessed with large quantity of non-renewable natural resources and other minerals, they end up experiencing poor economic growth and perform worse than countries without or with smaller endowments (McMahon, 2015).

### ***Jubilee Field***

The usage of this term in the study describes a field deposited with commercially large quantities of natural oil and gas that was discovered in areas along the coastal belt of the Western Region in the same year Ghana celebrated her 50 years of independence in 2007 (Tullow Ghana Ltd, 2015).

### ***Social Life***

Social life is explained in this study as the interpersonal relationship and interactions that exist among people living in a defined locality and share common values, norms and enduring ties.

### ***Economic Development***

The use of the term economic development in the study explains the quantitative and qualitative changes and improvement in the social amenities and economic activities of a given community, an effort that seeks to improve the standard of living and quality of life of people in a specific locality.

### ***Oil Exploration***

The term is used in the study to describe a process in which natural mineral is discovered and extracted. It also involves seismic activities that bring about degrees of environmental degradation in a form of depletion; pollution; deforestation and oil spills without regard its redevelopment to the impoverished of the affected communities.

## **CHAPTER TWO**

### **THEORETICAL FRAMEWORK AND LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter seeks to provide the context for the study of the effects of offshore oil and gas operations on the social life and economic development of the people of Ellembelle District in the Western Region. Review of related theories and literature sought to clarify the connection concerning this study and similar works previously undertaken by other researchers.

#### **2.2 Theoretical Framework**

The theories that underpin this study are the Resource Curse Theory and the Social Action Theory. The theories are explained in much depth as to how related they are to the study.

##### **2.2.1 Resource Curse Theory**

A renowned economist Richard Auty propounded the theory in 1993 and it is known differently as the 'paradox of plenty'. It describes the inability of many countries that are naturally endowed with mineral resources to benefit fully from the natural resources they are blessed with. The theory maintains that abundance of natural resources especially oil is a blessing for countries and communities where these naturally endowed resources are found in the sense that the proceeds, if well managed, will facilitate socio-economic development in these communities. However, it hypothesizes that the rich natural resources constitute and breed conflict and instability in most naturally endowed countries. The Resource Curse Theory according to McMahon (2015), an economist, puts forward that countries blessed with natural resources possibly will flop in certain specific

areas in their development which will later culminate into economic hardships. Analysts of the Resource Curse Theory further raise some arguments as to how much of a role it plays in socio-economic development.

Bassey (2009) intimated that throughout Nigeria's fifty (50) years of commercial exploitation and production of oil in the country, ecologically productive regions have extensively suffered habitat and environmental dilapidation. Recurrent oil spillage has had a great impact on the environment on which many communities depend on for living. The question then remains, how can oil discovery and exploitation from resource rich countries turn to be a curse for them?

Several factors have been advanced from economic and political points of view to answer such a question. For instance, McMahon (2015) postulates that if a nation is blessed with abundant natural resources like gold, the tendency to direct all energy and resources into the production and development of the gold industry at the expense of other industries would be very high. This, according to him has the potential of causing chain reactions that can hinder or even make economic development of such country to come to a standstill.

From the reference above, a country that directs all of its resources and energy into gold extraction and development might run into serious problems if gold prices at the world market fall drastically. By investing heavily in one resource, according to Sachs and Warner (2005), a country puts itself at risk of developing a very fragile and volatile market. A high concentration on the extraction sector alone can prevent a company from making money with finished and refined products. For example, exporting all its timber

for foreign exchange implies out of the market for furniture, craft work, joinery and other timber products, thereby hurting the economy. For instance, if Ghana should focus on mining all her gold and exporting them without making any ornaments or jewelry out of it to be used locally, it is suggested by the theory that, the country would be out from the jewelry or ornaments industry and import them for use locally which may retard the growth of the economy.

On the political contribution to the Resource Curse Theory, Auty (1993) posited that poor governance and wealth management, corruption, institutional weakening as well as failure on the part of political leaders to develop infrastructure and other industries with the natural resources has led to the curse of the resource than a blessing. He added that more often, the few ones who have the opportunity of controlling and accessing the proceeds of the natural wealth do not ensure equity of resource distribution, which can bring serious social problems. Gylfason (2001) intimated that a nation is obliged to depend on others for survival when it fails to develop a more diverse economy, a situation that may end the country up with a deficit in her national income at the end of the year.

It can be inferred from the above submission that, the Resource Curse Theory is indeed a paradox of plenty. In spite of the fact that a country may seem well established with abundant natural resources, it can be very fragile and as a result, experience a curse. A country can be crippled with the abundance of natural resources when a very isolated investment and development is encouraged and the need for diversity is totally ignored. In this case when there is a fall in price of the product, or the resource is drained, the results can be economically devastating.

Economists such as Ross (2001) and Gylfason (2001) have the conviction that, to fight the Resource Curse Theory is as simple as encouraging balanced, diverse investment and development. For instance, if a country has rich unusable petroleum resources in addition to extracting and refining oil, it should endeavour to pursue other methods of generating income to ensure a more stable market. The International Monetary Fund Report (2001) identified fifty-three countries of which Ghana is inclusive which indicates that development has been very sluggish despite the resources these countries are endowed with. According to Ross (2001) many findings have confirmed that resource-rich countries face a myriad of problems more rapidly than resource poor countries including low standards of living, vulnerability to economic shocks, high rates of bribery and corruption, overspending by government, civil conflict and war, environmental degradation, lack of transparency regarding the activities of the oil and gas sector and the financial flows generated. Too often, communities that are very close to the resource discovered areas suffer most of the environmental, social and economic effects and in terms of benefits and developments through government spending they receive and enjoy the least. The plight of the communities in the Niger Delta of Nigeria and South Sudan can be used as examples (Ejibowah, 2000).

The theory has survived in spite of diverse criticisms. For example, Ross (2001) in his study refuted the assertion that countries blessed with large natural resources lag behind economically than those countries without these natural resources. He cited Botswana as a country in Africa blessed with diamond that has managed to use the resources to promote economic growth and largely address social needs and stabilize the country's economies. He added that the resource curse is eminent when the revenue realized from the extracted natural resources are embezzled and wrongly used by corrupt political

leaders and top government officials for their personal ambitions other than being used to support the nation's economic development. Such practices were avoided by Botswana for the country to attain such height of economic growth and development.

A study by Pegg (2003) also criticized the resource curse theory for its non-applicability to all countries in the 21<sup>st</sup> century. He outlined in his study that those countries that already have a good background for economic growth and development, as well as a good and strong institutional background and, are blessed with natural resources. In essence, the resource curse disappears and natural resources are positively associated with economic growth. He singled out Norway, which discovered large quantities of petroleum in 1963 in the North Sea of the country. According to Pegg (2003) petroleum activities in Norway contributed massively to her development. Pegg further espoused that petroleum production in Norway has contributed to her welfare through the establishment of good institutions and policies to manage the resource. This has defeated the theory being considered as a curse in Norway to being a blessing as it pertains in the region of Sub-Saharan Africa.

Another critique was from Dunning (2008) who held the view that the curse from the naturally endowed countries vanishes and ceases to exist when one is not considering the importance of the resource being exported in the economy, but rather a relative abundance of the natural resource in the ground. He supported his argument by claiming that the resource, when not exploited connects with slightly higher economic growth and attracts to some extent fewer conflicts and wars as experienced in most of the naturally endowed communities in Africa. Thus high dependency on the extracted resources for exports correlates with bad policies, poor management, weak institutions and corruption

exacerbate the sluggish growth of the economy rendering the resources to be a curse to the development of the economy more than the expected blessings. Dunning (2008) further indicated that the resource in the ground can best be extracted to the advantage and benefit to a country when the government put in place good legal frameworks, policies and institutions to oversee the discovery, development, production and management of the resource to the benefit of all than a harsh extraction with weakened institution and poor policies to manage it.

Considering the arguments for the critiques, it is more convincing and imperative to take a cue from the theory to establish good institutions and policies to oversee the production and management of an endowed natural resource of a country before its extraction to avoid its adverse effect to the country. It can be deduced from the above discussion that the Resource curse theory is allied with many distinct problems, but the likely ones that can affect Ghana, among others, according to Broni-Bediako and Addei (2010) include the content of the subsequent paragraphs.

The risk of health hazards posed by the oil and gas-related activities to the people in the host communities especially the negative effects of the oil spillage on their fishing activities and the environment. Gobah (2010) reports on mud spillage by Kosmos Energy at its drilling field that occurred at Atwood Hunter, West of Cape Three Points. There are high degrees of expectations by the people in the host communities and if such expectations are not handled well it can possibly disturb the other sectors of Ghana's economy, as currently more attention is being shifted to oil and gas. Corruption and misappropriation of oil and gas wealth is a common problem in most of the resource rich countries notably Nigeria, Chad, Angola, South Sudan and many others The gradual

decline of citizens' duties and obligations such as payment of graduated tax is on the increase, this is because citizens expect the government to use the oil and gas revenue to finance public services.

It is against this background that this study is deemed appropriate to help unravel the stance of Ghana as a country blessed with many natural resources and major offshore oil and gas discovery in putting in place good policies, establishing good institutions and pursuing good governance to efficiently harness and manage the wealth of the natural resource the country has been blessed with. The lessons from the theory will help identify the effects of this oil and gas operations on the social life and economic development of the people in the Ellembelle District of the Western Region of Ghana.

### **2.2.2 Social Action Theory**

Social action refers to an act which takes into consideration the actions and reactions of people. Weber (1991) explained action as a deed of the behaviour of people. Weber (1991) in explaining the Social Action Theory noted how human beings behaved in relation to the cause and effect in the social realm. Theory as derived from sociology takes into account the interaction between human beings and the society. The assumption of the Social Action Theory is that human beings vary their actions according to the social context and how it will affect them.

Sociologists such as Sculi (1992) construed social action and gave a fundamental description of the way in which the actions proceed and the effects which it produces. Sculi (1992) provided a subjective meaning of action as people's intention or historical occasions that affects the society. The effects could either be negative or positive. In

relation to the phenomenon under investigation, the study sought to investigate social and economic effects of the oil and gas discovery, exploitation and development on the society. The Theory of Social Action also explained the cause and effect of an action on the society. In practicality, the cause will be associated to the discovery of oil and gas and the effect will be related to the society.

Weber (1991) indicated that social action is practical and encompasses a social phenomenon in the sense that the individual performing the social action is not passive, but rather active and reactive. Although the word “agency” was used by Weber in his study as expressed in modern social science, it is often appropriated with a given acceptance of ‘Weberian’ conceptions of social action, unless a work intends to make the direct allusion. Similarly, 'reflexivity' is commonly used as shorthand to refer to the circular relationship of cause and effect between structure and agency that Weber was integral in hypothesizing. Weber in his submission distinguishes between four major types of social action as follows:

- a. Rational Action: he maintained that rational actions are taken because it leads to a valued goal, but its consequences, as well as the appropriateness of the means chosen to achieve it, are often not considered (the end justifies the means). Rational Action is categorized into two groups: rational consideration and rational orientation. Rational consideration takes place when secondary results are taken into account rationally. It is considered alternative means as well when secondary consequences have ended. It is, therefore, not easy in determining this means of action as it is quite hard and even incompatible. Rational orientation on the other hand is explained as being able to recognize and understand certain mediums under common conditions. Weber (1991) maintained that, heterogeneous actors

and groups that are competing, find it hard to settle on a certain medium and understand the common social action.

- b. Instrumental Action: Weber referred this to actions that one plans and takes after evaluating the goal in relation to other goals after giving thorough consideration of various means (and consequences) to achieve it. An example would be a senior high school student preparing for an academic career as a lawyer. The student knows that in order to get admission into the law school, he/she must take the appropriate examinations and fill out the proper forms to get into the school. The student must take his studies serious after gaining admission into law school before he can ultimately realize his dream of becoming a lawyer. On the contrary, if the student does not take his studies serious and fail to pass his examinations in the senior high school level it will be difficult to get into law school and ultimately achieve the goal of becoming a lawyer. Thus the student must take the appropriate steps to reach the ultimate goal.
- c. Affective Action: Affective action is another aspect of the social action theory according to Weber. It is based on the emotional state of the person rather than in the rational weighing of means and ends. The concept concludes that sentiments are powerful forces in motivating human behaviour.
- d. Traditional Action: This action according to Weber is guided by custom or habit. Weber in his study posited that human beings engage in this type of action often thoughtlessly, because it is simply the status quo.

The key underpinning issue is the extent to which the theory finds applicability in this study in helping to analyze the effect of the exploration of the oil and gas in project affected areas in the Ellembele district. The social action theory is linked to this study in the sense that it significantly offers scientific bases to explain the interaction between

communities and the firms in the oil and gas industry. In this wise, the theory assisted in understating the work of the oil and gas firms in the District and their effects on the social and economic activities on project affected communities under study. The principal focus of interest is that oil and gas firms have been looked at from two main angles, thus, positive and negative effects.

On the contrary, the theory has been met with diverse criticisms. Phillips et al., (2016) criticized it for its ambiguity as to what constitutes the social action. An essential part of the theory development is the provision of an explanatory logic for the relationships under observation. Weber's (1991) Social Action Theory does not go beyond the concept of "affect/affected by", thus, it does not sufficiently address the dynamics in the link between firms and its identified communities or stakeholders.

Given the applicability of the theory, it is of much significance that the firms operating in Ghana in general and the Jubilee Field in particular in the oil and gas activities, need to satisfy their stakeholders (in this case the host communities) through their involvement in decision-making and provision of social amenities. In considering the motive behind the Social Action Theory, the effects of the oil and gas firms operations on those who live in close proximity within or around the Jubilee Field must be taken into account.

### **2.3 Review of Related Literature**

Related literature was reviewed based on three major themes. These themes are the history of oil and gas discovery in Ghana, the effects of offshore oil and gas on the socio-economic life of people and the role of governments and stakeholders in reducing the effects of oil and gas operations.

### **2.3.1 The History of Oil and Gas Discovery**

According to Boateng (2008), Ghana has had an inconsistent history with regards to petroleum exploration as far back as over 100 years. Ghana is blessed with 4 sedimentary basins namely Western Basin; stretching from the Tano basin to Cape Three Points Basin, Central Basin: at Saltpond Basin, Eastern Basin; stretching from Accra Basin, Keta Basin and finally inland Voltaian Basin.

Bonsu (2011) postulated that as far back in 1896, the West Africa Oil and Fuel Company (WAOFCO) became the first oil company to pioneer an oil discovery in the Gold Coast (now Ghana). He added that, a French oil company named Societe Francaise (SFP) followed WAOFCO's pioneering lead into the Gold Coast between the years 1909 and 1913. He further stated that between 1923 and 1925 a subsidiary oil company of United African Company (UAC) by the name The African and Eastern Company (AETC) joined in the early extraction in the onshore Tano Basin area and came across oil and gas. Subsequently, another oil company by name Gulf Oil Company secured a license to operate onshore along the Tano area between the periods 1956 and 1957.

Boateng (2008) again pointed out that many other groups from Soviet and Romanian Geo-Scientists in the early to mid-1960 joined in the rush for the petroleum resources in the Volta and Accra/Keta Basins. He also posited that between the periods 1971 to 1975 the first ever-offshore commercial hydrocarbon production was discovered in the Saltpond Basin. This discovery called for Ghana's first petroleum law Ghana National Petroleum Corporation (GNPC) Law 1983, (PNDCL 64) which was passed in 1983. Between the years 1983 and 1989 GNPC signed many agreements and regulatory policies

with a number of foreign firms to prospect in 10 offshore blocks between Ada and the Western border with Togo (Dickson, 2011). In June 2007, GNPC in collaboration with oil partners from Tullow Ghana Ltd (Anglo/Irish Company) and Kosmos Energy (a Dallas-based private company) declared a substantial discovery of commercial and light oil offshore at the Jubilee Field in the West Cape Three Points block in the Western Region of Ghana (Kosmos Energy, 2012). Tullow Ghana Ltd (2015) intimated that it was one of the largest discoveries in Africa at that time.

The Jubilee Field began its production in December 2010 and was estimated to hold 1.5 billion barrels of oil yearly. In July 2011, an Italian firm by name ENI also announced the discovery of oil and gas and condensate with its Gye Nyame 1 exploration well offshore in Ghana. In February 2011 the government of Ghana in recognition of the potential of the country's oil and gas resources in national development commissioned a National Gas Development Task Force to review and make appropriate recommendations for the speedy realization of a national gas commercialization infrastructure system (Friends of the Nation, 2015).

The Task Force, by the mandate given submitted its report to the President in April 2011. The commendations made by the Task Force included the evacuation and treatment of associated gas from the Jubilee Field production. In line with the above the government thereby approved the establishment of a local company to carry out the project. This facilitated in the establishment of Ghana National Gas Company (GNGC), which culminated true expression to government emphasis on 'local content' in the oil and gas industry (Ministry of Energy, 2012).

In July 2011 the government once again incorporated a limited liability company by name Ghana Gas and constitutionally mandated with the sole charge to build, own and operate facilities needed in the gathering, processing, transporting and marketing the natural gas resources in the country (Ministry of Energy, 2012). According to an ISODEC Report (2009), Ghana's discovery of major offshore oil fields has created a mixture of excitement and nervousness. The study in Ellembelle District where the oil and gas Processing Plant and Free Port Project have been constructed is therefore important to unearth the effect of the offshore oil and gas discovery, exploitation and development on the social life and economic development of the people.

Figure 1: Map of Ghana Showing the Gulf of Guinea and the Jubilee Oil Fields



Source: Hufstader (2008)

The oil and gas discovery, development and production activities in Ghana comprise of two parts: offshore (upstream) activities that involve the discovery, exploitation, development and production of the oil and gas. The other part of the oil and gas activity is the onshore (downstream) activities that also involve the refining and processing of crude oil and gas products, their distributing and marketing.

Tullow Ghana Ltd. (2015) reported that over 14km rigid pipeline has been laid from the Floating, Production, Storage and Offloading (FPSO) Kwame Nkrumah vessel to the coasts of Ellembelle and Jomoro. It is 70 meters deep. It was proposed in the same year that there would be a tank farm at Domunli and Nawule in the Jomoro District linked to a network of pipes from the processing plant and supplying at Atuabo in the Ellembelle District to power plant, petrochemical industries and the limestone and clinker factory.

According to Tullow Ghana Ltd. (2015) there have been dry gas pipelines to the Esiamia terminal in Ellembelle District where the pipes take different directions. The initial one constructed, which is 111km, continues to power the Takoradi/Aboadze thermal plant while another 75km go to Tarkwa/Prestea. In addition to the above, there has been construction of a mini port where tanker vessels dock and received the processed gas for onward shipment to Tema in the Greater Accra Region for distribution across the other parts of the country (Tullow Ghana Ltd, 2012).

The gas processing plant and its related service industries built in Atuabo in the Ellembelle District has great potentials for job creation opportunities for the people. In the light of this, the project appealed to competition among traditional authorities notably the chief and the people of Atuabo in Nzema East traditional council and that of Bonyere in Nzema West traditional council fully supported by their respective District Assemblies. The subsequent manoeuvring brought about the movement of the project from Atuabo in Ellembelle District to Bonyere in Jomoro District before it finally relocated at Atuabo in Ellembelle district for what was ascribed to be technical reasons (Ministry of Energy, 2012). The movement to and fro of the project raised a lot of debate in the media and

many insinuations from the indigenes of the two Nzema traditional areas, most of the people have the belief that the to and fro of the project within the two traditional areas was masterminded politically than technically. In the event of this, the government had acquired 300 acres of land in Ellembelle District for the building of the oil and gas port terminal at Atuabo. (See figure 2) (News Ghana, 2013).

Lonrho Ghana Ports Limited, a subsidiary oil and gas industry, also acquired 514 hectares of land at Atuabo in the Ellembelle District to partner with the government to construct and operate of an oil and gas port terminal (Ghana News Agency, 2011). The project included the construction of temporary workshops for maintenance of vehicles and other vessels, work areas and material staging areas which are to be located within the project footprint. The port terminal comprised a harbour protected by a rock breakwater to the west and a rock groin to the east, a dredged approach channel, a turning circle, berth pockets and quays. There would be service facilities located in the port along the quays to provide support services to the offshore oil and gas industry. In addition to the above, there would be rig repair, waste treatment and management, fabrication and supply facilities. The project has an airstrip and a helipad to facilitate aircraft and helicopter transportation, as well as other infrastructure like power generation, boreholes, accommodation, offices, a naval base, hydrocarbon fuels storage area and roads (Ghana News Agency, 2011).

In September 2015 the oil and gas processing plant was completed and the government of Ghana together with the chiefs and people of the Western Region commissioned the project at Atuabo in the Ellembelle district. The government during the commissioning

made it clear that the establishment of the facility has come at a right time when Ghana needed it most, to provide gas to meet the energy demands of the nation (Ampofo, 2015).

Figure 2: Atuabo Gas Processing Plant



Source: <http://citifmonline.com/wp-content/uploads/2015/09/mahama-commissions-atuabo-gas-plant-15.jpg>

### **Effects of the Oil and Gas Operations on the Socio-Economic Life of People**

According to Merriam (2000), effect is a change that results when something is done or happens: an event, condition, or state of affairs that is produced by a cause. The effects of the offshore oil and gas operations on the social life and economic development of the people in the catchment area signified the difference between what happen with or without the oil and gas project. This is in line with popular perceptions and expectations people hold about the discovery of oil and gas that it brings a dream of wealth and a sustaining prosperity. It has been a blessing for countries and communities where they are explored and produced and can cause other positive spillover effects such as employment, social amenities, high standards of living and tourism. However, if proper policies are not put in place by governments, it becomes a curse with related negative effects like pollution, social vices, migration, and unemployment.

#### **2.3.2 Social Effects**

The social effects of the oil and gas operations in the Project Affected Communities are numerous and cannot be overemphasized. Those that have been identified as both positive and negative have been discussed below. The positive social effects are discussed in subsequent paragraphs are employment opportunities, infrastructural development, tourist attraction and increase in population while the negative social effects to be discussed include unemployment, pollution, pressure on land/ land litigation, disregard for cultural values, increase in social vices and migration

To start with, one among the major positive social effects of oil and gas operation is the creation of jobs. Broni-Bediako and Addei (2010) intimated that there is no precise or tangible measure in place except with the expectation that the indigenes would take

advantage of other short to medium term employment opportunities that may be generated. The local people will, therefore, expect to be engaged in any menial or skilled work that may be created in the communities as a result of the oil and gas activities. According to Oteng-Adjei (2010), Ghanaians as well the local people in the oil host communities are of the expectation that the development of the oil and gas industry would be a source of job creation to them. The oil and gas communities in the Ellembelle District have a chunk of unemployed graduates and youth who are in dire need of work for their livelihood. The discovery of oil and gas is therefore seen as a means to salvage the unemployment situation in the resource rich communities. Furthermore, the oil and gas companies involved have as a means of corporate social responsibility, employed the labour of the local people in their exploratory activities. This has enabled both skilled and unskilled unemployed youth in the catchment areas to have the opportunity to be employed. On the contrary, the project has invariably created a sort of unemployment in the host communities. According to Scoones (2007), rural folks depend largely on the natural resources for their livelihood. That is, they depend on land for crop production and on the water bodies for fishing activities as their economic ventures for their livelihood. The local people in the host communities in the Ellembelle District where the oil and gas operation is undertaken are less privileged in terms of education. The major economic activities for a living in the communities are farming, fishing and petty trading. Deprivation of the farmers of the agricultural lands for the project and banning of fishermen from fishing in some part of the sea is a great loss and shock to the indigenes, hence creating unemployment for the local people in the host communities.

Another contributing factor to the unemployment situation in the communities is lack of skills on the part of the few elites. In a study conducted by Broni-Bediako & Addei

(2010), they posit that with the influx of unskilled labour to the host communities, unemployment is expected to be predominant due to the fact that the downstream oil and gas activities need technical expertise. The stage of the oil and gas project demands managerial and technical skills for operation unlike in the constructional stage where casual labourers were needed to work. Most of the elites in the host communities have levels of education that disqualify them to be employed, therefore have become a misfit in the project. These misfits have no alternative than to migrate to other communities or urban areas for greener pasture. The evidence is clearer as most of these host communities have been deserted. It is in the light of this that the study touches on the roles of the government and stakeholders to solve some of the problems that are likely to occur after the emergence of oil and gas in the host communities.

Another positive social effect expected by the local people, where the oil and gas operations are undergoing, is infrastructural development. Broni-Bediako & Addei (2010) are of the opinion that provisions of social amenities and economic development have always been the expectation of the people particularly those living along areas where natural resources are being explored and produced. It is highly anticipated and perceived by the local people that the discovery, development and production of the oil and gas in their communities would be a blessing to bring about infrastructural developments in their road network, health facilities, drinking water, electricity and education as it pertains in other naturally endowed communities.

One of the negative social effects of the infrastructural development in the communities is pollution of different forms. Scoones (2007) in his study submitted that there is continuous pollution of the environment and related evidence is the pollution in the

region of the Niger Delta in Nigeria. The desire for infrastructural developments in the host communities resulted in the pollution in different forms. The construction of the road network led to an unprecedented dusty air in the communities (polluted air) and pollution of some of their dependent water bodies (water pollution) as well as rising in the noise levels (noise pollution) by heavy trucks and machines operating in the communities (Jakpor, 2012). Other construction undertaken in some of the communities led to perennial flooding as most of their drainage systems were redirected. Daily Trust Newspaper of Nigeria (2012) reported that Nigeria loses an estimate of 3000 hectares of vegetation per year through tree felling, water pollution and general desertification. Taking into cognizance the related literature reviewed, even though the oil and gas operations in the host communities helps to give a facelift and improvement in their social infrastructure, it is imperative for the stakeholders and the oil companies to look for remedies to at least minimize the negative effects which make life uncomfortable for the already impoverished communities endowed with natural resources.

The oil and gas operations have contributed positively to the social life of the host communities. It has increased tourist attraction and influx of people from different environment in the host communities. The Coastal Resource Centre Report (2010) intimated that in the coastal districts of Western Region, the tourism sector is rapidly evolving. The Report reiterated that governmental organizations as well as non-government organizations like the Dutch Technical Cooperation Service (SNV), the Italian NGO Ricerca e Cooperazione (RC) and the Coastal Resource Centre (CRC) are supporting in diverse ways with the aim of boosting community tourism projects in the oil and gas operating zones.

On the other side, the negative social effect associated with tourism cannot be overemphasized. The influx of the people and tourists to the oil and gas host communities has contributed to the disregard for cultural values and increase in social vices. In a study by Asiama (2011), he maintained that migrants swelled up the pollution of communities massively creating new forms of lifestyles that invariably affect host communities. A study conducted by Okoli (2006) indicates that the discovery and production of oil and gas and its related activities have led to the increasing cases of social vices, sexually transmitted diseases, high rates of school dropout, marriage breakdowns and teenage pregnancies in the oil and gas host communities.

### **2.3.3 Economic Effects**

The economic effects that have been identified as both positive and negative have been discussed below. The positive economic effects to be discussed include improvement in agricultural activities, the creation of job opportunities, increase in prices of commodities, increase in economic infrastructure and real estate development while the negative economic effects are land litigation, pressure on land, unemployment and annihilation of local income generation activities.

Within sub-Saharan Africa, farming and fishing are major economic activities for the majority of inhabitants found in the area. Majority of the indigenes are engaged in fishing and farming as the hub of economic ventures for their livelihood.

Fishing, farming and oil and gas industries all over the world are entwined in a complex relationship. Oil and gas can be a blessing and improve a country's Gross Domestic Product in many economies. The oil industry provides jobs to fishermen and farmers,

revenues from oil and gas activities and royalties obtained from oil and gas companies operate in the catchment areas bolster the economies of fishing and farming communities. Companies involved in the oil and gas operation provide fishing and farming implements to fishermen and farmers to boost their activities. According to Gordon and Pulis (2010), the fishes caught locally are domestically processed, thus 60% of the fish caught in the fishing communities is smoked, 20% is salted and the remaining 20% is sold fresh. The local people who live along the coastal areas consume the majority of fish catch and harvested products from the farms.

Despite the many negative effects of oil and gas find on agriculture, there are several indirect benefits. For instance, according to Arctic National Wildlife Refuge (2012), a variety of items can be manufactured from petroleum by-products. Among these items are fertilizers and insecticides that play important roles in farming. Most tropical soils have poor soil fertility and the availability of fertilizers at affordable prices and utilization would increase agricultural production. The infestation of farms by insects is one of the factors responsible for low agricultural productivity in the tropics. Nevertheless, the use of insecticides at affordable prices to control insects would also increase agricultural production in the same tropics. Other products including tractor tyres, farm gears, soil conditioners and food preservatives could help increase agricultural production. The oil industry presents an unparalleled opportunity for the agricultural sector and for improvement of infrastructure in the economy of Ghana. The work of ANWR (2012) indicated that the concern of the agriculture sector provides economic and social infrastructure to the farming communities as well supplying implements and equipment needed by the farmers and fishermen for their work.

The emergence of oil and gas is playing positive and equally important roles in the development of many economies around communities where the operations are taking place and the world at large (Broni-Bediako and Addei 2010). Many job opportunities, ranging from menial to technical, are provided to the enhancement of the standard and level of living of the people in the catchment area. With the emergence of the firms in the oil and gas operation and the construction of the Thermal Plant, the economies of the communities in the catchment area have been boosted over the years. Allied industries and petty business have sprouted out due to the advent of the oil and gas discovery and exploration to provide employment opportunities to most of the potential local people. The situation has helped to enhance the living standard and level of living of the local people.

Keizeiri (1983) submitted that the rapid urbanization and economic development in Libya was attributed to the discovery of oil. In the same context, Grill (1984) added that urbanization and economic growth was linked to the oil rich communities of the Arabian Peninsula. Ampene (1966) in his study added that oil and gas discovery induced urbanization in most of the host communities because migrants have the belief that they would obtain employment in the oil cities. Jenkins et al (2008) remarked that potential migrants to the oil and gas communities would need to be housed and such opportunities may induce rich contractors and estate developers to build houses as in the case of Venezuela, Angola, and Nigeria for renting. The submissions from other studies portray that economic development and infrastructure spring up in the oil and gas communities to position such communities for the economic gains due to the positive economic effects of the oil and gas on the indigenes.

On the contrary, these operations negatively affect the economic life of the people as well. Pressure has been on lands at the host communities, as lands needed for agriculture activities by the local people are in the same way needed for building by estate developers. Demand for land increases incredibly in the host communities bringing about unplanned settlements (creation of slums in most of such communities). Land litigations also surge as landowners and traditional rulers sell lands indiscriminately.

#### **2.3.4 Role of the Government and other Stakeholders in Oil and Gas Discovery**

An ISODEC Report (2009) indicated that attention of governments, international donors, academics; non-governmental organizations and global civil society over the past decade have been drawn on the problems of resource- rich countries. The report reiterated that most efforts have focused on reducing the problems posed by the oil and gas operations and removing the veil of secrecy that shrouds the financial flows in the oil industry. The 1992 fourth Republican Constitution of Ghana states under Article 257{6} that ‘every mineral in its natural state in, under or upon any land in Ghana, rivers, streams, water courses throughout Ghana, the exclusive economic zone and any area covered by the territorial sea or continental shelf is the property of the Republic of Ghana and shall be vested in the President on behalf of, and in trust for the people of Ghana’ This constitutional provision makes it categorically clear that should any natural resource be discovered anywhere within the territorial jurisdiction of Ghana, no one person, community or district can claim ownership and exclusive right of it. The above submission implies that in an event of discovering a natural resource, the national interest overrides the individual or community interest. The constitution, therefore, sets the tone for the introduction of an institution. In the work of Osabutey (2010), he noted the poor communication between government and communities. He further stated that local

communities have a sense of ownership of resources discovered in the catchment area that breed a lot of conflict between them and the government. According to him, the local communities make excessive demands for royalties among other things.

Moreover, unfinished oil and gas in their extraction have the attributes of capital intensity. It requires the use of sophisticated technology and knowledge usually beyond the means of natural resource abundant countries to be extracted. With regard to this, effective education and information are best to sensitize the people in the catchment communities. Ineffective education as well as misinformation paints an undesirable picture on resource discovery.

As indicated in an ISODEC Report (2009), Ghana has constitutionalized the exploit of natural resources by empowering parliament with the right to promulgate policies, approve agreements and contracts for licenses to potential oil companies in the exploitation of the natural resources. Moreover, the licensed oil firms have a set period of time to conduct exploration in their area of operation; they may end up relinquishing a portion of their operating area if they go contrary to their contractual agreement and exploration commitments.

In the work Bhandari (2011) the Ghana Petroleum Revenue Management Law Act, 815 was enacted in 2011 to manage the revenue generated from petroleum activities. The concern of Niber (2012) on the role of the government and oil firms in solving the negative effects of offshore oil and gas operations on Project Affected Communities indicated that comprehensive compensation valuation process should be in place.

To end political conflicts that affect the efficient, transparent and accountable management of petroleum resources in Ghana, some institutions have been established and laws enacted that is aimed at governing the oil resource for optimal outcome. For instance, the Ghana National Petroleum Commission was set up to regulate activities within the sector. The Petroleum Revenue Management Bill, the Local Content Bill and the Exploration and Production Bill were all passed into law to provide updates of the oil and gas operations in the country (Ministry of Energy, 2014). The companies operating in the oil and gas and their associated international bodies operating in the oil discovery areas are expected by the local people as part of their corporate social responsibility to give a facelift of development to the communities in their operating zones which might be affected by their activities. The companies responded to the needs of the local people by providing them with boreholes as a source of potable water, public places of convenience, buildings for schools, hospitals, markets and community centres to transform their areas and enhance their livelihoods to solve some of the unexpected negative effects, problems and vulnerabilities posed by the emergence of the oil resource (Oteng-Adjei, 2010).

### **Empirical Review**

Empirically, a research by Odepanpo (2015) found out that the discovery of the oil and gas in the Niger Delta has affected the lives of community members positively. In this wise, Odepanpo maintained that the oil and gas firms generated employment opportunities. In a related incidence, Jike (2001 and 2010) traced employment benefits in the Niger Delta that among other countries is one of Ghana's closest neighbours to oil and gas discovery and production. He maintained that about 24% of the community members of Project Affected Communities in Niger Delta form the workforce for 5 major oil and gas firms. Similarly, a study in Venezuela by Castec (2014) indicated the oil and

gas firms have a Corporate Social Responsibility (CSR) to employ the indigenes of the affected communities. Authors such as Akoroda (2000) and Kobbie (2011) found out during a longitudinal study that spanned ten years that most project hosting communities are blessed with infrastructure and social amenities.

In a study by Rapalele (2011) he gives an account of the massive benefits of mining as Corporate Social Responsibilities (CSR) towards host communities. Rapalele found out in a study made up of five major mining towns in South Africa that most schools, hospitals, roads, electricity and water were provided to host communities by mining companies. In relating the study by Rapalele, it could be said that the oil and gas firms have supplemented efforts made by governments to make life worth living for members of host communities.

The above conform to the views of Broni-Bediako & Addei (2010) that economic and infrastructural developments have been the expectation of people, particularly, those living along areas where natural resources explored and produced. It is highly anticipated that with the exploration of the oil and gas in these communities there would be an improvement in their road network, the standard of health care, good drinking water and education. As an expectation by the host communities, oil and gas firms seek likewise to provide infrastructure and some social responsibilities as part of their corporate social responsibilities.

The Coastal Resource Centre Report (2010) intimated that the tourist activities in the coastal districts of Western Region are rapidly growing. The Report reiterated that government organizations and foreign non-governmental organizations like the Dutch

Technical Cooperation Service (SNV) and the Italian NGO Ricerca e Cooperazione (RC) and Coastal Resource Center (CRS) are supporting in diverse ways aimed at boosting community tourism projects in the oil and gas operating zones. A study by Kobbie (2011) found out that oil and gas discovery does not only have direct benefits for the nation and the host communities but also revenue generated through tourism. Danso (2014) in a study of the Westerns Region unearthed that over 1,000 tourists visit the Western Region due to the oil and gas discovery in the region. In a related study conducted in the Niger Delta by Jike (2010), he found out that even though the Niger Delta is befallen with conflicts, the site is attractive to tourists, which is now one of the main sources of income for the surrounding communities and the nation.

In a related study, Scoones (2007) maintained that oil gas exploration has had several negative effects on host communities as well. Scoones indicated that oil and gas exploration is a contributing factor to global warming and depletion of the ozone layer. Scoones cited empirical evidence in literature relating to pollution in the Niger Delta region. Jakpor (2012) recounted that since the extractive companies started operation some years ago in the Ogun state in Nigeria, not only have communities in the state been subjected to rising noise level, the air and water sources in the communities have been polluted as well. A Daily Trust Newspaper of Nigeria (2010) report added that Nigeria loses an estimated 3000 hectares of vegetation per year through tree felling, bush burning, water pollution and general desertification. According to the reporter, Nigeria, which once had large areas of rainforest, now has only five percent of such forest standing. The oil companies activities in the oil explored communities is likely to endanger human livelihood in the sense that uncontrolled logging to construct the gas pipeline from its extracting source offshore to Aboadze near Takoradi may damage many farmlands and

pollute many sources of drinking water bodies. The oil companies' activities instead of being a blessing may turn out to become a curse to the communities.

In advancement to the study, Jike (2004) surveyed the negative effect of oil and gas exploration in the Niger Delta of Nigeria. Jike unequivocally remarked that chemicals used in petro-chemical industries pollute the air and water bodies in the Niger Delta. Equally, a study by Ezzidine (2011) in Egypt and Iran found out that air pollutions due to oil and gas explorations claimed the lives of 16 people as a result of lung infection. Furthermore, a survey conducted by Kalijike (2010) in Angola estimated the amount of pollution caused by the exploration of oil and gas. In the study, Kalijike compared the experiences of people in oil and gas communities and those in areas free from such experiences. He recounted in the study that oil and gas-hosting communities complained of the adverse effects as a result of pollution by air or water. As narrated by the respondents in the study, the exploration of oil and gas have had some negative effects that are attributed to pollution of air and water.

Akoroda (2000) narrated an all women demonstration that took place in Warri, Nigeria at the headquarters of Shell Petroleum on the basis of deterioration of public health due to the pollution caused by the exploration and production of oil and gas in the region. Akoroda empirically discovered that a growing tendency of carcinogenic diseases in the Niger Delta Region which is traceable to the exposure of the communities to radioactive elements as a result of gas flaring. Jike (2004) also noted an upsurge of skin, lungs cancer, eye abnormalities and other bronchial diseases as a result of pollution caused by the firms in the oil and gas exploration in the Niger Delta.

In furtherance, empirical evidence from Scoones and Yaro (2011) research in Nigeria, suggest that oil and gas discovery dominates all traditional occupations. This puts local occupations at the backdrop. All attention is shifted to the oil and gas as a means of gaining wealth. As a result, the host communities import goods consumed locally. This makes such commodities very expensive.

A situation highlighted in Nigeria's oil rich areas came to light that prices of goods and services are very high as compared to other communities in the same country (Yaro, 2014). Yaro (2014) further attributed this to the influx of expatriates who are perceived to have money.

Attafuah (2010) in a study indicated that cost of living differs from country to country in the sense that the amount of money spent on basic necessities might not be same. Kwose (2013) posited that the cost of living is high when prices of food, shelter, clothing and other necessities of life keep rising when there is no corresponding increment in the income levels of workers. As a result, workers at the oil and gas exploring and production communities in the study district may spend a greater percentage of their income on the basic things of life as a result of high price of goods and may have little or nothing for saving due to the fact the operations hampers on economic activities. This leads to a low standard of living.

In the same vein, Jike (2004) examined some paradoxes and unequivocally stated that the anxiety and expectations surrounding the discovery of oil has waned because the general livelihood of the people has not been positively affected by the discovery of oil. More importantly and relevant is the spate of activism, which is a reaction to steady

environmental pollution and degradation of the Niger-Delta as a result of oil prospecting activities. Jike found out in a study that the emergence of oil and gas in parts of Nigeria has changed the traditional livelihood of the indigenes that has automatically brought about food shortages in those areas. According to Jike (2010), the traditional means of livelihood in the Niger Delta was fishing. However, the members of the community have had to depend heavily on imported goods. Likewise, the results give a clear signal of disequilibrium in traditional means of livelihood.

In a similar development, Kathman and Shannon (2011) recounted the changes in traditional livelihood in Venezuela as oil and gas were discovered in the early 1980s. A research by Aworemi, Abdul-Azeez and Opoola (2011) in Nigeria unearthed that rural migration is a double-edged problem affecting many communities hosting local and multi-national firms. The research by Aworemi et al explains that migration from project affected communities is negatively affecting community members across all ages. According to the authors, the community members are supposed to live in the community to contribute their part to the economic development of the community. The 'lost labour' of able-bodied and active migrated men and women is described as a major cause leading to the decline in agricultural activities. Interestingly, migration of the active labour results in the stagnation or even decline of rural agriculture (Regmi and Tisdell, 2002). This has serious implications for agricultural production since the work which could have been done by the active and abled men and women is now left for the aged to do (Angba et al, 2003). De Haan (1999) intimated that migration does not usually lead to the radical transformation of rural agriculture, but more often occupies a central part in the maintenance of rural people's livelihoods. Households have less labour to allocate to local agricultural production activities while migrants are away. If a migrant's

household's marginal product on the farm is positive, crop production will fall when the household sends out a migrant(s). Taylor et al. (2003) noted that the adverse effect of loss of labour might be on the increase since migrants tend to be younger and better educated than the average rural labourer. Rozelle et al. (1999) report a significant and negative effect of loss of labour on yields. Also, De Brauw, Taylor and Rozelle (2003) found that household crop income is negatively affected as a result of the loss of household labour from migration.

It was further established empirically that the inflow of different nationalities has depreciated the values placed on the cultural values in the Niger Delta Region more than other parts in Nigeria due to oil and gas exploration (Oshowofase, Anuta and Aiyedogbon, 2012). Aside from the fact the oil discovery has yielded most economic prospects for the communities, it is important to note that the culture of the people, which was once valuable to the communities, has been greatly affected. Also, Akoroda (2000) in a research in the Niger Delta Region found a negative relation between oil and gas discovery and change in lifestyle. He noted some violent acts, increase in social vices, and disrespect for the elderly among others as a result of alteration of cultural values.

Jike (2010) in a study found out the effects of oil and gas exploration on the flora and fauna in Warri, a state in Nigeria. He recounted the devastating effect that has culminated in plants becoming stunted. This has implication for medication and food. He further stated that the entire ecology has been truncated due to oil and gas exploration in the Niger Delta Region. Wildlife and endangered species of animals have migrated to new and cleaner environment.

Clavers (2013) in his studies on corporate social responsibilities noted contributions made by oil and gas firms towards local communities. For example, Tullow Group provided jobs for 10% graduates and postgraduate students in the Niger Delta. Clavers drawing recommendations for his study stated that the benefits derived from natural resources should be greater than the problems it poses. Likewise, a study in Alaska fields showed 12% of local experts employment. To this effect, Asafu-Adjaye (2012) projected employment opportunities to rise by 20% in project affected communities.

In addition, on the creation of jobs, Broni-Bediako & Addei (2010) intimated that there is no definite or concrete measure in place for the local people in the oil and gas discovery zones except with the expectation they would take advantage of other short to medium term employment opportunities that may be generated for their livelihood. The local people will, therefore, expect to be engaged in any menial or skilled work that may be created in the communities due to the oil and gas activities.

According to Oteng-Adjei (2010), Ghanaians are with the expectation that the development of the oil and gas industry would be a source of job creation to the local people where the oil and gas activity is taking place and the people of Ghana as a whole. The oil and gas communities in the Ellembelle District have a chunk of unemployed graduates and youth who are in need of jobs for their livelihood. The discovery of oil and gas is therefore seen as a means to salvage the unemployment situation in the communities and in Ghana at large. The oil and gas companies involved will as a means of social responsibility employ the labour of the local in their activity. This will enable both the skilled and unskilled unemployed youth in the catchment areas and Ghana at large to have the opportunity to be employed.

In furtherance of the literature review, it will be necessary to add that the resource curse theory best explains how resources have consequences for a country as well as host communities. The theory according to McMahon (2015) is a theory in economics which, simply put, suggests that nations and communities which are blessed with rich, yet finite, natural resources may fail to develop in other sectors ultimately bringing about financial problems. There are some arguments as to how much of a role the resource curse theory could play in economic development of a nation or community blessed with natural resource, with many economists making references to African countries as an excellent example of the myriad paths which developing nations can take (Maass, 2009).

A study by Jike (2010) found out that the oil and gas discovery affected local businesses such as fishing and farming in project affected areas. A study by Akoroda (2000) recounted the effect of local businesses as a result of oil and gas exploration in Nigeria. Akoroda noted that attention from local business has shifted from local business and trade to benefits to be accrued from the oil and gas exploration. In agreement, Yaro (2014) attributed the change in local business to expectations by the communities in project-affected areas.

According to Yaro, the indigenes of the Niger Delta region expect automatic benefits from the oil and gas exploration. In relations to literature, Abdul-Azeez (2014) espoused personal debt accrued by community members as a result of lack of economic activities in oil and gas hosting communities. Abdul-Azeez (2014) recounted experiences of fisher folks in Cape 3 Point in the Western Region of Ghana. Associating the Social Action Theory to the study, it becomes evident that community members are trapped in a

situation that makes it difficult for them to exercise their rights. The theory focuses on human beings in relation to the cause and effects in the social realm Weber (1991). However, the negative effects of the oil and gas discovery make it difficult for communities to fully exercise their rights. In this wise, Weber's social action theory is of practical relevance and as such its tenets can be applied in Ghana. In the sense that it can serve as a useful tool in understanding the activities of the oil and gas firms and their effects on the socio-economic wellbeing of the individual in the naturally endowed resource communities as well as offering scientific bases to explain the interaction between communities and oil and gas firms.

#### **2.4 Summary**

The chapter sought to provide the context of the study with respect to the effects of offshore oil and gas operations on the social life and economic development of the people of Ellembelle District in the Western Region. Two theories, Resource Curse Theory and Social Action Theory were used to guide the study. The Resource Curse Theory states that the abundance of natural resources in resource rich areas can either be an advantage (blessing) or a disadvantage (curse) to the particular community depending on how the resource is managed. The Social Action Theory also postulates that the actions and inactions of people are dependent on how situations present themselves in a society. Literature was reviewed by works previously undertaken by other researchers in areas of the history of oil and gas discovery in Ghana, the social effects of oil and gas operations, the economic effects of oil and gas operations and the role of the government and relevant stakeholders in curbing the menace. In addition, an empirical review was embarked on to consolidate the conceptual review.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

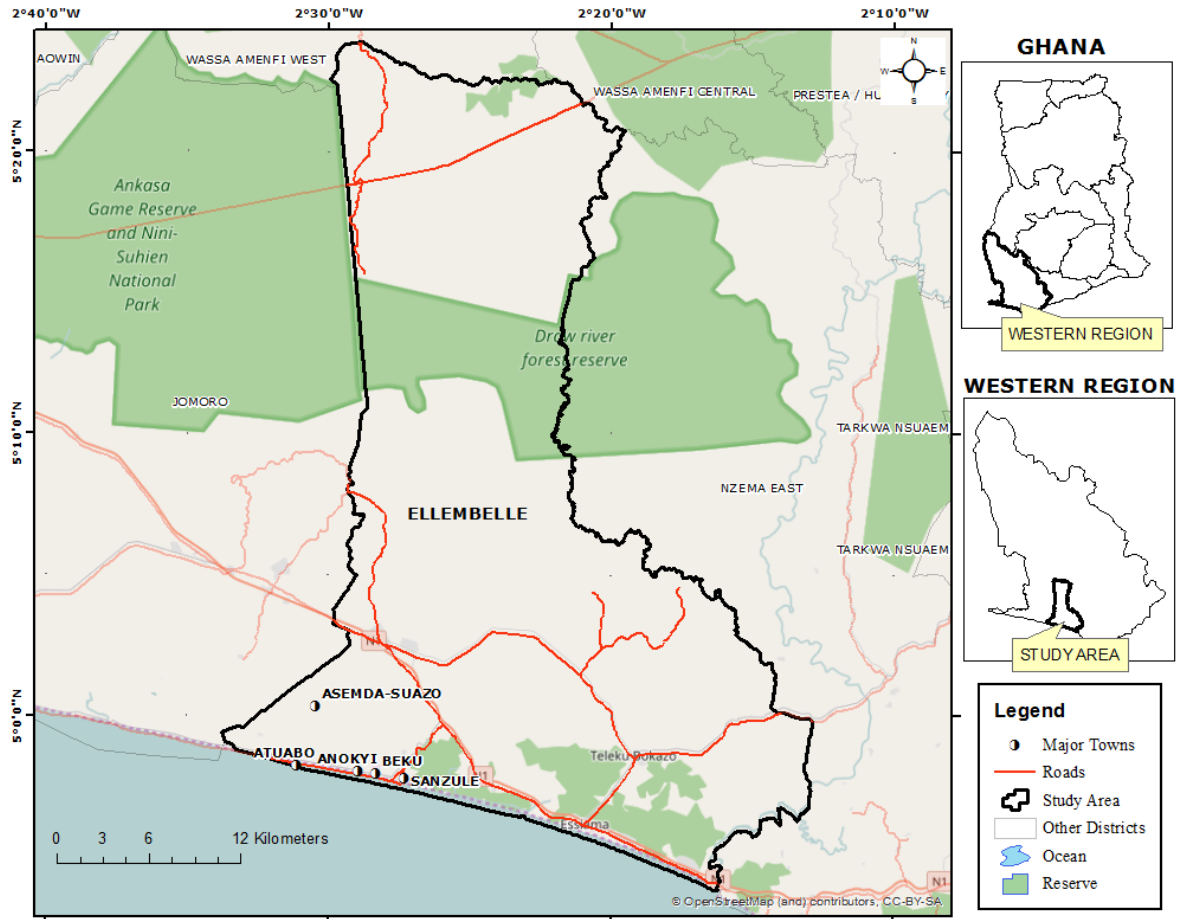
This chapter focuses on the procedure as to how the study was conducted. The chapter looked at the profile of the study area, research design, the population, the sample size and sampling techniques. It also covered the research instruments used to collect the data, data collection methods, data analysis and the ethical issues that were taken into consideration.

#### **3.2 Profile of the Study Area**

The Ellembelle District, which is one of the twenty-two (22) districts in the Western Region, is found between Jomoro and Nzema East Districts. The district was carved out of the then Nzema East in December 2007 and inaugurated on 29<sup>th</sup> February 2008 (Ghana District, 2013). According to the Population and Housing Census (PHC, 2010), the estimated population of the Ellembelle District is eighty seven thousand, five hundred and one (87,501). It has Nkroful as its administrative capital and Atuabo as the traditional paramountcy. The district shares boundaries with Jomoro District to the West, Wassa Amenfi West to the North, Nzema East Municipal to the Southeast, Tarkwa- Nsuaem Municipal to the East and a 70km stretch of sandy beaches to the South (Ghana Statistical Service, 2013). Much of its towns lie along the coast close to the sea on undulating sandy land with few towns inland. The district is noted for its current oil and gas operations that have facilitated the construction of Ghana's Oil and Gas Processing Plant and Ghana Oil and Gas Freeport Service Terminal Complex Projects.

The map of the study area is depicted in figure 3.

Figure 3: Map of the Study Area



[https://upload.wikimedia.org/wikipedia/commons/a/ac/Western\\_Ghana\\_districts.png](https://upload.wikimedia.org/wikipedia/commons/a/ac/Western_Ghana_districts.png)

### 3.3 Research Design

Descriptive case study was adopted under the qualitative approach to explaining the socio-economic effects of the offshore oil and gas operation on the people within the Ellembelle District in the Western Region of Ghana. According to Merriam (2000), the descriptive case study helps to provide detailed accounts of a phenomenon under study that helps to answer related questions posed by the study. In order to obtain a comprehensive and detailed account of the study, Merriam (2000) argues that adequate

time is expected to be spent in the context of the study to collect extensive data to develop an in-depth understanding of the phenomenon under study and as such recommends the use of a descriptive case study. The researcher found this research design useful because the phenomenon under study has a unique way of affecting each group of people and as such the researcher in seeking to get detailed accounts of how the oil and gas discovery affects each of the various occupations, the researcher saw a descriptive case study an appropriate research design. The design was helpful in framing the case and eliciting in-depth data from the study sample.

### **3.4 Population of the Study**

Statistics from the Population and Housing Census (PHC, 2010) estimated the population of the Ellembelle District to be eighty seven thousand, five hundred and one (87,501). Therefore, every member of the various communities in the District constituted the target population of the study. However, the accessible population of the study was limited to members of selected towns within the district. Out of the over fifty (50) communities in the district, Atuabo, Baku, Anokyi, Sanzule and Asemda Suazo communities were selected. The choice of the district was based on the discovery of the oil gas in the area and the aforementioned communities were chosen on the basis of their locations. These communities are found along the coast and as such, they are the most likely affected communities. The remaining communities are inland communities and so the effects of the oil and gas activities would not affect them as much as the communities along the coast.

### **3.5 Sample Size**

The sample size chosen for the study comprised of forty (40) participants. Specifically, ten (10) participants were selected from the management of the oil exploration companies. Thirty (30) participants were also selected from the project-affected communities. They were put in three groups of ten (10) for the focus group discussions. The ten (10) management members were purposively selected from Ghana Gas and ENI Ghana and the basis of their selection was by virtue of the positions they occupy and the roles they play as far as the effects of their activities are concerned. The researcher selected these people purposively due to the fact that they were in the best position to respond to the questions that the researcher sought to gain answers. The three (3) focus groups were created out of five selected communities namely Atuabo, Baku, Anokyi, Sanzule and Asemde Suazo. The researcher selected five (5) participants from each of the towns. In each of the various communities, the five participants (5) selected included a farmer, a fisherman, a trader, an opinion leader (Assembly member) and the chief of that particular community. These groups of people were purposively selected because they are directly affected by the activities of the oil and gas producing companies and its inherent effects on the selected communities. Each of the three (3) focus groups was made up of six (6) males and four (4) females.

### **3.6 Sampling Techniques**

The study employed a non-probability sampling technique in sampling the participants for the study. Tagoe (2009) postulated that non-probability sampling is mostly the appropriate method of choice for qualitative research. The study, therefore, used purposive sampling for all the participants and respondents: community members, employees and management of the oil companies. With reference to Cohen, Manion and

Morrison (2007) with regard to purposive sampling, the researcher deemed it appropriate for the selection of the participants due to the fact that the people residing in the community will be the best to give a true and vivid reflection of the oil and gas activities in the communities. Also, a representative from Ghana Gas and ENI Ghana were chosen as respondents based on convenience and their possession of in-depth information and knowledge on the subject matter under discussion. In furtherance of this, five (5) communities (Atuabo, Baku, Anokyi, Asemda-Suazo and Sanzule) were also purposively selected to the fact that they are the indigenes the host communities or project affected communities and have experienced both positive and negative effects of the oil and gas exploration.

### **3.7 Research Instruments**

Two (2) instruments were used to collect the data for this study. These instruments were the interview guide and focus group discussion guide. The focus group discussion guide was deemed one of the best instruments for this study because it ensured that majority of the respondents who were semi-literates or completely illiterates did not have any difficulty responding to questions that were asked because the questions were asked in their local dialects and as a result the participants were able to contribute significantly to the discussions as they were allowed to express themselves in their local dialects. This rendered the information that was collected very rich. The interview guide consisted of five (5) questions while the focus group guide was made up of eight (8) questions. The questions were based on the objectives for the study. The nature of the instruments allowed for probing which enabled the researcher to collect in-depth data and also allowed the participants to express their views freely.

### **3.8 Data Collection Method**

The fieldwork has been categorized into three phases. The first phase of the fieldwork was the community entry procedures. The second phase was on the medium through which the data was collected and the final phase was the challenges and experiences of the researcher. Each of these has been discussed in the subsequent paragraphs in the order in which they have been arranged.

#### **3.8.1 Focus Group Discussions**

Before the actual fieldwork began, the researcher had gone into the selected communities to familiarize himself with the community in the quest of making some acquaintances. The researcher spent one (1) day each in the five (5) communities. The following week, the researcher requested an official introductory letter to be given to him by the University to reveal the identity of the researcher as a student and that the data that was going to be collected was to be used for the sole purposes of academia and nothing more. The researcher, after the receipt of the letter from the University, went to the selected communities. The researcher, with the aid of the introductory letter, sought permission from the assembly members of the various communities after which they led him (researcher) to some community members in the communities. Based on this contact the researcher had with assemblymen, they were able to select some individuals from the various communities for the focus group discussions. It was quite difficult for the researcher to get the participants for the focus group discussions even with the assistance of the assemblymen. This initial difficulty, according to the assemblymen, had arisen due to some unfortunate reportage against the communities that was perpetrated against them by some people who had come to interview them. Despite the initial challenges, the

researcher succeeded in getting five (5) participants each in four (4) communities and had ten (10) participants in the last community.

The researcher grouped the thirty (30) participants in three (3) focus groups that consisted of ten (10) participants in each of the groups. Atuabo and Asemnda, which were made up of five (5) participants each, were grouped to form the first focus group with a total number of participants being ten (10). The focus group discussion for this first group was held at the community centre at Atuabo. The second focus group was also made up of five (5) participants each from Baku and Anokyi resulting in having ten (10) participants in the second group. The last community could not be grouped because it was only one and had ten (10) participants, which were enough to constitute a focus group. The discussion for the participants of the third group was organized at the community centre at Sanzule. The participants were grouped due to the homogeneous nature of the participants.

On the scheduled day the researcher with the support of his two research assistants went to Atuabo to conduct the focus group discussions for participants of the Atuabo and Asemnda communities. This took place after the researcher had explained the purpose, guidelines and directives on how the discussion was to be organized. The role of the two research assistants was that one of them was taking notes while the other took charge of tape recording the discussions. The participants, however, unilaterally refused to be tape recorded because of the aforementioned situation and as a result, only field notes were made. The discussion lasted for fifty (50) minutes after which the participants were refreshed with drinks and pastries. The researcher and his assistants moved to the Anokyi and Sanzule communities and went through the same procedure as in the case of Atuabo.

It must be stated, however, that the discussions at Anokyi lasted for one hour, three minutes while the discussions at Sanzule lasted for forty-seven minutes. However, in all these situations, the researcher ensured that the environment was serene and convenient for them and was also healthy for the discussions.

### **3.8.2 Interviews**

After the focus group discussions were organized for the various communities, the researcher, still with his research assistants, went to ENI Ghana for the one on one interview with employees and managers. The interview lasted for an average of thirty (30) minutes for each of the five (5) people who were engaged in the one on one interviews at ENI Ghana. The following day, the researcher went to Ghana Gas for a similar engagement. In all these situations permission was sought from the two companies and a week notice was served and it was after the researcher had received a positive feedback from employees and managers of the companies that they were interviewed. The interviews, which were organized in the conference rooms of both organisations, were recorded verbatim so as not to lose any relevant information during the data analysis stage.

In all, the researcher and his team spent five weeks on the field for data collection amidst several challenges. The major challenge that was faced was the perception of the people about the researcher and his team. The inhabitants of the selected communities considered them as spies and for that matter did not want to engage in any discussions with them until several assurances of confidentiality were given to them.

### **3.9 Data Analysis**

The qualitative data responses were obtained from both the interviews and the focus group discussions. The responses of each of the groups were written down in the researcher's field notepad. They were properly transcribed and translated into English in the respondents' own words as closely as possible. To ensure some degree of uniformity efforts were made to reach a consensus on the responses so that in the end what was recorded was one on which the group as a whole had reached an agreement. The agreement reached was helpful in developing the three themes that were analysed in the fourth chapter of this study. This made it possible to use descriptive-narrative methods to analyze responses from the focus group discussions. The one on one interviews were also analysed in the same manner as the focus group discussion was analysed. Essentially, the researcher had to revisit the data severally in order to strongly represent the participants' views under themes. Also, the analysis technique chosen made it possible to look at the areas of convergence between the focus group discussions and interview data.

### **3.10 Ensuring Trustworthiness of the Data**

The most popular criterion for judging the quality of a study within the interpretive qualitative framework is the trustworthiness criteria (Guba, 1992). Denzin and Lincoln (1994) suggested an analogous concept of trustworthiness, which contains four aspects being credibility, transferability, dependability and confirmability to ensure rigour in qualitative research.

Credibility of the study was ensured through triangulation, the focus group discussion was conducted with the indigenes, interviewed the employees and the management of the oil and gas companies and data from documents were used to verify details of

management members. Also, member checks were conducted so participants were made to read through the transcripts of dialogues in which they have participated to bolster the credibility of the data obtained (Guba and Lincoln, 1987).

To ensure transferability of findings of the study, sufficient contextual information about the fieldwork sites (the study was undertaken at Ellembelle District with five communities), in-depth and thick collection and description of data (with the use of focus group discussion, interview and documentary analysis) of the phenomenon under study were provided to allow proper understanding, sufficient comparison and applicability of the study to other possible situations and populations (Shenton, 2004).

To address the dependability criterion of the study, the processes within the study were explicitly explained to enable further research for similar or the same result. For instance, questions were clearly tailored for participants to respond and participate in the focus group discussion with confidence. Multiple sources of data collection methods were employed such as focus group discussion, which lasted approximately an hour with the participants, semi-structured interview with the employees and management of the oil and gas companies within thirty (30) minutes. The researcher wrote down proceedings from all the interviews to facilitate smooth discussion. Also, other colleague researchers were involved to give comments on the findings as they emerged as a means of peer examination (Bitsch, 2005). Finally, my position as an insider researcher was declared to disabuse participants' views about the researcher as an impostor (Merriam & Associates, 2002).

To establish the degree that the data collected and its interpretations are not figments of the researcher's imagination, but are clearly derived from data (Tobin & Begley, 2004) a reflexive journal was kept in which all events that happened in the field were recorded and used as reference to confirm what had been written in the study. Personal reflections in relation to the study were conducted to find out changes that emerged from the processes and products of the phenomenon during the investigation (Koch, 2006). Finally, to confirm the study, an audit trail method was employed whereby detailed accounts of all the research decisions and activities, which showed how the data were collected, analysed and recorded, were outlined.

### **3.11 Ethical Considerations**

An introductory letter, from the University of Ghana, Legon particularly from the Department of Adult Education and Human Resource Studies, was obtained to officially declare the true identity of the researcher to clear any doubt about the identity of the researcher and to introducing him to the Project Affected Communities. Arrangements were made during the initial contact to provide feedback for the participants and respondents who will be requesting for the information about the findings and results of the study. Also, participants were assured of strict confidentiality of all information they provided. As a result, their names were not used in this study. Participation in the interview or focus group discussions was voluntary as such participants could opt out at every point they wanted.

### **3.12 Summary**

This chapter elaborated on how data for this study was collected. The chapter begun by giving the reader some idea about the features of the study district so that he or she can

better understand and appreciated the context within which the research was conducted. The researcher used the descriptive case study research design for the study. With a population of eighty seven thousand, five hundred and one (87,501), the researcher decided to choose a sample made up of thirty (30) participants and ten (10) respondents. The researcher adopted the non-probability random sampling technique, particularly the purposive sampling technique. The researcher used focus group discussion guide and interview guide as instruments for the collection of data. The data that was collected was analysed by using the descriptive-narrative method.

## CHAPTER FOUR

### PRESENTATION AND ANALYSIS OF RESULTS

#### 4.1 Introduction

This chapter analyzed data gathered from the field. The qualitative data was obtained from three (3) focus group discussions from the selected communities as well as the ten (10) interviews from the management of the two companies that are engaged in oil and gas production in the Ellembelle District in the Western Region of Ghana. The analyses are structured according to the research questions as follows:

1. In what ways are the oil and gas discovery and operation affecting the social life of the people in the Ellembelle District in the Western Region of Ghana?
2. How does the oil and gas operation in the Ellembelle District affect the economic development of the people in the Project Affected Communities?
3. What roles is the government playing in solving the negative effects of the oil and gas operations on the local people in the catchment areas?
4. What roles are the oil companies playing in solving the negative effects of the operations on the local people in the catchment areas?

#### 4.2. Social Effects of Oil and Gas Discovery

International Monetary Fund report (2001) identified and classified fifty-three (53) nations including Ghana as countries that have rich mineral resources, however most of these countries still exhibit features that characterize resource curse and have suffered from low growth.

According to Ross (2001) many findings have confirmed that resource-rich countries face myriad of problems more rapidly than resource poor countries and these problems include

low standards of living, vulnerability to economic shocks, high rates of corruption, government overspending, civil wars, environmental degradation, lack of transparency in relation to the events of the area and the monetary flows created. In this light, when respondents were asked about the effects of oil and gas discovery on their social and economic life during the study, it became evident that the oil and gas discovery had both positive and negative effects on them. Some group members explained that the activities of the oil and gas operations have had unavoidable positive and negative social effects on them in the catchment area. For instance, during the focus group discussion held at Sanzule, the participants stated that the discovery of the oil and gas has transformed the community tremendously in terms of the provision of social amenities and infrastructure. Themes generated from the focus group discussion in relation to the positive social effects of oil and gas discovery in the project-affected communities include:

- Employment
- Infrastructure/ Provision of Social Amenities
- Increase in Tourism

#### **4.2.1 Employment**

Oil and gas exploration has changed the destiny of many nations. Most advanced countries have converted revenues from oil and gas to develop many sectors of their economies. In Ghana, the commercial quantities of the oil and gas discovery marked the beginning of jubilation by both young and old. It was seen as a means by which lives will be changed from a less appreciable state to a much more appreciable one. In this wise, government, as well as oil and gas industries, have pledged towards a better future for all Ghanaians especially those affected directly by the project. As an effect, respondents

admitted to some benefits accrued due to the oil and gas operations in their region. A respondent remarked:

*The oil and gas discovery has created some jobs for our children. Most of the youth in this community have been employed as factory hands. Some of them are also cleaners and messengers. I know four people in my household who have been employed by Ghana Gas (FGD, Atuabo and Asemnda-Suazo Communities)*

In a highly heated argument, only two people during the focus group discussion at Atuabo and Asemnda-Suazo communities admitted that the oil and discovery in the district have created job opportunities for project affected communities. One of them had this to say:

*“God says we shouldn’t lie. Even though we are not happy with the pace of development in this community, the companies in the community have employed sections of the youth. The fact is that those with some formal education who could speak and write English were the ones employed. But in this case, majority of the youth in this community don’t like schooling. That is the problem. The same way I will also not employ uneducated people in my company. That’s all!” (FGD, Atuabo and Asemnda-Suazo Communities)*

Another participant retorted;

*“What my brother is saying is true. I agree with him totally. Two of my children are messengers at Ghana Gas. Whatever be the case, they get monthly incomes which is better than engaging in economic activities which is uncertain of monthly income and also dangerous.” (FGD, Atuabo and Asemnda-Suazo Communities)*

Interestingly, all respondents in the FGD at Baku and Anokyi Communities accepted the fact that oil and gas operations have created some jobs for both men and women in the communities affected. According to the respondents, the oil and gas companies have created alternative livelihood programmes for the communities. It is worthy to note that the oil and gas firms have introduced fish farming and other animal rearing programmes

in the community. Some of the focus group participants agreed to this and their comments are as follows:

*ENI Gas distributed goats, sheep, cow, fingerlings among others to interested communities' members for farming. It was done in such a way it will be rotated for all community members to benefit. (FGD, Baku and Anokyi Communities)*

#### **4.2.2 Infrastructural Development/ Provision of Social Amenities**

In continuation, several authors have espoused several corporate social responsibilities of oil and gas firms. Likewise, the analyzed results confirm that the presence of oil and gas firms have had an impact on infrastructural development as well as the provision of social amenities such as schools, market centers among others. Some extracts from the three focus group discussions informed the study the development of infrastructures and social amenities due to oil and gas operations. A participant in the focus group discussion had this to say:

*“Not much from them, but at least as happened in other known communities where natural resources are mined. As part of the mining companies' corporate social responsibilities, social amenities such as good drinking water, motor able roads and others are provided for the communities they operate in, but in our case, there have been few developments such as the provision of good drinking water, electricity among others. We expect the companies to provide us with employment as well as good drinking water and accessible roads as part of organizations corporate social responsibilities.” (FGD, Atuabo and Asemda-Suazo Communities)*

An opinion leader in the group added;

*“There has been refurbishment of our basic school building and construction of the township road and drainage system is on-going”. (FGD, Atuabo and Asemda-Suazo Communities)*

*“We can as well boast of a health centre constructed as a result of the discovery of the oil and gas in our community”. (FGD, Atuabo and Asemda-Suazo Communities)*

It was not surprising that the other two focus group discussants had social amenities and infrastructure such as roads, hospitals, good drinking water and schools as part of the corporate social responsibilities from the oil and gas firms. Comments from the various discussants attest to this:

*“The oil and gas operation in our community has in a way improved our standard of living by providing our community with good drinking water. (FGD, Baku and Anokyi Communities)*

*“The companies gave our community not only water but also electricity to make life enjoyable”. (FGD, Baku and Anokyi Communities)*

*“The oil and gas project has made us get electricity power in our community. Our standard of life has been enhanced with the electricity power in place because more commercial activities have been introduced to make our community match up with some communities in the urban areas”. (FGD, Baku and Anokyi Communities)*

*“We can also boast of accessible road and the rehabilitation of our bridges. There have been improvements in our socio-economic life since the project was started in our community in the sense that the tarred road and the bridge have made travelling to and fro comfortable and safe”. (FGD, Baku and Anokyi Communities)*

*“Another remarkable benefit from the oil and gas project to our community is the health post put up and the refurbishment of the chief’s palace. There has been a dramatic increase in the population of our community which has warranted for health post to be put up by ENI Ghana, the oil and gas company operating in the community”. (FGD, Baku and Anokyi Communities)*

It could be said from the analyzed results that the oil and gas firms have supplemented efforts made by the government to make life worth living for host communities.

According to sections of participants, the oil and gas exploration in the Ellembelle District has had positive social impact on their lives. Three other persons commented this way:

*“The oil and gas project has brought a lot of changes in our social values; for instance, a tarred access road connecting us to other communities around and good drinking water aside from the wells and streams as our source of water”.* (FGD, Sanzule)

*“The project has improved our commercial activities with the introduction electricity in our community”.* (FGD, Sanzule)

The responses from the respondents in terms of infrastructural developments in their communities defeat the resource curse theory that states that countries blessed with rich natural resources tend to experience low economic growth and development and as such perform poorly.

The general expectations of the local people where the oil and gas operations are undergoing would be infrastructural developments. It is highly anticipated that with the exploration and production of oil and gas in these communities, there would be an improvement in their road network, high standard of healthcare, good drinking water and education. As an expectation by the host communities, oil and gas firms seek to provide social infrastructure as part of their corporate social responsibilities (CSRs).

#### **4.2.3 Increase in Revenue from Tourism**

To add to the above-mentioned benefits, the oil and gas discovery have metamorphosed the host communities to tourist sites. People from all walk of life travel to have a glimpse of the oil and gas operations in the Western Region. Statements by some respondents during the focus group discussion attest to the fact that the Ellebelle District is now a tourist site. One participant was of the view that;

*“School children, churches, organizations, foreigners, as well as individuals across the world, visit the oil and gas site to have a look at the oil and gas operation in the region.”* (FGD, Baku and Anokyi Communities)

*“School children, as well as researchers like you, visit the communities frequently to find out what is happening in the host communities. They often come here to learn” (FGD, Baku and Anokyi Communities)*

Oil rich nations across the world have a number of tourists who visit sites to learn and also to interact with communities. A study by Danso (2014) found out that oil and gas discovery does not only have direct benefits for the nation and the host communities but also revenue generated through tourism.

Despite the positive effects of the oil and gas discovery in the district, respondents expressed their grievances. It is worth noting that few respondents were not happy as a result of the oil and gas discovery. They attributed the problems that faced the communities to this phenomenon. It is of interest to note that all three focus group discussion maintained that the negative effects of the oil and gas operations far outweighed the positive effects. Responses captured from the focus group discussion revealed that oil and gas discovery had a negative effect on the communities selected for the study.

The following themes were generated from the study:

- Pollution
- Increase in Prices of Commodities and Utility Tariff
- Land Litigations
- Disregard for Cultural Values
- High Demand for Little Resources

#### 4.2.4 Pollution

Most, if not all, communities depend greatly on the environment, within which they live, for livelihood. In this case, air, land and water serve as great environmental resources. The study established that there was environmental pollution due to the oil and gas discovery in the district. The differences in experiences and opinions can be explained by the respondents' statements as a middle aged man recounted during a focus group discussion:

*“Hardly do you see plastic and other related dirt/rubbish around in this community. The Atuabo community used to be very clean without a drop of leaf on the ground. The community members always clean this community early in the morning before leaving to their respective places of work but now just look around, Plastic waste all over”. (FGD, Atuabo and Asemda-Suazo Communities)*

A similar comment came from a woman in her late 50s. She had this to say:

*“Formerly, all women in the community used to organize a cleanup exercise every Saturday morning and before the sun even rises, we would have cleaned the community. There wasn't anything like plastic bag or paper in or around the communities. The influx of people from respective communities in Ghana and even neighbouring countries has had negative effects on the community. They just dispose of refuse anyhow and anywhere without remorse. Who are you to say a word? They will insult you to the extent of you feeling it in your bones”. (FGD, Atuabo and Asemda-Suazo Communities)*

Cross-checking these comments, participants in Baku and Anokyi communities provided some clarifications. A participant who was born and bred in the Baku community all his life explained:

*“..... we have indeed suffered as a result of improper management of waste in this community. Hardly will you hear of flooding and outbreaks of cholera and other communicable diseases but now it is common. All these are happening because of the way our environment is mishandled by settlers.” (FGD, Baku and Anokyi Communities)*

An elderly man from Anokyi further recounted that:

*“Flies all over! All because of the way we handle waste. Woe unto to you to step on a tied rubber bag, you will go home smelling shit. People*

*defecate and tie them up in rubber bags and throw them on the streets or disposed off anyhow. This is contributing to the sickness in the community. I think something must be done about this situation. It is quite serious.”*  
(FGD, Baku and Anokyi Communities)

In addition to this, community members had problems with air and water pollution. They attributed the air pollution to the frequent burning of gas by the oil and gas companies while others also mentioned the abundance of vehicle use in the community that produces a lot of fumes from their exhausts. A comment from one of the opinion leaders in the Anokyi community had this to say:

*“Frequent burning of residuals by the oil and gas companies often pollute the air. Car fumes also often pollute the air. This makes it difficult for us to breathe”* (FGD, Baku and Anokyi Communities)

All respondents in the FGD provided similar comments. In addition to the above quoted comments, a woman in her early 40s stated that:

*“Currently, there are lots of people from various regions as well as expatriates in our communities. This has caused an increase in population. Some of these people do not respect us. They just dispose off refuse into ponds and river bodies. These activities are fast polluting our water bodies. The water bodies serve us well as we use it to bath and even wash. Now, these water bodies are mosquito breeding grounds. Full of chemicals! Most of these sites have been converted to refuse dumping sites”* (FGD, Baku and Anokyi Communities)

Comparatively, responses gathered from the Baku and Anokyi Communities revealed that there have been massive changes in their climatic conditions due to the oil and gas discovery in their communities. Interestingly, all participants in the three FGDs voted for this motion on the changes in climatic conditions resulting from oil and gas operations.

A youth among the participants shared his opinion as:

*“There have been changes in the weather condition since the project was brought into our community. The change is about the temperature in the atmosphere. Since the project was brought in our community the temperature in the atmosphere has increased drastically due to the*

*burning of the fuel, a condition which was not experienced before”. (FGD, Baku and Anokyi Communities)*

On the other hand, participants from the Atuabo and Asemnda-Suazo Communities espoused the changes experienced in their communities. Likewise, all participants agreed to the changes in the community. Some discussants commented that:

*“Our communities do not have bumper fishing now as before. I may say emphatically that it is because of the debris and the toxic substances discharged into the sea. (FGD, Atuabo and Asemnda-Suazo Communities)*

*“It is 100% true and in addition to that is the changes in the weather since the start of the project in our communities. We have been experiencing unprecedented heat from the processing plant all the day long. (FGD, Atuabo and Asemnda-Suazo Communities)*

Interestingly, the third FGD in the Sanzule Community had a divergent view. Aside from what was espoused by a section of the discussants, two people had different views. They indicated that:

*“Aside the points raised by my colleagues the oil and gas project in our community has caused scarcity to agricultural products as most of our farmlands around have been claimed for the project.” (FGD, Sanzule Community)*

*“In addition to that, the few lands left for cultivation have been degraded making it infertile for crop cultivation in the of the oil and gas project”. (FGD, Sanzule Community)*

It could be deduced that the oil and gas exploration in the Ellembelle District have brought about a mixed feeling. A section noticed some social benefits while others saw nothing but activities that have affected their livelihoods greatly.

To this effect, the most irritating feature of oil and gas related pollution in the Ellembelle District is the unprecedented upsurge of certain diseases that were previously not known within the catchment areas. A report indicated that there is a relationship between exposure to oil and gas related pollution and the development of health problems. The

report further intimated there was a high possibility of water pollution due to the large quantities of poisonous substances that find their way into water bodies, thus threatening the survival of aquatic creatures. People that depend on these sea creatures for food also stand the chance of being affected by these poisonous substances.

These findings are in line with the findings gathered on the field. A respondent made it known that:

*“We have in the past years recorded an increase in the occurrence of cancer and other respiratory problems traceable to oil and gas pollution in the area. These diseases include respiratory problems, skin ailments, eye problems, water-borne diseases and nutritional problems associated with poor diet”. (FGD, Baku and Anokyi Communities)*

The other problem that was identified was how oil and gas operations within the catchment areas were able to affect water underneath the earth. It was found out that oil spills on the surface of the earth eventually find its way into the depths of the soil and as such mixes with the underground water and this poses a serious water pollution problem for them. In an aggressive manner, R8 stated:

*“The oil and gas companies in this community have polluted our water bodies. It has affected our underground water. This has led to an increase in water related diseases in our communities.” (FGD, Baku and Anokyi Communities)*

It is interesting to note that the issue with regard to polluted underground water does not get resolved in days. Experts argue that it takes several years for the problem to get remedied. It is therefore apt to say that water which is expected to serve as the source of life is now serving as a source of deaths within the selected areas in the Ellembelle District.

#### 4.2.5 Increase in Prices of Commodities

The current state of prices of commodities in Ghana is not stable. There is the speedy and quick rise of prices. Likewise, a situation highlighted in Nigeria's oil-rich areas came to light that prices of goods and services are very high as compared to other communities in the same country where oil and gas has not been discovered (Yaro, 2014). Yaro (2014) attributed this to the influx of expatriates who people perceived to have money. At the same expense, discussants in all three focus group discussions reiterated that there is a high increase of goods and services in the district, which was attributed to oil and gas discovery. This has brought hardship to the indigenes in the surrounding communities. Consensus reached by all discussants revealed an unbearable increase in prices of goods and services in the community. Some participants in the Sanzule community commented thus:

*“Things are very expensive now. The discovery of oil and gas has pushed prices of goods and services high. The whole idea is that people in oil rich communities are also very rich”. (FGD, Sanzule Community)*

*“Hmmm! Surprisingly, common food that used to be in abundance and very cheap is now expensive. This is because the oil firms have taken most of the farmlands away. The chiefs are very greedy. They have taken hold of the farmlands and given it to oil and gas companies. Secondly, areas, where we get bumper fish harvest, are now a no-go area. We have been banned from fishing around those areas. This is making things very difficult for us. Most of the things we buy now come from outside the community making it expensive”. (FGD, Sanzule Community)*

*“I agree totally with my brothers. Prices of goods and services are becoming expensive. I don't know if it is a curse from the gods or our own making. But personally, the presence of people of different nationalities and ethnicity are the causes of this”. (FGD, Sanzule Community)*

The results from Baku and Anokyi focus group discussion further reiterated that high prices of commodities are making it difficult for them to have a good life. A respondent indicated that:

*“Oil and gas discovery is a curse to us. Commodities used to be free and even if it is for sale, few coins are used for purchasing them. But now,*

*everything is money. Anything being sold in the community now is 1Gh¢ and above”. (FGD, Baku and Anokyi Communities)*

#### **4.2.6 High Demand for Land and Unplanned Settlement**

The results revealed in the FGD at Atuabo and Asemda-Suazo Communities had problems with land. This was presented by the discussants that made their submission during the FGD. This is a manifestation on the communities sampled for the study as observed by the researcher and an additional confirmation from the district officials. A section of the respondents, however, blamed it on district officials who grant permits without any inspections of land sites for building. One of the discussants during a focus group discussion indicated that:

*“The District Assembly has failed totally when it comes to the planning of settlements. They sit in the office and give permits to developers just because they have the resources to build”. (FGD, Atuabo and Asemda-Suazo Communities)*

In a nearly heated debate, some participants of the focus group discussion blamed the occurrences of the unplanned settlements on the chiefs. The assemblyman of the Atuabo community remarked:

*“The chiefs of the various areas are also to be blamed. The land belongs to the chiefs and not the district assembly. It is the chiefs who sell the lands to the developers. They often don’t care even if that parcel of land is for farming or not. All they know is to sell land or exchange land for cars and money. That is all they know. They also don’t use the proceeds from the sales of land for any meaningful development; all they use it for is enjoyment”. (FGD, Atuabo and Asemda-Suazo Communities)*

In support of the above statement, a trader stated that:

*“Landowners sell land to people without any proper documentation and approval. This has culminated into land litigations.” (FGD, Atuabo and Asemda-Suazo Communities)*

Likewise, Sanzule community maintained similar sentiments during the focus group discussion. They indicated that unplanned settlements have bedevilled their entire community that has created more harm than good as affirmed by respondents saying:

*“Unplanned settlement is occurring at a faster pace. This new phenomenon is occurring due to the negligence of officials in charge of land demarcations. It is a major problem affecting us. Slums springing up like flies, stores and kiosks all over. This is the reason why people defecate and put them into rubber bags. This is because they don’t have places of convenience. (FGD, Sanzule Community)*

*“Settlement in this community is a serious problem. Apart from the traditional houses in this community, most of the areas are made of up illegal migrants who settle on lands without permission. All these problems are attributed to oil and gas discovery and operations. Driving them from the land also becomes a problem. Such problems must be critically looked at”. (FGD, Sanzule Community)*

These comments attest to the fact that communities are now being swallowed up as a result of migration and population increase. Notwithstanding this, the study established that land illegalities, social tensions and insecure land tenure systems in oil and gas areas have become a canker that needs to be dealt with. The focus group discussions established that as a result of the quest to own land by migrants, investors and oil and gas firms, some social tensions have been created in the communities as people are seen fighting over land through physical and spiritual means. This came to light during the focus group discussion as indicated by some respondents:

*“Land issue is now a problem. People are dying in the quest to own a land. Others are also butchered in order that they abandon a parcel of land. Why must these things happen? All these things are happening because of oil and gas discovery in our area. You cannot even buy a land because you are afraid that the land belongs to someone else”. (FGD, Sanzule Community)*

*“Both developed and developing parcels of land are now at the law court. The court is even burdened with land issues than any other problem in our societies. All this can be attributed to improper documentation and wrongful acquisition of lands by migrants.” (FGD, Sanzule Community)*

*“As I speak now, our family land was taken over by an unknown person, sold it to a developer and collected the money. As at now, we don’t know*

*how the person formulated all the land documents. We took the issue to court and we lost just because the person who currently owns the land has money. This resulted in several battles via verbal and litigation process at the court and even beyond. I was even arrested by the police because of this issue.” (FGD, Sanzule Community)*

Responses from stakeholders depicted a different picture from the respondents. With reference to land and settlement related problems, Ghana Gas provided a contrasting perspective. According to Ghana Gas, all lands taken from the communities are adequately compensated. Ghana Gas maintained that monies paid to chiefs and individuals who own lands were estimates by a government approved institution, therefore, fairness and adequacy were ensured. However, there may be shortfalls in the compensation process for the loss of livelihoods since that will be difficult to determine and to arrive at. An interviewee from Ghana Gas indicated that adequate compensation makes the recipient continue to maintain a much higher or same level of livelihood before the takeover. His comments are as seen below:

*“Compensations paid to landowners are adequate. This is because a statutory body determines the compensation. However, let me be quick to add that “adequacy” used here is relative. It may be adequate to some people and not to others. On the other hand, if you even think about intergenerational inheritance, then you can see that no amount of money can compensate people for their land. We are all Ghanaians, and we know what land means to us. In fact, the monies for crops were peanuts and I am sure it's finished long ago” (Interview, Ghana Gas)*

Another respondent from Ghana Gas further noted monetary compensation alone is woefully inadequate to compensate for lost livelihoods. He stated that:

*“It is for this reason that the company will implement its alternative livelihood programme in the project catchment areas”. (Interview, Ghana Gas)*

The submission from the interviewee from Ghana Gas was revealing in the sense that, it brought into focus two perspectives. The justification of the adequacy of the compensation for land and agriculture only on the basis of who did the estimation is to

avoid the bigger question of whether lost livelihoods were compensated adequately. On the other hand, the admission of the inadequacy of the compensation in terms of ensuring fairness and providing alternative livelihoods bring in the issue of the capacity of the state institutions to deliver on their mandate. It further casts doubts on the claims of discussants in the focus group discussion.

#### **4.2.7 Distraction of Traditional Means of Livelihood and Food Shortage**

Notwithstanding the blessings that come with oil and gas discovery, pollution in the catchment area is destroying the survival mechanisms of the indigenous people who are engaged in farming and fishing. Acidic rains and oil spills have been a great cause of lack of crop yields and as a result, indigenous people move outside the area to look for food due to food shortage. A few respondents had this to say:

*“Sanzule, which was once the food basket of the Western Region is now fully dependent on imported food such as the popular ice fish which has now replaced the traditional fish in our menu table”. (FGD, Sanzule Community)*

*“The discovery of oil and gas has further driven the fishes away. The annoying aspect is that they don’t allow us to fish near the oil rig”. (FGD, Sanzule Community)*

A respondent from Atuabo also stated that:

*“The flaring of gas at Atuabo has driven away fishes from in-shore or shallow waters into deep-sea as a result of flaring”. (FGD, Atuabo and Asemda-Suazo Communities)*

Thus, oil and gas pollution has impacted on the right that the people have to food in the study communities.

#### **4.2.8 Migration**

Communities within the district are closely knit communities and are more endogenous. The people were not used to migrating from their local setting as their subsistent

economy provided them with their basic needs. To the average indigenous Nzema, migration from the area, which was considered a place of abundance into alien lands, means subservience, poverty in the new area, and loss of pride and self-esteem. This indeed, was the situation before economic consideration led to the development intervention of oil exploration and exploitation.

This has resulted in a complete change in the socio-economic landscape of Ellembelle District. The result is provided here:

*“Oil pollution has resulted in the destruction of the Atuabo environment. This, in turn, has led to the unsustainability of land for the traditional economic livelihood patterns that once thrived in the area. As a result, there are many women and youth emigrating out of the area into cities especially to Takoradi where they have become environmental refugees and because of their poor economic status, have had to take up accommodation in shanties, slums and waterfronts with its associated risks especially in terms of rights protection”. (FGD, Atuabo and Asemda-Suazo Communities)*

*“We don’t have much to do here. Formerly, we were into fishing but currently, the fishing industry has collapsed. As a result, we have to move elsewhere where we can use our fishing skills to generate income to take care of our families” (FGD, Atuabo and Asemda-Suazo Communities)*

*“I was into cocoa farming. However, my farmland was taken by the owner of the land and gave it to one oil and gas company. I have nothing doing now. I guess it is time for me to move on. I have to relocate. I can even attest to six people in this community who migrated to Accra to ply a trade” (FGD, Atuabo and Asemda-Suazo Communities)*

It could be deduced from the analyzed results that less economic activities of project affected communities are the cause of migration by the indigenes. The migration by the indigenes is aimed at finding an economic activity to engage in.

#### 4.2.9 Impact on Cultural Values

There have been adverse impacts on cultural values and social harmony in the host communities due to the oil spills and gas flaring which know no boundaries. One of the most influential impacts of oil and gas discovery in the communities sampled for the study is that it has led to the death and possible extinction of medicinal plants and herbs rooted in traditional medicine and spirituality which have deep spiritual importance to the community. This degradation is brought about by the fact that most of these herbs and plants are found in sacred groves, shrines and forests, which have fallen under direct destruction in the course of oil and gas exploitation and the toxicity of oil pollution. In line with this, the respondents expressed their sentiments as it affects their society:

*“Lands taken over by oil firms used to have species of plants that are medicinal. However, high demand for land has destroyed these species. (FGD, Baku and Anokyi Communities)*

*“Forest reserves and places that served as habitat for plant and animal life have been destroyed. This is attributed to the indiscriminate sale of land to Oil and Gas companies as well as estate developers. The discovery has created a relationship between land and companies. As a result, it has increased the demand for land reserves”. (FGD, Baku and Anokyi Communities)*

In addition, a research by Asiama (2011) established that colonial development isolated many communities. He maintained that little to no administration was carried out outside of the capital and practically no modern infrastructure existed beyond it. With over population in most of the rural communities, many people flocked to urban centres and communities that have firms to look for work and food. These emigrants swelled up the population of communities massively, creating new forms of lifestyles that often affect receiving communities. Based on this, the study identified an increase in social vices, lack

of communal spirit and a breakdown of the family systems. Some selected views from all three focus group discussions captured:

*“The oil discovery has increased the population of prostitutes. A lot of the young girls in and outside this community have taken into prostitution. The young girls have taken the opportunity as a result of the presence of foreigners and businessmen to go into prostitution to make some money. Previously there wasn't anything of a sort in our communities” (FGD, Baku and Anokyi Communities)*

*“Recently, the police arrested four armed robbers who attacked an employee of Ghana Gas. Previously, our community was very peaceful. The emergence of oil and gas firms in the community has also attracted thieves and armed robbers. It is very serious”. (FGD, Baku and Anokyi Communities)*

*“Lack of recreational centres for the youth brings about boredom because there are no sitting places to relax and play games to ease stress and reduce boredom. Now things are difficult so the young boys in the area have made stealing a habit. Snatching of phones is very rampant in this area nowadays”. (FGD, Atuabo and Asemda-Suazo Communities)*

*“Recreational centres especially parks and playgrounds were common in this community. Children had enough space to organize games to occupy their time. Lack of these facilities have resulted in all kinds of social vices such as drug addiction, 'sakawaism', theft etc.” (FGD, Atuabo and Asemda-Suazo Communities)*

*“The young boys in this area have adopted the attitude of smoking wee. One of the small boys told me one day that he will beat me up because I asked him to stop smoking. The lifestyle of this community has changed totally. Formerly, the youth were very respectful but now if you say one, they will say twenty words. They engage in smoking and alcoholism. All these are things that the community members learned from migrants”. (FGD, Sanzule Community)*

In furtherance of the above-stated views of the respondents, the responses emerging from the focus group discussions indicated that there is a breakdown of communal spirit as discussants within the various communities. Their expressions are as indicated below:

*“We used to come together and work towards a common good. We engage in communal labour such as cleaning of the environment among others. Now, these things are not done anymore”. (FGD, Atuabo and Asemda-Suazo Communities)*

*“The extended family system had totally broken down. Formerly, we cared for each other in terms of sharing belongings. Currently, it is each one for*

*himself. This is currently affecting us seriously as most children are now becoming wayward.” (FGD, Baku and Anokyi Communities)*

*“No one takes care of other people’s children. This is due to the fact that the economy is not favourable. The community now practices ‘each one for himself, God for us all’.” (FGD, Sanzule Community)*

Looking at the analyzed results, it could be deduced that cultural practices in these communities have been heavily adulterated.

One area in which oil and gas discovery has impacted negatively is the customs and traditions are the rugged individualism that exists among members of the selected communities which is contrary to their communal lifestyles. This has led to the disintegration of customs, traditions and social values, such as respect for our elders. By the Sanzule, Baku and Anokyi tradition, elders are given the traditional authority to be custodians of the community and its protectors in times of stress and inconvenience such as during oil spills and other environmental incidents. The traditional setting sees to it that no individual claims ownership of what belongs to the community for him or herself. However, with the emergence of the oil companies, a new level of relationship is created between the oil companies and the elders led by the traditional rulers who most times now see their community people as subordinates and them as “big men” because of the special treatment that is given to them (individuals rather than the communities) by the oil companies thus alienating them from the people. An elderly person painfully narrated:

*“The youth of today do not respect. They talk to the elderly the way they like. Previously, these things were not in our communities. They are being influenced by the influx of other people in our communities. Currently, there are a lot of Nigerians and other nationalities influencing the youth to engage in so many vices. Insults have become the order of the day. I don’t blame them but rather young politicians who insult people on national televisions and radio”. . (FGD, Sanzule Community)*

With a shaky voice, a middle aged woman also threw light on the disrespectfulness for traditional authority and traditional practices. He recounted that:

*“The new people migrating to our communities do not respect our culture. They refuse to participate or adhere to some practices. For example, the last festival held in this community was not well participated by the migrants. They say what we practice is evil”. . (FGD, Baku and Anokyi Communities)*

The consequences are when oil and gas discovery has been used as a means to lure and encourage people from different nationalities to migrate to catchment areas, there is no doubt that people from different walks of life have their own ideologies and practices they hold dear will bring them to the new communities. This could have accounted for the adulteration of culture in the areas sampled for the study.

Despite the negative effects of oil and gas discovery as espoused by discussants from the three focus group discussions (Baku and Anokyi Communities, Sanzule Community and Atuabo and Asemda-Suazo Communities), they also reiterated some benefits or positive social effects of the oil and gas discovery in their respective communities. SanWatPUA Network (2012) established that even where there are responsible authorities defined, they are confronted with social responsibilities towards communities within which they operate. As a result, the respondents maintained that they have social amenities and some form of employment for the youth that was never in existence prior to oil and gas discovery. During the focus group discussion at Sanzule, the discussants stated that:

*“The oil and gas project has made us get electricity in our community. Our standard of living has been enhanced with the electricity in place because more commercial activities including new ones have been introduced to make our community match up with some communities in the urban areas.”*  
(FGD, Sanzule Community)

*“We can also boast of the access to road and the rehabilitation of our bridges. There has been an improvement in our socio-economic life since the project was started in our community in the sense that the tarred access road and the bridge have made travelling to and fro comfortable and safe”.*  
(FGD, Sanzule Community)

*“Another remarkable benefit from the oil and gas project to our community is the health post put up and the refurbishment of the chief palace. There has been dramatic increase in the population of our community which has warranted for a health post to be put up by ENI GHANA, the oil and gas company operating in the community”. (FGD, Sanzule Community)*

*“There is a dramatic improvement in our standard of living as a result of the oil and gas discovery in Ghana. The companies have given some job opportunities to the youth in our community.” (FGD, Sanzule Community)*

In a split decision, half of the discussant in the Baku and Anokyi FGD maintained that oil and gas discovery brought nothing beneficial to their community while the other half indicated some benefits. This is what discussants said respectively in relation to the benefits:

*“The oil and gas operation in our community has in a way improved our standard of living by providing our community with good drinking water. (FGD, Baku and Anokyi Communities)*

*“The companies gave our community not only water but electricity to make life enjoyable” (FGD, Baku and Anokyi Communities)*

*“Another benefit from the oil and gas project is the access to road and the rehabilitated bridges across our streams to make travelling comfortable”. (FGD, Baku and Anokyi Communities)*

Out of the fifteen discussants, only two people in the focus group discussion at Atuabo and Asemda-Suazo Communities made known some benefits of the oil and gas discovery in the community. Respondents espoused that:

*“There has been refurbishment of our basic school building and construction of the township road and drainage system is on-going”. (FGD, Atuabo and Asemda-Suazo Communities)*

*“We can as well boast of a health centre constructed with the emergence of the oil and gas project in our community. (FGD, Atuabo and Asemda-Suazo Communities)*

The advent of the oil and gas sector especially as it relates to the development impact on Ghana, are attracting several expectations from Ghanaians. Likewise, there are lots of

social expectations from project affected communities. In this wise, some participants from the various FGD had some expectations. This is what a respondent had to say:

*“Not much from them, but at least as happened in other known communities where natural resources are mined. As part of the mining companies’ social responsibilities, social amenities such as good drinking water motorable roads and others are provided for the communities they operate in, but in our case nothing like that.” (FGD, Atuabo and Asemda-Suazo Communities)*

In a related development, the other two FGD, discussant expected social amenities such as roads, hospitals, good drinking water and schools as part of the corporate social responsibilities from the oil and gas firms.

#### **4.3 Economic Effects of Oil and Gas Discovery**

Just as a coin has two sides, so does the oil and gas discovery has two sides. The emergence of oil and gas has had both positive and negative impact on the lives of the host communities. In this wise, the study found out that the oil and gas discovery has created some form of employment within the community. Some respondents had this to say:

*“I must confess, the oil and gas firms such as Ghana Gas have employed some of the youth from this area. The youth are now engaged in some form of formal employment. Those with some formal education certificates have been employed as messengers and other clerical works. Others with less formal education have been employed as labourers and cleaners.” (FGD, Baku and Anokyi Communities)*

*“As it is written in the Bible, God says we shouldn’t lie. As much as we have expressed our grievance and anger, the oil and gas companies have done something for us. The lands taken from us for the project were compensated for. It is just that the monies given us cannot last for a lifetime. Some of the youth also work for the oil and gas firms” (FGD, Atuabo and Asemda-Suazo Communities)*

*“I know three indigenes who live close by whom have been employed by ENI Ghana. They are now ok. They dress well and I heard they pay them well.*

*Just that the efforts by the companies are not enough.” (FGD, Sanzule Community)*

From the expressions by the respondents, it could be deduced that the oil and gas firms have created some of the employment for the youth in the project affected communities. The oil and gas surge has been important to many economies around the world (Fish, 2014). While market conditions and price levels are currently less favourable to extensive natural gas exploration, there is, but a substantial level of investment in developing natural gas resources. Although direct employment opportunity in the industry is a small percentage of total jobs, the work is often worth paying for. Moreover, the ripple effects through the economy of this high value-added industry are large, especially in countries and communities that have a substantial concentration of support services. Analyzed results of economic effects of oil and natural gas drilling and exploration activity in the Ellembelle District are summarized in this report. These include:

- Unemployment among Indigenes
- Effect on Local Businesses

#### **4.3.1 Unemployment among Indigenes**

The issue of unemployment is one of the key menaces that has bedeviled the Ghanaian economy. Even though various governments have put in several measures in ensuring that the problem is reduced to its barest minimum, the problem is still persistent. Due to the increasing nature of the unemployment situation, most governments are treating it as a national security issue and as such calling on the private sector to help in the creation of employment opportunities for citizens. Governments have also, on several occasions encouraged the youth to engage in farming and other traditional ways of income

generation. Scoones (2007) intimated that rural folks depend greatly on natural resources, particularly, land for their livelihoods. Farmers gave different levels of shocks experienced as a result of the sudden loss of their farmlands that were their main source of livelihoods. With reference to the study, respondents made it known that there was high unemployment rates in the project-affected areas. According to respondents, fishermen have been banned from fishing in areas where they could get bumper fishing. Others also complained of conversion of agricultural lands for project sites. During the focus group discussion, some discussants from the respective focus group discussion had this to say:

*“I am already under pressure to supply more to meet demands. Destruction of coconut farms can only add to the pressure. Atuabo area is the best place to buy the product. Expanding into other territories to buy the product comes with its own challenges; monitoring becomes difficult and, you know, it is someone’s money”. (FGD, Atuabo and Asemda-Suazo Communities)*

*“I am finding things so difficult. At least no matter how small it is, I will be at peace with it, but now I have a bitter pain because I lost my farms without any form of compensation just because I was not there. Things do not vanish that way”. (FGD, Sanzule Community)*

*“Because our immediate farmlands have been claimed by the companies for the project denying us from farming even at our backyards. For example, our piggery project and other livestock rearing business have been collapsed. This is because of the project and as such the animals are forbidden to graze around as they used to do”. (FGD, Baku and Anokyi Communities)*

*“There has been more hardship in our community and the reason being that our agricultural activities can no longer support our economic life as before. We can no longer pay our children’s school fees since the project was started in our community. The main reason is the fact that some of us have been denied our economic activity that enables us to get something to sponsor our children’s education.” (FGD, Baku and Anokyi Communities)*

The responses analyzed support the fact that traditional lands that used to be cultivated have been sold to developers. Based on this, agricultural lands have been converted to project sites. In addition to this, a fisherman also complained bitterly in relation to

unemployment. Accordingly, the fisher folks selected for the study made it clear that there were certain portions of the sea they have been denied access. As a result, it has deepened the unemployment situation in the community. Some respondents commented:

*“In fact our source of employment as a community along the coast is fishing. However, the toxic material deposited into the sea from the oil and gas project has taken over the sea to the extent that one cannot even fish along the coast, a situation which has worsened our economic livelihoods as compared to the days before the project”. (FGD, Baku and Anokyi Communities)*

*“The oil and gas project has made our current situation unfavourable. Why am I saying this? The project has ordered for no fishing zone area to be created which forbids our fishermen from fishing: a situation which has currently rendered our active and able men and women jobless”. (FGD, Atuabo and Asemda-Suazo Communities)*

Even though there are other economic activities that give the people some form of income, the major economic activity of the people is farming. This is practiced primarily on subsistence purposes except that some few crops like oil palm and coconut are produced for commercial purposes. The people also practiced fishing as an economic activity because the communities are coastal communities and so there are outboard motors that are used for fishing even though they used more traditional methods in their fishing expeditions. Vegetable oil was extracted as a key economic activity that was linked to agriculture. The responses analyzed give a clear indication that traditional sources of employment have declined significantly. This has rendered the people unemployed. As a result, the community members have resorted to petty trading with most commodities coming from outside the community.

#### **4.3.2 Effect on Local Business**

The oil and gas project has implications for local businesses (farming and fishing). Both men and women engage in these traditional businesses. The men fish or farm while the women do the trading of the produce. However, the drastic reduction of these economic activities (fishing and farming) has forced the women to the selling of other non-

traditional produce. Formerly, women played roles of the selling and processing of palm fruits into palm oil that they sold at Eikwe and Esiam markets. In the same vein, copra oil extraction also depended on the ready availability of coconuts. There has been a drastic reduction in these activities. Respondents gave a vivid account of the changes that have occurred in their community in relation to the effect of oil and gas operations on local businesses. Respondents accounted that:

*“Destruction of coconut farms has added to my problems. Currently, I have to travel far to other neighbouring communities to buy cassava to come and sell. I even travel as far as Takoradi to buy yam to sell” (FGD, Atuabo and Asemda-Suazo Communities)*

*“I was formerly a fishmonger. My husband was once a fisherman so I smoke some of the fish and sell them out to customers. But currently, we don’t get the fishes that we use to have. This has put me out of business.” (FGD, Sanzule Community).*

*“I am currently a cleaner at the ENI Ghana. I used to be a fisherman. As a result of the ban on fishing within specific areas, the fishing business is no more lucrative. I have to rely on other sources of income. As a result, a friend connected me to ENI Ghana”. (FGD, Baku and Anokyi Communities)*

The fact is that the oil and gas project and other future projects will lead to the destruction of an intergenerational resource with its associated indigenous businesses which will affect the livelihoods of many. Another equally important aspect of this case study was that it provides awareness into the claims made by some of the farmers and fisher folks on the incomes they earn from the sale of their produce.

#### **4.4 Stakeholders Role in Oil and Gas Discovery towards Project Affected**

##### **Communities**

In today’s business environment, to obtain the required licenses and permits from appropriate governmental agencies to operate as a company is not enough. Companies in

addition have to obtain what is now termed ‘local license’, which makes them to earn the goodwill of the communities within which they operate (IFC, 2000).

During the fieldwork, the respondents who participated in the various focus group discussions mentioned that the relationship between their community and Ghana Gas and ENI Ghana was not the best to their liking. At Atuabo, an elder of the community complained about how heavy trucks rendered their roads immotorable and therefore appealed to them and Ghana Gas to rectify the situation. A respondent commented:

*“They have the trucks; we wondered what was preventing them from repairing the road. What they did was not from their heart, and everyone can see it. A road without a gutter in this place is a joke; in the first place, their trucks destroyed the road”. (FGD, Atuabo and Asemda-Suazo Communities)*

This frustration was due to the fact that rains in this part of the country are usually heavy and can render a road without proper drainage deteriorate within weeks if not days. A respondent who spoke during the Sanzule focus group discussion shared a similar sentiment. He explained in the discussion that:

*“We received them well when they came (referring to ENI Ghana) but for reasons known only to them, they decided not to treat us well”. For us, we will continue as much as possible to create a good working atmosphere for them because other companies are coming here as a result of Ghana Gas and they have seen how good we have been and are ready to help us”. . (FGD, Sanzule Community).*

Thus far, the oil and gas firms have not fully discharged their corporate social responsibilities. In a related incidence, a section of the participants offered some praise for Ghana Gas. They maintained that Ghana Gas has contributed to the refurbishment of the chief palace. A respondent had this to say:

*“Ghana Gas refurbished the chief’s palace. They financed the whole project. They made us draw our own building plan. Afterwards, they hired a contractor upon which several meetings were held. Within a space of six months, the Palace was ready with modern facilities as well as a durbar ground”. (FGD, Sanzule Community).*

Interviews with management and employees of Ghana Gas and ENI Ghana had some interesting revelations. Responses from the two oil and gas firms revealed some corporate social responsibilities they intend to give to project affected communities to minimize the effect of oil and gas discovery. It is the hope of Ghana Gas to provide employment for the local people, establish social institutions and also improve infrastructure in the project-affected areas. Some employees of Ghana Gas had this to say:

*“It is our hope that because we are operating in this community, we are going to employ a lot more of the indigenous people in the exploration and production process to bring about massive employment”. (Ghana Gas),*

*“In order to engage the indigenous people in the exploration and production of oil and gas, we have taken it upon ourselves as our corporate social responsibility to establish institutions to educate, train and provide entrepreneurial and vocational skills to them so that they acquire the needed requisite skills”. (Ghana Gas),*

*“We have, to a large extent, improved the social infrastructure of the community and that has enhanced their standard of living”. (Ghana Gas).*

*“As part of our corporate social responsibility as an oil and gas company operating in the catchment area, we have plans to establish a livelihood empowerment fund from the oil proceeds for the people as means to help offset the socio-economic effects in connection with oil exploration activities in these communities”. (Ghana Gas).*

In a similar development, management of ENI Ghana had plans to undertake activities aimed at improving the living standard of the people in project affected communities. The management of ENI Ghana made their intention known as:

*“As part of the company’s corporate social responsibility in these communities, we have contributed significantly to the improvement in infrastructural development and social amenities”. (ENI Ghana)*

*“ENI Ghana plans to establish some educational development programs that will equip, especially the youth with mechanical, vocational and technical skills for future livelihood”. (ENI Ghana),*

*“The proceeds from our oil and gas exploits will provide the communities with social structures that will help develop and bring about urbanization in their communities”. ((ENI Ghana),*

*“We hope that as part of our corporate social responsibility we shall develop our health sector by providing health post and other health facilities to improve our health status.” (ENI Ghana),*

Ghana Gas and ENI Ghana share similar sentiments with the community members. However, even though they admitted that they have not fully satisfied community members, they made it known that they have played an active role toward the development and improvement of living standards of project affected communities and Ghana at large. For instance Ghana Gas raised some sentiments with reference to its relationship with the community and Ghana Gas reiterated:

*“To be frank, the relationship with the community is not smooth at all. We are trying hard to improve it. The source of it is that the company belongs to the state and therefore, the people do not seem to trust Ghana Gas. They do not believe in our promises, hence the unhealthy relationship, but we will resolve that soon”. (Ghana Gas),*

Having said this Ghana Gas quickly added that the firm has designed and implemented some forms of alternative livelihood such as bee rearing, goat and sheep farming as well as fish farming.

#### **4.5 Summary**

This chapter sought to present and analyze the results that received on the field. The data were obtained from the three (3) focus group discussions from the selected communities as well as the ten (10) interviews from the management of the two companies that are engaged in oil and gas production in the Ellembelle District in the Western Region of Ghana. The main results were that there were several negative socio-economic effects of the oil and gas operations on the lives of the inhabitants of the project-affected communities in terms of loss of jobs, pollution, land litigations, disregard for cultural values, collapse of local businesses etc. Even though the negative socio-economic effects outweighed the positive effects, the study recorded some positive socio-economic effects

that are worth mentioning. These positive socio-economic effects include some extent of employment, provision of infrastructure or social amenities, increase in revenue accrued from tourism. Again, even though the indigenes acknowledged that the oil and gas firms had contributed to the development of the projected-affected communities, they accused them of not doing enough. However, the management of the oil and gas companies promised to do more as part of their corporate social responsibilities in the communities affected by the oil and gas operations.

## CHAPTER FIVE

### DISCUSSION OF RESULTS

#### 5.1 Introduction

This chapter deals with the empirical findings with reference to the effects of oil and gas discovery in project affected communities in the Ellembelle District regarding the social and economic livelihood in accordance with literature. The chapter further discusses stakeholder's role in the oil and gas discovery and exploitation in the Ellembelle District.

#### 5.2 Social Effects of Oil and Gas Discovery

According to Merriam (2000) 'effect' is a change that results when something is done, example: an event, condition, or state of affairs that is produced by a cause. In line with perceptions and expectations, the discovery, exploitation and production of oil and gas bring with it a dream of wealth and sustaining prosperity. It has been a blessing for countries such as Norway, Venezuela, Ecuador and South Africa where oil and gas is explored and produced and can cause other positive spillover effects.

With reference to this study, it was found that the oil and gas discovery in the Ellembelle District has yielded some positive effects. Analyzed results indicated that the oil and gas discovery has positive effects in the Ellembelle district which include:

- Employment generation
- Infrastructure development
- Provision of social amenities
- Tourist attraction

With reference to employment generation, the study found out that the discovery of oil and gas has provided blue-collar jobs for the inhabitants of the project affected

communities. The companies have created alternative livelihood programmes avenues such as cleaning and errand running for the affected communities particularly Baku and Anokyi. At Atuabo and Asemnda-Suazo communities, the oil discovery in the district has created white-collar job opportunities for project-affected communities just as in the case of Baku and Anokyi. It worth is worthy to note that the oil and gas firms have introduced fish farming and other animal rearing programmes in the community.

With reference to employment, the management from Ghana Gas and Eni Ghana the leading oil and gas firms operating in the catchment area, indicated that what the companies had done was not different from what was being done in other districts as they were employing the local people though at the lower levels, but ensured the employees were paid well.

In a related literature, Broni-Bediako & Addei (2010) intimated that there is no definite or tangible measure in place except with the expectation that the indigenes would take advantage of other short to medium term employment opportunities that may be generated. The local people will, therefore, expect to be engaged in any menial or skilled work that may be created in the communities due to the oil and gas activities. In a related development Oteng-Adjei (2010) indicated that Ghanaians expect the exploration, production and development of the oil and gas industry to be a source of job creation to the local people in the communities where the oil and gas activities take place.

However, the oil and gas communities in the Ellebelle District have a chunk of unemployed graduates and youth who are in dire need of work for their livelihood. The discovery of oil and gas is therefore seen as a means to salvage the unemployment

situation in the communities and in Ghana at large. The oil and gas companies involved, as a sign of corporate social responsibility employed the labour of the locals in their activities. This was to enable both the skilled (masons, carpenters, plumbers etc.) and unskilled (messengers, cleaners etc) unemployed youth in the catchment areas and Ghana at large to have the opportunity to be employed.

Interestingly, the findings of Broni-Bediako & Addei (2010) confirm results from the study in the Ellembelle District. The responses by a cross section of the respondents attest to this fact. In continuation, several authors have espoused corporate social responsibilities of oil and gas firms. Akoroda (2000) found out during a longitudinal study that spanned ten (10) years that most project hosting communities are blessed with infrastructure and social amenities. Likewise, the analysed results from this study confirmed that the presence of oil and gas firms have had an impact on infrastructural development as well as social amenities such as schools, market centre among others. Some extracts from the three focus group discussions informed the study of the development of infrastructure and social amenities as a result of oil and gas discovery.

In other studies by Rapalele (2011) and Badu-Nyarko (2013), they gave accounts of the massive benefits of mining as corporate social responsibilities towards host communities. Rapalele found out in a study made up of five major mining towns in South Africa that most schools, hospitals, roads, electricity and water were provided to host communities by oil companies. In relating the study by Rapalele to the current study, it could be deduced that the oil and gas firms have supplemented efforts made by the government to make lives worth living for members of the host communities by providing needed social amenities and other related economic infrastructure.

The general expectations of the local people where the oil and gas operations are on going have been infrastructural developments in the area. These expectations conform to the views of Addei and Broni-Bediako (2010), that infrastructural and economic developments have always been the dreams of many people especially those living in areas where natural resources are being explored and produced. It is highly anticipated that with the discovery of the oil and gas in the communities in the Ellembelle District, there would be an improvement in their road network, the standard of healthcare, good drinking water and education. As an expectation by the host communities, oil and gas firms seek to provide needed social amenities, economic infrastructure and some social responsibilities as part of their corporate social responsibilities.

In addition to the benefits, the oil and gas discovery has metamorphosed the host communities to tourist sites. Migrants from all walks of life travel far and near to have a glimpse of the oil and gas discovery in Ghana specifically the Western Region. The oil and gas companies operating in the Jubilee Field and the study area by means of the corporate social responsibility are embarking on developmental projects which to the benefit of members in the oil and gas communities.

The Coastal Resource Centre Report (2010) intimated that tourist activities in the coastal districts of the Western Region is rapidly evolving. The Report reiterated that government institutions and foreign non-governmental organizations like the Dutch Technical Cooperation Service (SNV) and the Italian NGO Ricerca e Cooperazione (RC) and CRC are working with communities within the catchment areas to generate revenues for the communities. Discussants virtually in all the communities indicated that

churches, organizations, foreigners as well as researchers frequently do visit their communities to find out what is happening.

Oil rich nations across the world attract a number of tourists who visit sites to learn and also to interact with communities. A study by Danso (2014) found out that oil and gas discovery does not only have direct benefits for the nation and the host communities but also revenue is generated through tourism. Danso (2014) in a study in the Western Region unearthed that over one thousand (1,000) tourists visit the Western Region due to the oil and gas discovery. Responses that emanated from the focus group discussions confirmed the findings by Danso (2014). In a related study, it was discovered by Jike (2010) that even though the Niger Delta is bedevilled with conflicts, the site is attractive to tourists that are now one of the main sources of income generating for the surrounding communities and the nation. The benefit this has on the people of Ellembelle, according to the management of the two oil and gas companies, brought to light that the revenues accrued from the tourists are used to develop the communities as part of their CSRs. One can therefore deduce from related literatures discussed above and the responses from respondents with regards to the positive relationship of the oil and gas discovery in their communities, the concept of the resource curse theory is more or less debunked.

Despite the positive effects of the oil and gas discovery in the district, respondents expressed their grievances. It was worth noting that a portion of the participants was not happy about the oil and gas discovery in their communities. They attributed the problems they face currently to the effect of the oil and gas exploration. It is of interest to note that all three focus groups maintained that the negative effects of the oil and gas discovery and exploitation outweigh that of the positive effects in that oil and gas related activities

have taken over their lands that were used for farming. They mentioned again that they are also prevented from fishing within specific regions. Their major problem is that the areas that they have been given permission to fish are areas that they cannot get enough fish due to the use of light in the operations of these oil and gas companies.

In related literature, IMF report (2001) identified fifty-three (53) nations including Ghana and classified them as hydrocarbon or resource-rich, however many of these countries suffer from various symptoms of the resource curse and have suffered from low growth. According to Ross (2001) many findings have confirmed that resource-rich countries face a myriad of problems more rapidly than resource poor countries including low standards of living, vulnerability to economic shocks, high rates of corruption, government overspending, civil conflict and war, environmental pollution and degradation, lack of transparency regarding the activities of the sector and the financial flows generated.

It became evident that the oil and gas discovery has had some negative social effect on the life of the people. Some group members explained that the activities of the oil and gas discovery have had a negative social impact on them in the catchment area. In relation to the analyzed results, the study established the following problems in the district:

- Pollution
- High price of goods and services
- Land litigations
- Disregard for cultural values
- High demand for resources

Communities chosen for the study depend greatly on the environment for livelihood. In this case, land and water serve as great environmental resources. The study established that the environment is polluted through the emission of smoke from turbines due to the oil and gas discovery in the district. In a related study, Scoones (2007) maintained that oil gas exploration has an adverse negative effect on host communities as well as globally. Scoones further indicated that oil and gas exploration is a contributing factor to global warming and depletion of the ozone layer. Scoones again cited empirical evidence in the literature connecting to pollution in the Niger Delta region. Interestingly, participants in the focus group gave different levels of experiences due to the sudden pollution of land, water and air that served as a means of livelihoods. They lamented how bad the air has been polluted as a result of the burning of the gas to which they fear might bring about some lung infections. Most of the participants in the focus group discussions lamented on the improper management of solid and liquid waste in the communities, especially in Baku and Anokyi.

Juxtaposing results from the study and related literature, it is evident that operation of oil companies in the oil explored communities in the Ellembelle District will not only degrade the farmlands but the air and the water sources in these communities will be subjected to pollution of many forms. According to Jakpor (2012) since the extractive companies started operation some years ago in the Ogun State in Nigeria, not only have communities in the State been subjected to rising noise level, the air and water sources in the communities have been polluted as well by smoke that emits from the machines used for production.

A Daily Trust Newspaper of Nigeria Report (2010) added that Nigeria loses an estimate of 3000 hectares of vegetation per year through tree felling, bush burning, water pollution and general desertification. According to the report, Nigeria, which once had large areas of rainforest, now has five percent of such forest standing. Activities of the oil companies in the oil explored communities in the Ellembelle district is likely to endanger human livelihood in the sense that the uncontrolled logging to construct the gas pipeline from its extracting source offshore to Aboadze near Takoradi will damage many farmlands and pollute many sources of drinking water. The oil companies' activities instead of being a blessing will then become a curse to the communities.

In addition, Broni-Bediako & Addei (2010) (2010) report that countries like Nigeria, Chad, Angola, South Sudan and South Uganda experienced the so called resource curse, therefore if the expectations of Ghana's oil and gas are not well managed the country would experience the same. The resource curse is associated with many distinctive problems but the likely ones that can affect Ghana include:

- a. The risk of entrenching a primary commodity economy that is dependent on natural advantages.
- b. The risk posed by oil-related activities to people's health and, in particular, the possible negative effects of oil spills on fisheries and the environment. Gobah (2010) reports of mud spillage that occurred at Atwood Hunter, West of Cape Three Points by Kosmos Energy at its drilling field.
- c. The problem of exaggerated expectations. These expectations, if not well managed, can affect the other sectors of Ghana's economy as currently more attention is being shifted to oil and gas.

In advancement to the study, Jike (2004) surveyed the negative effect of oil and gas exploration and production in the Niger Delta. Jike unequivocally remarked that oil and gas exploration is one of the major causes of air and water pollution in the region. He further stated that chemicals used in petrochemical industries pollute the air and water bodies in the Niger Delta. A study by Ezzidine (2011) in Egypt and Iran found out that air pollution as a result of oil and gas explorations claimed the lives of 16 people as a result of lung infection. Furthermore, a survey conducted by Kalijike (2010) in Angola estimated the amount of pollution caused by the exploration of oil and gas. In the study, Kalijike (2010) compared the experiences of people in oil and gas communities and that of communities that do not have oil and gas. He recounted in the study that oil and gas-hosting communities complained of adverse effects as a result of pollution by air or water. As narrated by the respondents in the study, the exploration of oil and gas has had some negative effects that are attributed to pollution of air and water.

Akoroda (2000) narrated that Warri women in Nigeria demonstrated at the headquarters of Shell Petroleum on the basis of deterioration of public health as a result of pollution caused by oil and gas exploration in the region. Akoroda empirically discovered that a growing tendency of carcinogenic diseases in the Niger Delta Region is traceable to the exposure of the communities to radioactive elements as a result of gas flaring. Jike (2004) also noted an upsurge of skin, lung cancer, eye abnormalities and other bronchial diseases due to pollution caused by oil and gas exploration in the Niger Delta. The effect of pollution on public health raises alarm as espoused by the respondents in the Ellembelle District.

The current state of prices of commodities in Ghana is not stable. There is the speedy and quick rise of prices. Likewise, a situation highlighted in Nigeria oil rich areas came to light that prices of goods and services are very high compared to other communities in the same country (Yaro, 2014). Yaro (2014) attributed this to the influx of expatriates whom people perceived to have lots of money. As the study progressed, the study found out that there is an incessant increase in prices of goods and services after the oil and gas discovery in the district. Respondents recounted that the arrival of the oil and gas has limited the economic activities and that it has affected the local goods and services. This is to say that prices of goods and services increased due to the fact that foreigners who were brought to the district to work had enough money and that they didn't mind buying things at a higher price. This phenomenon went to the disadvantage of the indigenes as cost of living went up.

At the same expense, discussants in all three focus groups reiterated that there is an increase of goods and services in the district. This they attributed to oil and gas discovery. This has brought hardship (people's inability to cater for their basic needs like food and health) to the indigenes in the surrounding communities. Consensus reached by all discussant revealed an unbearable inflation in the community.

Akplu (2010) in a study indicated that cost of living differs from country to country in the sense that the amount of money spent on basic necessities might not be same. Kwose (2013) posited that the cost of living is high when prices of food, shelter, clothing and other basic necessities keep rising by leaps and bounds and as a result workers manage to survive with the little income that they make. Workers at the oil and gas exploring and production communities in the Ellembelle District may spend a greater percentage of

their monthly income on basic things of life as a result of high price of goods and may have little or nothing to save. This leads to a low standard of living and high cost of living.

Another finding unearthed by the study was the high demand for land and unplanned settlements. The results indicated in the FGD at Atuabo and Asemda-Suazo Communities had problems with land. This is a manifestation on the communities sampled for the study as observed by the researcher and an additional confirmation from the district officials. While Asemda-Suazo blamed it on district officials who grant permits without any inspections of land sites for building respondents from Atuabo also blamed it on the chiefs of the community. In this regard, there is the possibility of an emerging conflict between district officials and chiefs within the district.

The oil and gas operation induced urbanization, which affects the oil communities through pressure on land, a submission affirmed by the management of the oil and gas firms operating in the catchment area during the interview. The people who migrate to the oil communities would need to be housed. Oil induced- urbanization, therefore, would create opportunities for housing construction. According to Gilbert and Healey (1985), Jenkins et al (2008) and Izeogu and Salou (1985) such opportunities may, however, benefit few rich and resourceful contractors who would be able to build estates for renting as is in the case of Venezuela, Angola and Nigeria. Ampene (1966) posited that Obuasi a Ghanaian town where natural resource (gold) is mined, ever since the gold agreement was first signed and extraction began have not seen much needed developments.

In furtherance to this, the study found out that the discovery of oil and gas has distracted traditional means of livelihood. Notwithstanding the blessings that is experienced from oil and gas discovery, different forms of pollution in the catchment area is destroying the traditional and local economic support system of fishing and farming.. A respondent commented:

*Sanzule, which was once the food basket of the Ellembelle District, is now fully dependent on imported food such as the popular ice fish that has now replaced the traditional fish on our menu. (FGD, Sanzule Community)*

Imperatively, the oil and gas have affected farming and fishing activities in the project affected communities.

In relation to the phenomenon under investigation, the Theory of Social Action as propounded by Weber (1991) is appropriate and relevant to explain the cause and effect of the oil and gas operations on the host communities in the Ellembelle District. He added in his theory rational actions that are taken because it leads to a valued goal and considered alternative means when secondary consequences have ended. The theory, therefore, is connected to this study because it significantly offers scientific bases to explain the interaction between the communities and oil and gas firms and means of actions taken by the people in order to survive.

In the same vein, Jike (2004) examined some of these paradoxes and unequivocally stated, “the anxiety and expectations surrounding the discovery of oil has waned because the general livelihood of the people has not been positively affected by the discovery of oil” (p.688). Jike (2004) found out in a study that the emergence of oil and gas in parts of Nigeria has metamorphosed those changes in traditional livelihood that has automatically brought about food shortages in those areas. Jike (2010) further establishes that the traditional means of livelihood in the Niger Delta was fishing. However, the members of

the community depended heavily on imported goods. Likewise, the results give a clear signal of disequilibrium in traditional means of livelihood.

Many people in Ghana hailed the discovery of oil and gas. However, the discovery has brought some diversion of traditional means of livelihood. The changes have posed threat to traditional means of livelihood. Kathman and Shannon (2011) recounted the changes in traditional livelihood in Venezuela as oil and gas were discovered early in the 1980s. The same can be said about the situation in the Ellembelle District. In the case of Ellembelle, the traditional source of livelihood, which was fishing and farming, had been replaced with jobs such as cleaning and running errands because their lands had been taken away from them for the purposes of oil and gas exploration. In addition to the social effect posed by the oil and gas discovery, the study found out that the discovery has culminated to both in and outflow of people in the District. This has resulted in a significant negative change in the socio-economic landscape of Ellembelle District.

There is an agreement in the literature about the relationship between access to a source of income and migration. A research by Aworemi, Abdul-Azeez and Opoola (2011) in Nigeria unearthed that rural migration is a double-edge problem affecting many communities hosting local and multi-national firms. The research by Aworemi et al (2011) explains that migration from project affected communities is negatively affecting community members be it the old, youth and children. According to the authors, the community members are supposed to live in the community to contribute their part actively to the development of the community. The 'lost labour' of active and able-bodied

migrated men and women was ascribed as a key role in the decline of agricultural activities. This has serious implications for agricultural production.

In addition, a research by Asiama (2011) established that colonial development isolated many communities. He maintained that little to no administration was carried out outside of the capital and practically no modern infrastructure existed beyond it. With population levels exceeding the availability of employment opportunities in oil and gas communities, many people therefore migrated to developed urban centres and communities that have firms to look for work and food. These migrants increased the population of the receiving communities massively, creating new forms of lifestyles that often affect receiving communities. Based on this, the study identified an increase in social vices, lack of communal spirit and a breakdown of the family systems. Looking at the analyzed result, it could be deduced that cultural practices in these communities have been adulterated due to how foreigners have engulfed the communities.

Oil and gas discovery has had a negative impact on the customs and traditions of the communities and as such has destroyed the communal lifestyles that characterized the people within the study area. The participants in these communities lamented on the gross disrespect being exhibited especially towards the elderly by the several foreigners who have virtually taken over the communities.

The result is that the oil and gas discovery has been a pulling decoy to lure and encourage people from different nationalities to migrate to the catchment areas. There is no doubt that people from different walks of life have their own ideologies and practices they hold dear. This could have accounted for adulteration of culture in the areas sampled for this study.

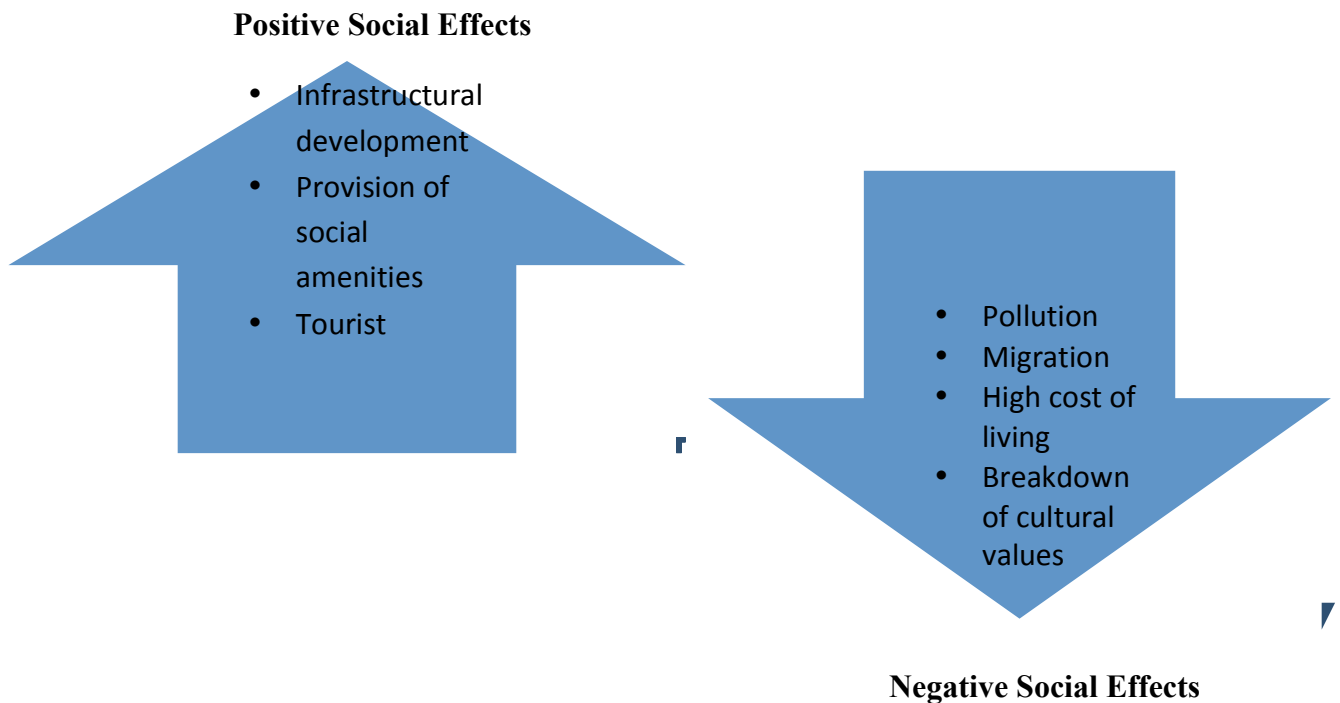
The effect of oil and gas on the physical environment has altered the cultural values of the projected affected communities. For example, it has been empirically established by Oshowofase et.al (2012) that the inflow of different nationalities has depreciated the values placed on cultural values in the Niger Delta Region than other parts in Nigeria as a result of oil and gas exploration. Aside from that fact, the oil discovery has yielded most economic prospects for the communities, it may be important that the culture which once was valuable to the communities has been greatly affected.

Jike (2010) in a study on the effects of oil and gas exploration in Warri, a state in Nigeria recounted the devastating effect that has culminated in plants becoming stunted. This has implication for medication and food. He further stated that the entire ecology has been suppressed due to the oil and gas exploration and production in the Niger Delta Region. Wildlife and endangered species of animals have migrated to new and cleaner environment.

Also, Akoroda (2000) in a research in the Niger Delta Region found a positive relationship between oil and gas discovery and change in lifestyle. He noted some violent acts, increase in social vices, and disrespect for the elderly among others as a result of alteration of cultural values. This is not far from sentiments raised by respondents in the Ellembelle District.

In summary, the social effect of oil and gas discovery is expressed in the diagram as constructed by the author.

Figure 4: **Social Effects of Oil and Gas**



Source: Author's Own Construction (2017)

It could be deduced from the diagram that negative social effects unearthed from the study outweighs that of the positive social effects. The results from the study made it emphatically clear that the positive effects were made up of infrastructural development, provision of social amenities and revenue from tourism as compared to the negative social effects which included pollution, increase in prices of goods and services, land litigations, disregard for cultural values and high demand for little environmental resources.

### **5.3 Economic Effects of Oil and Gas Discovery**

The emergence of oil and gas has both positive and negative effect on the lives of the host communities. In this wise, the study found out that the oil and gas discovery has created some form of employment for the community. On the other hand, the negative effect

included unemployment, the effect on local businesses and increase in personal debt. It is worth noting that the results from the study indicated that the oil and gas discovery has created some form of employment for the youth in the area even though this was highly contested during the three focus group discussions. Some sections of the respondents admitted that oil and gas firms have employed about eighteen (18) of the indigenes as messengers and clerks in the areas affected.

From the comments by the participants, it could be deduced that the oil and gas firms have created some employment for the youth in the project affected communities. Clavers (2013) in his study on corporate social responsibilities noted contributions made by oil and gas firms towards local communities. For example, Tullow Group provided jobs for graduates and postgraduate students in the Niger Delta (Clavers, 2013). According to Clavers, approximately 10% of the workforce of Tullow Group is locally employed. Claver drawing recommendations for his study stated that the benefits derived from natural resources should be greater than the problems it poses. Likewise, a study indicates that in Alaska fields 12% of local experts are employed (Pettersen, 2014). To this end, Asafu-Adjaye (2012) projected employment opportunities to rise by 20% in project affected communities in the Ellembelle District.

In addition, on the creation of jobs, Broni-Bediako & Addei (2010) intimated that there is no precise or tangible measure in place except with the expectation that the local residents would take advantage of other short to medium term employment opportunities that may be generated. The local people will, therefore, expect to be engaged in any menial or skilled work that may be created in the communities as a result of the oil and gas activities.

According to Oteng-Adjei (2010), the people at the oil and gas discovery and production communities and of Ghana as a whole expect the development of the oil and gas industry to be a source of job opportunity for them. The discovery of oil and gas is therefore seen as a means to salvage the unemployment situation in the communities and in Ghana at large. The oil and gas companies involved will as a means of social responsibility employ the labour of the indigenes in their operations. This will enable both the skilled and unskilled unemployed youth in the catchment areas and Ghana at large to have the opportunity to be employed.

In furtherance of the discussion, it will be necessary to add that the resource curse theory best explains how resources have consequences for a country as well as host communities. According to McMahon (2015) the resource curse theory suggests that nations which are blessed with rich, yet finite, natural resources may fail to develop in other sectors, consequently bringing about financial problems. There are a lot of argument as to how much of a role the resource curse theory would play in economic development, with many economists making reference to African nations as an excellent example of the myriad paths which developing nations can take (Maass, 2009).

As the resource curse theory stipulates, respondents were quick to add negative economic effects. According to the analysed results, the oil discovery has deepened the unemployment situation in the Ellembelle District. Some respondents made it known that the presence of the firms has denied them access to their traditional means of livelihood (farming and fishing) as explained in the previous sessions.

Unemployment has become such an important public policy issue that some governments are treating it as a national security issue. Scoones (2007) posits that rural folks depend greatly on natural resources, particularly land for their livelihood and survival. Farmers gave different levels of shocks experienced as a result of the sudden loss of their farms that were their main source of livelihoods. With reference to the study, respondents made it clear that they were faced with unemployment problems in their own indigenous activities (farming and fishing) in the project-affected areas. According to respondents, fishermen have been banned from fishing in areas where they could get a bumper harvest. Others also complained of conversion of agricultural lands for project sites.

The responses analyzed gave a green light to the fact that traditional lands which used to be cultivated have been sold to developers and as such have been converted to project sites. In addition to this, fishermen also complained bitterly in relation to unemployment. Accordingly, the fisher folks selected for the study made it clear that there were certain portions of the sea where they have been denied access.

Even though there are other economic activities that give the people some form of income, the major economic activity of the people is farming. This is practiced primarily on subsistence purposes except that some few crops like palm oil and coconut are produced for commercial purposes. The people also practiced fishing as an economic activity because the communities are coastal communities and so there are outboard motors that are used for fishing even though they used more traditional methods in their fishing expeditions. Vegetable oil was extracted as a key economic activity that was linked to agriculture. The responses analyzed give a clear indication that traditional source of employment has declined significantly. This has rendered most of the

inhabitants unemployed. As a result, the community members have resorted to petty trading with most goods coming from outside the community.

It came to light that the oil and gas discovery has an effect on local businesses. The gas project has implications for local businesses (farming and fishing) for both men and women. The men fish or farm while the women engage in trading of the produce. However, the drastic reduction of these economic activities has forced the women into the sale of other non-traditional produce. Formally, women traders either sold or processed palm nuts into palm oil, which they usually sold at Eikwe and Esiam markets. Similarly, copra oil extraction also depended on the availability of coconuts but there has been a drastic reduction in these activities.

The fact is that the gas project and other future projects will lead to the destruction of an intergenerational resource with its associated indigenous businesses which will affect the livelihoods of many. Another equally important aspect of this case study was that it provides awareness into the claims made by some of the farmers and fisher folks on the incomes they earn from the sale of their produce.

A study by Jike (2010) and Akoroda (2000) in Nigeria both found out that the oil and gas discovery affected local business such as fishing and farming in project affected areas. Akoroda (2000) noted that attention from local businesses has shifted to benefits to be accrued from the oil and gas exploration. In sum, Yaro (2014) attributed the change in local business to expectations by the communities in project affected areas. According to Yaro, the local indigenous Niger Delta residents expect automatic benefits from the oil and gas exploration.

Last but not least, the study found out that deprivation of the indigenes from access to the local resource used for generation of income has resulted to increase in personal debt. A comment from a respondent attest to this fact:

*I borrow money from friends just to buy food for my family and myself and unfortunately, I am unable to pay. This has made it difficult to get more loans from the friends I owe. (FGD, Sanzule Community).*

In relation to literature, Abdul-Azeez (2014) espoused personal debt accrued by community members as a result of lack of economic activities in oil and gas hosting communities. Abdul-Azeez (2014) recounted experiences of fisher folks in Cape Three Point in the Western Region of Ghana. Likewise, fisher folks and farmers in the catchment area reiterated similar sentiments.

With reference to the unprecedented experiences by the people in the Ellembelle District from the oil and gas discovery and production as well as expositions from related literatures, it is imperative that the resource curse theory as asserted by Auty (1993) is real.

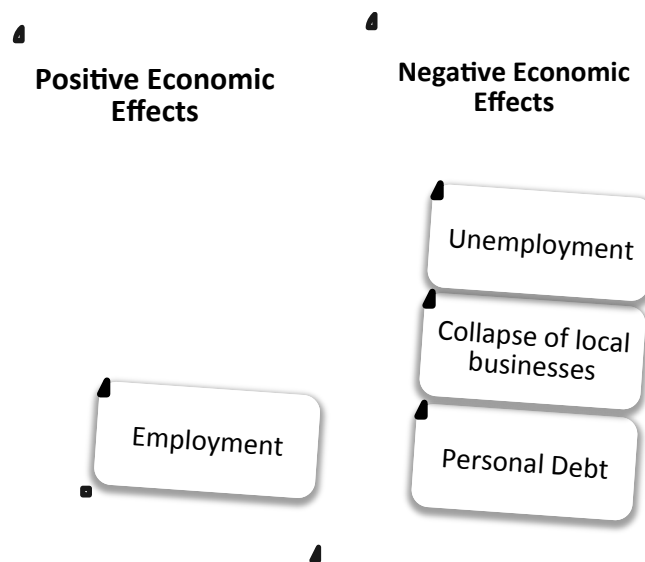
Associating the Social Action Theory by Weber (1991) to the study, it becomes evident that community members are trapped in a situation that becomes difficult for them to exercise their rights. The theory takes into consideration the action and reactions of people, thus explaining the behaviour of human beings to the cause and effect in the social realm (Weber, 1991). The theory assumes that humans vary their actions according to the social context and how it will affect them.

Nevertheless, the negative effects of the oil and gas discovery make it difficult for communities to fully exercise their rights. In this wise, Weber's social action theory is

practically relevant in our modern day oil and gas explored communities, especially in Ghana. The theory offers scientific bases to explain the interaction between communities and oil and gas firms and their effects on the socio-economic well being of the individual in the naturally endowed resource communities especially in the Ellembelle District.

The figure that follows summarizes both positive and negative effect of oil and gas discovery in the Ellembelle District.

Figure 5: **Positive and Negative Economic Effects of Oil Discovery**



**Source: Author's Own Construction (2017)**

Figure 5 depicts the weight of both positive and negative effect of oil and gas discovery. From the responses given, it could be said that the oil discovery has brought more economic discomfort for the Project Affected Communities as compared to positive economic effects.

#### **5.4 Stakeholders Role in Oil and Gas Discovery**

In today's business environment, to obtain the required licenses and permits from appropriate government agency to operate business is not an easy task. Companies also have to obtain what is now termed as local license, which means to earn the goodwill of the communities in which they operate (IFC, 2000). During the fieldwork, the respondents who participated in the focus groups discussion expressed that the relationship between their community and Ghana Gas and Eni Ghana was not the best to their liking. At Atuabo, an elder of the community complained about how heavy trucks rendered their roads immotorable and their appeal to them and Ghana Gas to rectify the situation failed until they resorted to the demonstration. His frustration was to the fact that rains in that part of the country are usually heavy and could render a road without proper drainage system impassable within weeks if not days. Similar sentiments were also expressed among participants of the focus group discussions organized at Sanzule.

It is evident that the oil and gas firms have not fully discharged their corporate social responsibilities though a section of the participants offered some praise for Eni Ghana. They maintained that Ghana Gas has contributed to the refurbishment of the chief's palace. They also refurbished school buildings and constructed community clinics as part of their corporate social responsibilities.

Interviews with management and employees of Ghana Gas and ENI Ghana brought out some interesting revelations. Responses from the two oil and gas firms revealed some corporate social responsibilities they intend to offer to project affected communities to minimize the effect of oil and gas discovery. It is the hope of Ghana Gas and ENI Ghana to provide employment for the local people, establish social institutions and also to

improve infrastructure in the project affected areas. Some employees of Ghana Gas and ENI Ghana had this to say:

*It is our hope that because we are operating in this community, we are going to employ a lot more of the indigenous people in the exploration and production process to bring about massive employment. (Ghana Gas)*

*We hope that as part of our corporate social responsibility we shall develop our health sector by providing a health post and other health facilities to improve the people's health status. (ENI Ghana)*

Ghana Gas and ENI Ghana are not unaware of a poor image in the host communities. However, the company's diagnosis of the cause of the problem was not in line with the reasons given by the community. The respondents attributed the problems to the inadequacy of the compensation paid for their resources such as land, lack of information on the start date of the destruction of agricultural lands and insensitivity of the company in dealing with the community. There could be the possibility of the chiefs taking huge monies from the companies and giving smaller amounts to the affected people as compensation and this situation could easily bring about conflicts. It looks like Ghana Gas does not fully understand the causes of the hostile relationship with communities in the area of operations. The company, however, puts its hopes on reviving the relations through its much talked about Alternative Livelihood Programme.

ISODEC Report (2009) indicated that the problems of resource- rich countries have captured the attention of governments, international donors, academics and global civil society over the past decade. The report reiterated that most efforts to date have focused on solving the problems posed by the oil and gas operations and removing the veil of secrecy that shrouds the financial flows in the oil industry. The 1992 Constitution of Ghana states under Article 257(6) that 'every mineral in its natural state in, under or upon any land in Ghana, rivers, streams, water courses throughout Ghana, the exclusive

economic zone and any area covered by the territorial sea or continental shelf is the property of the Republic of Ghana and shall be vested in the President on behalf of, and in trust for the people of Ghana”.

This constitutional provision makes it categorically clear that should any natural resource be discovered anywhere within the territorial jurisdiction of Ghana, no one person, community or district can claim ownership and exclusive right of it. This also means that in such an event, the national interest overrides the individual or community interest.

In the work of Osabutey (2010) the local communities claimed a sense of ownership for the oil and after the finding; there should have been better communication between the government and the local communities. Apparently, the local communities next to the oil exploration sites were very disappointed that they were not officially informed about the discovery of oil on their ancestral land. According to Osabutey (2010), though by law oil clearly belongs to the state, demands for royalties arose among the local communities (Osabutey, 2010). Crude oil and gas have the attributes of capital intensity in their extraction.

In solving the problems posed by the oil and gas operations; as indicated by ISODEC Report (2009) Ghana has constitutionalized the exploit of natural resources by empowering Parliament with the right to approve agreements and contracts for licenses to exploit natural resources. Moreover, the licensed oil companies have a set period of time to conduct exploration in their license area; they may end up relinquishing a portion of their license area if they do not comply with their contract agreement and exploration commitments. This is done to prevent indiscriminate exploration and production in order to protect the biotic environment.

In the work of Bhandari (2011) the Ghana Petroleum Revenue Management Law Act, 815 was enacted in 2011 and there were months of debate with heavy input from the public and civil society to develop this law. Ghana News Agency (2011) report added that the Act offers one of the transparent means by which revenue accruing from the commercialization of petroleum resources can be safeguarded and utilized in the most equitable way to help address misunderstanding between communities and companies around extraction sites.

The concern of Niber (2012) on the role of the government and oil companies in solving the effects of offshore oil and gas operations in project affected communities indicated that comprehensive compensation valuation process is put in place to take into account of loss or deprivation of the use of natural surface of the land or sea in the case of offshore operations, inconveniences caused to a landowner/occupier or the loss or damage to immovable properties and their accessories by the oil companies operating in the oil find zones.

International oil and gas companies and their associates operating in the Jubilee Field according to Gheiti Report (2013) touched on the health status of the project affected communities by organizing free health screening exercise for the affected communities as part of their corporate social responsibility for diabetes, HIV, hypertension, breast cancer, dental care, ear, eye, nose, and throat infections. The screening exercise, which was organized for two communities, according to the oil and gas partners was aimed at offering free medical services to inhabitants residing within its operational area adding that the health needs of the people within their catchment area would remain paramount to the company and never be relegated to the background. It must be stated however that

much as these health screenings have been organized for them, they still do not think that it is enough compensation for them.

To clear the misconception and political conflicts towards the efficient, transparent and accountable management of petroleum resources, Ghana has led to the emergence of some institutions and laws aimed at governing the oil resource for optimal outcome. The Ghana National Petroleum Commission was set up to regulate activities within the sector. The Petroleum Revenue Management Bill, the Local Content Bill and the Exploration and Production Bill were passed into law to provide updates on progress. (Ministry of Energy, 2014).

The oil and gas companies and their associated international bodies operating in the study area are expected by the local people as part of their corporate social responsibility to give a facelift of development to the communities in their operating zones which are affected by their activities. The companies can respond to the needs of the local people by providing them boreholes for good drinkable water, public latrines, school buildings, hospitals, markets and community centers to transform their areas and enhance their livelihoods to solve some of the unexpected problems posed by the effects of the oil and gas operations.

## **5.5 Summary**

This chapter discussed the effects of oil and gas discovery in project-affected communities in the Ellembelle District regarding the social and economic livelihood in accordance with empirical findings and with reference to the reviewed literature. The chapter further discussed stakeholders' role in the oil and gas discovery and exploitation

in the Ellembelle District. Throughout the discussions, there was no point at which the findings contradicted literature. In all cases, literature points out that inhabitants that live within an area where oil and gas has been discovered expected to reap the full benefits of the discovery and not be disadvantaged in anyway. According to literature that cited inhabitants of the Niger Delta region, they expected that good roads were to be constructed, creation of job opportunities, provision of potable water among others. The same was the case with the inhabitants who live within the project-affected communities in the Ellembelle District.

## CHAPTER SIX

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 6.1 Introduction

This chapter focused on the summary, conclusion and recommendations of the study. The summary relates to the introductory chapter, review of related literature, methodology, presentation of results, and major findings derived from the study. The recommendations were also made based on the major findings from which the conclusions were drawn. Implications of the findings for adult education, policy and practice as well as suggestions for future studies can also be found in this chapter.

#### 6.2 Summary of the Study

Ghana's status as an oil and gas discovery and production country has invigorated the scholarly debate on the effect of this oil and gas find on the social life and economic development of the citizens. The discovery, production and development of oil and gas at Ghana's Jubilee fields came with ecstasy, heightened hopes and expectation by the Ghanaian citizenry, especially those within the catchment area to enjoy quality job opportunities, socio-economic development in infrastructure and improvement in education and health. Ghana became part of oil and gas discovery and production nations when she discovered commercial quantities of oil and gas off the coast of the Jubilee Field in 2007 around the Cape Three Points Area. While the oil and gas production is envisaged to have positive effects on the social life and economic life of the citizenry, its negative effects should not be underestimated. The study aims at critically examining the effects of the offshore oil and gas discovery and production on the socio-economic development of Ghanaians the case of the people of Ellembelle District in the Western Region of Ghana. The study also aims at identifying the feasible roles of the government,

oil companies and other stakeholders in solving the negative effects of the oil and gas activities on the people in the catchment area.

To digest these issues comprehensively, the study used the Resource Curse Theory, which described the relationship between oil and economic growth and the impact of oil and gas on national development (Auty, 1993) and Social Action Theory which takes into account the actions and reactions of people in relation to the cause and effect in the social realm. The Social Action Theory makes the assumption that human varies their actions according to the social context and how it will affect people (Weber, 1991). The researcher used the qualitative research approach. The researcher used the descriptive case study to explore the effects of the offshore oil and gas operations on the socio-economic development of the people in the catchment area. Specifically, focus group discussion and interviews were conducted for the purpose of collecting data for the study. The descriptive-narrative method was employed in analysing field data. The study, therefore, revealed the following findings under the following objectives:

- Social Effects of Oil and Gas
- Economic Effects of Oil and Gas
- Role of Government and Stakeholder

### **6.2.1 Social Effects of Oil and Gas**

With regards to the social effects of oil and gas, the study revealed that pollution, migration, the high cost of living and the breakdown of cultural values were the negative social effects of the oil and gas operations in the Ellembelle District. On the other hand, the study revealed positive social effects such as infrastructural developments, provision of social amenities and tourist attraction that brings revenue to the local communities.

### **6.2.2 Economic Effects of Oil and Gas**

The study revealed both negative and positive economic effects of the oil and gas operations in the Ellembelle District. The negative economic effects that the study revealed were high unemployment rate, the breakdown of local businesses and land litigation. The only positive economic effect that showed up in the study was employment that the oil and gas companies generated.

### **6.2.3 Role of Government and Stakeholders**

The findings of the study with regards to the role of government and stakeholders that were revealed are the creation of jobs, provision of social amenities, infrastructural development, proposed educational programmes and intermittent free health screening as positive socio-economic effects. The study further unearthed negative socio-economic effects such as environmental pollution, unemployment, the high cost of living, migration and breakdown of traditional and cultural values.

## **6.3 Implications to Adult Education, Policy and Practice**

Adult Educators play varying roles in the areas of ensuring societal change through policy formulation and education. In finding solutions to the problems that oil and gas exploration brings on the people in the catchment areas, the role of adult education cannot be overemphasized. It behoves on adult educators to put in place appropriate educational programmes to educate the citizens, stakeholders and the oil and gas firms about the effects of the oil and gas operations to the host communities. Reducing the negative effects and increasing the positive effects of the oil and gas activities will go a long way in the improvement of the total well being of the inhabitants of the catchment areas. One of the tenets of UNESCO that adult education agrees with is what follows;

*Civic, political, trade union and co-operative education activities should be aimed particularly towards developing independent and critical judgment and implanting or enhancing the abilities required by each individual in order to cope with changes affecting living and working conditions, by effective participation in the management of social affairs at every level of the decision making process.*  
(UNESCO, 2011)

In light of the above supposition, there is a clear indication that education is a necessary tool as far as the reduction of these negative effects is concerned. Community mobilization is needed to sensitize the citizens, the stakeholders and the oil and gas firms. In the area of pollution in the community members need to be educated as to how to manage solid and liquid waste to enhance good sanitation to prevent health related diseases in the community.

Quite apart from the educational activities that have to be organized by adult education organizations for the inhabitants of the affected areas, it has policy implications. Recommendations from District Assembly, Environmental Protection Agency, Oil and Gas firms, chiefs and stakeholders must lead to policy formulation as to how industry players would operate while reducing the effects it has on the inhabitants. They must as part of their policy demarcate the area of operation by the oil firms to prevent them from operating beyond their boundaries.

Also, policy formulators must create room for landowners to be well compensated for their lands acquired and their properties taken over by the oil and gas companies. To augment the role of the District Assembly, the Environmental Protection Agency and the oil and gas firms, academic institutions, which also hold the potential to foster improvements in the extractive industries, have a role to play. Research, training for future industry professionals and partnerships with stakeholders such as the Sustainable Working Group can help to bring about a reduction in the socio-economic effects of the

extraction industries thereby bringing about a positive social change, which is a key principle of adult education.

Results obtained from the study indicate that cultural values have been adulterated as a result of the destruction of lands that harboured medicinal plants and herbs that are rooted in their traditional medicine and spirituality for which they have deep spiritual significance. Also, there have been so many issues of social vices such as prostitution, smoking, disrespect to traditional authority and use of illicit drugs due to the issue of migration and mix culture. This has created social menace that calls for the restoration of positive cultural practices and values, as it will help in diverse ways. In line with this, adult educators in collaboration with religious bodies, the schools, area councils and the National Civic and Citizenship Education (NCCE) must embark on religious and moral education in the communities to inculcate good morals into the youth. Traditional authorities, as well as adults in the communities, must make a practice to imbibe into the younger generation the need to practice positive cultural activities. This will help give communities a positive image. It, therefore, becomes imperative for adult educators, political leaders and opinion leaders to organize seminars and symposia to educate citizens on the importance of main cultural heritage and desist from all forms of activities that do not conform to the culture of the people.

Finally, the study underscored that economic activities have been threatened significantly due to the oil and gas exploration in the district. In order to reduce these negative effects, it is the role of adult educators, the District Assembly, oil and gas firm and other non-governmental organizations to assist the communities to develop alternative forms of livelihood such as gari and oil processing, soap making and rearing of animals. Adult educators and other agents are expected to equip the settlers with the required knowledge,

skills and attitudes to be able to sustain their alternative forms of livelihoods. The various district assemblies, in collaboration with adult educators, should bring in stakeholders and investors to organize training and funding as a form of capacity building and community development to the people in the catchment area of the oil and gas activities. These training programmes can be monitored and evaluated periodically by adult educators. These methods will go a long way to help the affected communities to develop.

#### **6.4 Conclusion**

Issues relating to oil and gas, though, can greatly be a blessing, it can also be a curse if it is not handled with care. The Ellebelle district has enjoyed both the blessings as well as the curse. The exploitation of the oil and gas in the district has brought some benefits such as jobs opportunities, revenue generation through tourism, infrastructural developments and social amenities. Conversely, the communities have had negative experiences such as pollution, migration, breakdown of cultural values, unemployment and land litigation due to the influx of foreigners in the communities. The negative effects can be overturned through the initiatives and actions of government and other stakeholders. It became clear that both the Resource Curse Theory and the Social Action Theory featured in the findings of this study.

#### **6.5 Recommendations**

Based on the objectives and the findings of this study, recommendations are made to various government and other relevant stakeholders in order to see how best the negative effects of oil and gas exploration can be solved or reduced drastically. Some of the recommendations are as follows:

- ❖ A high level of unemployment due to acquisition of lands from farmers was one key economic effect that the study revealed. In order to solve this issue, the Ellembelle District Assembly in collaboration with relevant stakeholders, traditional authorities and non-governmental organizations must initiate several alternative livelihood programmes from which the affected inhabitants can survive on. This would help salvage the issue of unemployment in the affected communities.
- ❖ Environmental pollution was also identified as one of the major negative social effects of the oil and gas activities. In order to reduce or end this effect, the Environmental Protection Agency of Western Region must carry out Environmental Impact Assessments (EPA) in communities in which these extractive companies operate and deny them license to operate if the impact of their activities is found to be beyond an expected standard. Again the EPA must carry out some educational programmes highlighting the impact of environmental pollution and how to manage an environment that is threatened with pollution.
- ❖ The destruction of sites that had been reserved for the cultivation of traditional medicine and as a way of preserving the people's spirituality also came up as a negative social effect. In light of this, the traditional authorities and Forestry Commission with its representatives in the districts must ensure that policies are put in place. This should be done to preserve anything that has to do with the people's form of deity and more so protect any portion of land that seems to serve a group of people some form of medicine in order to promote vegetation of the country.
- ❖ Increasing transparency and public education and information. Civil society groups, journalists and parliament can play a more active role in following the

revenue derived from oil and gas and building a system of democratic decision-making on how resource should be managed.

- ❖ For effective management, countries like Ghana that has had the opportunity to enjoy the resource like oil and gas should take cue from countries such as Nigeria, South Sudan, Uganda and Venezuela and put pragmatic measures in place to ensure that more ‘blessings’ are enjoyed rather than the ‘curses’ associated.
- ❖ Finally, the local Content Bill must be fully enforced in order to avoid conflicts between indigenes and migrant workers and between indigenes and extractive companies.

### **6.7 Areas for Further Studies**

At the end of this study, these areas are suggested for future studies:

1. Assessment of license acquisition procedures for extractive industries in Ghana
2. Evaluation of mining laws and policies in Ghana

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## APPENDICES

### APPENDIX I

**UNIVERSITY OF GHANA  
DEPARTMENT OF ADULT EDUCATION AND HUMAN RESOURCE STUDIES  
INTERVIEW SCHEDULE FOR OPINION LEADERS, EMPLOYERS AND  
EMPLOYEES OF OIL AND GAS COMPANIES WITHIN THE CATCHMENT  
AREA WITHIN THE ELLEMBELLE DISTRICT IN THE WESTERN REGION  
OF GHANA**

As part of my work towards fulfilling the requirement for the award of a Master of Philosophy degree in Adult Education, at the University of Ghana, Legon, I am undertaking a research on “The effect of offshore oil and gas operations on the socio-economic life of Ghanaians: A case of the people of the Ellembelle District in the Western Region of Ghana”. Please, this research is solely for academic purpose therefore, you are encouraged to answer the questions as frankly as possible. Your responses would be held in strict confidence.

Thank you.

1. What in your view are the positive effects that the oil and gas activities will pose on the social life of the people in your community?
2. What in your view are the negative effects that the oil and gas activities will pose on the social life of the people in your community?
3. What do you think are the positive effects that the oil and gas operations may bring on the economic development of the people in your community?
4. What do you think are the negative effects that the oil and gas operations may bring on the economic development of the people in your community?
5. What kind of development do you anticipate as a social responsibility from the oil and gas companies involve in the oil and gas exploration and production in your community?

## APPENDIX II

### UNIVERSITY OF GHANA DEPARTMENT OF ADULT EDUCATION AND HUMAN RESOURCE STUDIES FOCUS GROUP GUIDE FOR RESIDENTS IN SELECTED TOWNS WITHIN THE ELLEMBELLE DISTRICT IN THE WESTERN REGION OF GHANA

As part of my work towards fulfilling the requirement for the award of a Master of Philosophy degree in Adult Education, at the University of Ghana, Legon, I am undertaking a research on “The effect of offshore oil and gas operations on the socio-economic life of Ghanaians: A case of the people of the Ellembele District in the Western Region of Ghana”. Please, this research is solely for academic purpose therefore, you are encouraged to answer the questions as frankly as possible. Your responses would be held in strict confidence.

Thank you.

1. How would you compare the social values prior to the oil and gas operations with the current social values in your community?
2. What economic activity do you do for a living and how long have you been undertaken such economic activity?
3. How would you relate the oil and gas operations to the improvement of the socio-economic development in your community?
4. In which area of the socio-economic life has the oil and gas operations in your community improved?
5. What have been the adverse effects on the socio-economic development with the emergent of the oil and gas operations in your community?
6. How are you satisfied with the current situation about the oil and gas operations in your community?
7. Are there things you are dissatisfied with, that you would like to see changed?"
8. In generally, how beneficial is the oil gas operations to your community.

APPENDIX III



**UNIVERSITY OF GHANA**  
DEPARTMENT OF ADULT EDUCATION AND  
HUMAN RESOURCE STUDIES  
SCHOOL OF CONTINUING AND DISTANCE EDUCATION

DAEHRS/001

July 28, 2016

Ref. No.: .....

**TO WHOM IT MAY CONCERN**

**EDUKU JAMES**  
**SID NO. 10507065**

**Mr. Eduku James** is an MPhil. student of the Department of Adult Education and Human Resource Studies, School of Continuing and Distance Education, College of Education, University of Ghana, Legon.

He is undertaking a study in connection with his MPhil Thesis which requires contacting institutions and organizations for data.

I should be very grateful if you would give him the needed assistance.

Thank you.

Yours faithfully,

**Dr. S. K. Badu-Nyarko**  
**Head of Department**

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**APPENDIX IV**

**A CROSS SECTION OF PARTICIPANTS IN FOCUS GROUP DISCUSSION**



**APPENDIX V**



**APPENDIX VI**



**APPENDIX VII**



**GUEST HOUSE AT ANOKYI**

## APPENDIX VIII

### TRANSCRIPTION OF DATA COLLECTED FROM ATUABO AND ASEMDA – SUAZO COMMUNITIES IN THE ELLEMBELLE DISTRICT

The transcription is based on the focus group discussion from the two towns:

ATUABO AND ASEMDA- SUAZO COMMUNITIES.

**How would you compare the social values prior to the oil and gas operations with the current social values in your community?**

A respondent remarked;

*Our communities do not use to have bumper fishing as before because of the debris and toxic substances discharged into the sea.*

Another respondent added;

*The oil and gas operations has affected our water bodies for drinking to an extent that even the rain water when harvested cannot be drunk.*

When the rest were asked whether they agreed or disagreed with the submission above, a respondent retorted

*There have been changes in the weather condition since the project was brought into our community. The change is about the temperature in the atmosphere since the project was brought in our community the temperature in the atmosphere has increased drastically due to the burning of the fuel a condition which was not experienced before”.*

*In fact we have been experiencing unprecedented heat from the processing plant all the day long.*

Another respondent added

*There has been more hardship in our communities as never before and the reason being that our agricultural activities can no longer support our economic life as before.*

*We can longer be able to pay our children school fees since the project was started in our community.*

When asked to justify the submission above an elderly man among them had this to say;

*We can no longer farm around our backyards as we used to do. Because our immediate farmlands have been claimed by the companies for the project denying us from farming even at our backyards. Our piggery project and other livestock rearing business have been collapsed.*

He continued by saying that, *because of the project the animals were forbidden to graze around as they used to do. In fact we have been denied of our economic activities that enables us to get something for our livelihood and to sponsor our children's education.*

Another respondent who was all this time quiet and was following the discussion keenly came with this;

*In fact our current social living has not been better comparatively to our social living prior to the oil and gas operations in our communities. He added that the oil and gas project in our community has contributed to high cost of living so much so that some our youth had migrated to other places for greener pastures.*

When asked to explain the cause of the high cost of living, a respondent replied

*The promises giving before they started the project none of them have been fulfilled, meanwhile our farmlands have taken, our water bodies polluted and prices of goods very high to extend that*

When asked to give a specific promise made, he added

*They promise us good drinking water yet we are still depending on our old and only well as our source of water, relocating displaced residents, but nothing has been done and many more.*

A woman respondent had this to add;

*The oil and gas operations as a matter of fact has affected we the women and our commercial activities so much so that anything that we sell are not bought a situation which was not there before.*

She gave a reason when asked why that;

*Our prospective buyers who are mainly farmers and fishermen have been displaced and are now jobless so they cannot patronized our commercial and trading activities as before.*

### **What economic activity do you do for a living?**

Respondents mentioned the following as their major economic activities for a living;

*Fishing, farming, teaching, palm wine tapping and distilling, driving, petty trading and fish mongering.* Another one said *I am a health worker*, while an elderly man among them said *I am a retired teacher*.

For how long have you been undertaken such economic activity?

A respondent replied;

*I have been fishing for the past 25 years.*

Another added;

*Farming has been the work I do for living and it has been my work for 20years now.*

A woman gave an answer that;

*Petty trading has been my economic activity for 15 years now.*

Other respondents gave the same answers in terms of the years of undertaking such economic activity.

**How would you relate the oil and gas operations to the improvement of the socio-economic development in your community?**

The question generated a heated argument among the respondents and an elderly man among them aggressively said;

*Nothing has been done in relationship to the oil and gas operations in our community as you can see yourself. Our community has gained practically nothing as compare to other communities.*

Another respondent who also said supported him;

*“The oil and gas in this community have polluted our water bodies. It has affected our underground water. This has led to increasing in waterborne diseases in our communities.”*

And when a further probing question was asked to give the reason for the submission above, a respondent had this to say;

*In my opinion the situation is so because our other sister communities are closer to the project site as compare to ours.*

His reason was supported by the rest.

**In which area of the socio-economic life has the oil and gas operations in your community improved.**

A respondent remarked

*“There has been refurbishment of our basic school building and construction of the township road and drainage system is on-going”*

*“We can as well boast of a health centre constructed with the discovery of the oil and gas in our community”*

It was not surprising that other discussants had social amenities and infrastructure such as roads, hospitals, good drinking water and schools as part of the corporate social responsibilities from the oil and gas firms in their community. Comments from the various discussants attest to this:

*“The oil and gas operation in our community has in a way improved our standard of living by providing our community with good drinking water.*

*“The companies gave our community not only water but electricity to make life enjoyable”*

*“The oil and gas project has made us get electricity power in our community. Our standard of life has been enhanced with the electricity*

*power in place because more commercial activities including new ones have been introduced to make our community match up with some communities in the urban areas”.*

*“We can also boast of accessible road and the rehabilitation of our bridges. There have been improvements in our socio-economic life since the project was started in our community in the sense that the tarred road and the bridge have made travelling to and fro comfortable and safely”.*

*“Another remarkable benefit from the oil and gas project to our community is the health post put up and the refurbishment of the chief’s palace. There has been a dramatic increase in the population of our community which has warranted for health post to be put up by ENI Ghana, the oil and gas company operating in the community”.*

*“There is a dramatic improvement in our standard of living as a result of the oil and gas discovery in Ghana. The companies have given some job opportunities to the youth in our community.”*

**What have been the adverse effects on the socio-economic development with the emergent of the oil and gas operations in your community?**

A respondent replied by saying pollution all over

*He added “hardly do you see plastic and other related dirt’s /rubbish around in this community. The Atuabo community used to be very clean without a drop of leave on the ground. The community members always clean this community early in the morning before leaving to their respective places of work but now just look around, Plastic waste all over*

A similar comment came from a woman in her late 50s. She had this to say:

*“Formally, all women in the community organize a cleanup exercise every Saturday morning and before the sun even rises, we would have cleaned the community. There wasn’t anything like plastic bag or paper in or around the communities. The influx of people from respective communities in Ghana and even neighbouring countries has had a negative effect on the community. They just dispose of refuse anyhow and anywhere without remorse. Who are you to say a word? They will insult you to the extent of you feeling it in your bones*

In addition to the previous comments, a woman in her early 40s stated that:

*“Currently, there are lots of people from various regions as well as expatriates in our communities. This has caused an increase in population. Some of these people do not respect us. They just dispose of refuse into ponds and river bodies. These activities are fast polluting our water bodies. The water bodies serve us well as we use it to bath and even wash. Now, these water bodies are mosquito breeding grounds. Full of chemicals! Most of these sites have been converted to dumping sites of residual waste”*

*“The oil discovery has increased the populations of prostitutes. A lot of the young girls in and outside this community have taken into prostitution. The young girls have taken the opportunity as a result of the presence of foreigners and businessmen to go into prostitution to make some money. Previously there wasn't anything of a sort in our communities”*

A woman with a faint voice added unemployment has been on the increase; she explained her assertion with the following

*In fact our source of employment as a community along the coast is fishing, the toxic material deposited into the sea from the oil and gas project has taken over the sea to extend that one cannot even fish along the coast a situation which has worsen our economic livelihood as compare to the days before the project..*

Her point was supported by another who also said;

*The oil and gas project has made our current situation unfavourable. Why am I saying this? The project has ordered for no fishing zone area to be*

*created which forbids our fishermen from fishing: a situation which has currently rendered our active and able men and women jobless*

**How satisfied are you with the current situation about the oil and gas operations in your community?**

A respondent remarked;

*I am personally not satisfied with the current situation about the way the oil and gas operation is going on in our community. My reason is that our community has gained woefully nothing from the project, the promises giving none of them is fulfilled.*

Another respondent added

*I share the concern the same with my brother in the sense that they gave many promises including scholarship scheme for our school children as I speak now nothing of that sort has been done how could we be satisfied?*

With the same question an elderly man from the chief palace retorted;

*I may say the current situation is even worse than before. Why am I saying this? The project has come to displace us of our farming lands as well as our fishing activities as sources of employment. For that matter trading activities currently have low patronage, scarcity of food and no work to do to earn a living so how can one be satisfied.*

Another said;

*Truly my colleagues are right we were of the view that with the oil and gas operations in our community we will be better off than before, but it is rather the opposite.*

**A further question asked about their expectations called for the following responses;**

*Not much from them, but at least as happened in other known communities where natural resources are mined. As part of the mining companies' social responsibilities, social amenities such as good drinking water motor able roads and others are provided for the communities they operate in, but in our case nothing like that.*

*My colleagues can testify all that we are saying as we speak now there is no employment for our youth, no improvement in our social amenities neither anything to enhance our standard of living something we were expecting from the oil and gas project.*

*I don't think any of us here will say he/she is satisfied with the current situation we find ourselves in with the emergent of the oil and gas project in our community.*

*Why am I saying this? fishing has been my major work for livelihood for the past 30years, creating the no zone fishing area has made me jobless and for that matter I cannot cater for my family as expected so finding yourself in such situation can one ever claim m he/she is satisfied with the oil and gas operations in our community.*

*To add to what has been said is we the farmers. As farmers we are very upset about the operations of the oil and gas companies in our community in that*

*there was no proper negotiation made over the use of our land and now we cannot have access to our own farmlands to farm,*

Others gave contrary views as;

*I will plead with my colleagues to calm their nerves, I know our expectations are very high, but it will take a long time before we can achieve or meet them for instance the hospital, employment for our youth, free light and others cannot be provided in the short period of operation but in future we shall get them so I cannot say I am satisfy or not satisfy for now.*

*Also considering the few infrastructures provided in my community I can say there is hope for the rest to be done as expected in every community in this catchment area we only need to exercise some restrain. With this I can say personally that am satisfy with the current situation we find ourselves in and the way the oil and gas activities are being operated.*

**Are there things you are dissatisfied with that you would like to see changed?**

*Yes, a lot of things needed to be changed remarked by a respondent*

Can you be specific?

*Of course yes, the creating of the no zone fishing area must be reversed or special nets must be prescribed for fishermen for fishing to let them work as expected.*

*Another thing which does not satisfy us and needs to be changed is about the employment policy. The project is on our land but none of our indigenous youth is offered an employment opportunity, all the workers you see around are not from our community which to me is not the best.*

So what did you want to be done?

*At least some of our able and active youth must be employed as security or cleaners as a sign of compensation for the use of our land for the project.*

*Also considering the benefit to be gained and the money accrued from the oil and gas operations our school going- age children should have been giving some scholarship package as a motivation to our community.*

*In addition to what my colleagues have said you could see that the gas is mined from our land yet we don't even enjoy it. We could have been giving free LPG for use once as motivational package.*

An opinion leader opined;

*The township drainage system must be reconstructed to save us from perennial erosion as a result of the redirection of the drainage system during the construction of the major road for the project.*

*There was the need for land for the project, but there was no proper negotiation made with the land owners before taking over. There is still the need for proper negotiation to compensate the land owners whose lands were claimed for the project.*

*In the case of the location and the nature of the project to be undertaken there was no proper education neither information about the location and the nature of the project. This has caused disgruntlement on the part of the indigenous in the catchment area. It will not be out of place to educate and inform the indigenous about the oil and gas project and the activities of the companies involve in its discovery and production in our communities.*

*In generally, how beneficial is the oil and gas operations to your community.*

A woman in an angry mood said;

*As far as I know our community has not benefited in any way from the oil and gas operations. There is nothing hiding from what I am saying you can observe it yourself that the same infrastructure before and after the oil and gas project are still in place nothing new has been added to. Just to be specific our school building, market center and the chief palace are in their old state as before so we cannot talk about any benefit from the oil and gas project.*

Another respondent added;

*What is being said is the truth and nothing else.*

However a contrary remark was given as this;

*In the case of our community we should be appreciative in the sense that at least we have experienced a step of socio-economic development with the emergent of the oil and gas project. Thus there has been refurbishment of our basic school building and construction of the township road and drainage system is on-going.*

*We can as well boast of a health center constructed with the emergent of the oil and gas project in our community.*