

UNIVERSITY OF CAPE COAST

COMMUNITY PARTICIPATION IN MANAGING PETROLEUM REVENUES
IN AKYINKYIN IN THE WESTERN REGION OF GHANA

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BY

KINGSLEY SARBENG

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS,
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OIL AND GAS MANAGEMENT

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Signature: Date:

Candidate's Name: Kingsley Sarbeng

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with guidelines on supervision of dissertation laid down by the University of Cape Coast.

Signature: Date:

Supervisor's Name: Dr. Clement Lamboi Arthur

ABSTRACT

The oil sector contributes to the Gross Domestic Product (GDP), provides jobs and community development in Ghana. In June, 2007 when oil was discovered on the Jubilee fields in Ghana, it brought jubilation to the populace, especially the oil producing western region as the nation was to generate an extra source of revenue for the country's growth agenda. Despite the immense contribution of oil revenues, community members have been relegated towards contributing to petroleum revenue management in Ghana. The study therefore examined community participation in managing petroleum revenues in Akyinkyin in the western region. The research employed both quantitative and qualitative designs. The simple random and purposive sampling method was used in selecting respondents. Questionnaire and focus group discussion guide was the main data collection instrument and a sample size of 120 respondents was used. Frequencies, tables, percentages and themes were also used to present the data. The research found that respondents have adequate knowledge on community participation. It was also identified that community members are not involved in managing petroleum revenues and that the local people do not even have any representation on the board of governance in charge of petroleum revenue management. It is therefore recommended that government should implement appropriate engagement techniques at different stages in the management of petroleum activities in order to avoid conflict.

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DEDICATION

To my wife and children

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CHAPTER 1

INTRODUCTION

Background to the Study

Oil producing economies have seen development in several sectors of their countries. These sectorial and national developments have been possible because of effective management of oil revenues. The oil sector contributes to the Gross Domestic Product (GDP) of countries, provides jobs and community development. Countries such as Saudi Arabia, United Arab Emirates, Nigeria, Norway, Kuwait, Qatar, United States of America and many others have invested in the developmental agenda of their economies through the effective management of oil revenues (Amarfio, 2010).

In June, 2007 when oil was discovered on the Jubilee fields in Ghana, it brought jubilation to the populace, especially the oil producing western region as the nation was to generate an extra source of revenue for the country's growth agenda. Ghanaians were happy because oil producing countries have shown that there is a relationship between development and oil production (Amoako-Tuffour & Owusu-Ayim, 2012). This development was evident when the Ghanaian economy grew by twenty three percent (23%) in the first quarter of 2011 when oil production and exploration had begun (Ahadzie, 2012). The general outlook of economic growth stood at (13.6%) in 2011 as the growth rate was heightened by oil exports (Adam, 2012). As a result, Ghana has now become a destination for foreign direct investments and with the democratic development and stable political environment in the African sub region, the country is expected to achieve

more reasonable economic growth with the necessary governance, transparency and accountability in oil production.

However, it is an indisputable fact that oil exploration often becomes a resource curse to oil producing nations. This is partly due to the exclusion of host communities as primary stakeholders in the management of oil revenues (Babatunde, 2010). Adam (2012) explains stakeholder as any entity with a declared or conceivable interest or stake in a policy concern. He further says that the range of stakeholders relevant to be considered for a project or policy varies according to its complexity. Stakeholders can be of any form, capacity and size and can be individuals, organisations, or unorganized groups. In most cases, stakeholders fall into one or more of the following categories: national or political actors (e.g. legislators), international donors, multinational organisations, public sector agencies, interest groups, non-profit organisations, civil society organisations, community members and users (Efam-Dovi, 2013). In Ghana, the major stakeholders in the oil and gas industry include; host communities, oil companies particularly the International Oil Companies (IOCs), organized labour, Public Interest Accountability Committee (PIAC), Ghana National Petroleum Commission (GNPC) and government.

In order for stakeholders to hold government accountable to effectively managing oil revenues, host communities need to serve as a watchdog in the monitoring of the use of the resource (Chevalier, 2001). There have been several attempts to learn lessons from developed oil producing countries in trying to build effective and accountable systems that mitigate distortions and transform resource

wealth into national development. One possible way of ensuring effective petroleum revenue management is through community participation of host communities (Burby, 2003). According to Bourne and Walker (2005), community participation is a voluntary contribution by host communities in one way or another in cash or in kind in public programmes. Brobbey (2014) also views community participation as a bottom-up approach which originates from the people themselves and not forced by external pressures. Community participation is used by many development practitioners as a tool for stakeholders to influence development by contributing to projects and holding institutions accountable for the services they provide (Boschini, Jan & Jasper, 2007).

According to the Department for International Development (2002), the need to ensure that development becomes continuous, sustainable and one that transforms society towards achieving a quality of life led to the emergence of community participation. Community participation, as it has been essential in most sectors of the economy is vital towards the management of petroleum revenues in Ghana. In spite of the growing wealth accruing from oil sales, over (80%) of community members in the oil producing communities in Ghana are still poor (Amoako-Tuffour & Owusu Ayim, 2012). Essentially, all the development indicators show that oil producing regions in the country are underperforming and this has resulted in a maze of agitations. The agitations are as a result of the exclusion of host communities in the management of petroleum revenues (Amarfio, 2010). Although policy guidelines are set out to govern and regulate the petroleum revenues, there has been poor involvement of host communities in the

management of petroleum activities in the country (Babatunde, 2010). The research therefore seeks out to examine the level of involvement among community members and also provide solutions to an all-inclusive community involvement in petroleum management in Ghana.

Statement of the Problem

The importance of social inclusiveness in petroleum management constitutes a significant part of the national development process. In Ghana, revenue generation from the oil and gas sector has helped in achieving significant economic growth rates (Amarfio, 2010). Achieving these growth targets would not have been possible without strategic policy frameworks to regulate and control the governance of the revenues. There have been a number of policy frameworks to guide and ensure accountability of petroleum revenues in Ghana. The oil industry is governed by the Petroleum Revenue Management Act (PRMA) 2010, Ghana Model Petroleum Agreement (GMPA), Environmental Assessment Regulation 1999, Petroleum Income Tax PNDC Law 188 and Petroleum Exploration and Production Bill 2010 (Efam-Dovi, 2013). For instance the Petroleum Revenue Management Act 2010 provides for the creation of a petroleum account which constitutes two different funds namely the Ghana Stabilization Fund (GSF) and Ghana Heritage Fund (GHF).

Although policy guidelines are set out to govern and regulate petroleum revenues, there has been poor involvement of host communities in the management of petroleum activities in the country (Babatunde, 2010). Amoako-

Tuffour and Owusu Ayim (2012) describes that there is lack of proper distribution of the members forming the Public Interest Accountability Committee (PIAC). The committee is the official civil society watchdog of government regarding the management of petroleum revenues in the country but has no representation from host communities. This inequitable representation has made it unbeneficial to the host communities from the development they ought to have had in the region. Also, there is no effective supervision in place to ensure transparency and accountability in the activities conducted by government resulting in obscurity around the impact of the petroleum sector on communities and other civil society organisations (Bello, 2010). Further, accountability issues have been more evident when the government during the Public Accounts Committee (PIAC) was unable to account for revenues and expenditures from the petroleum sector and could also not provide evidence for documentation on contracts that they undertook with private companies.

Also, the processes on bidding, contract signing and contract development in Ghana is not transparent as stakeholders such as the host communities and civil society groups have been sidelined (Boateng, 2011). While some contracts are made available by government, others have also not been made available. Efam-Dovi (2013) describes that by the end of December 2014, seven (7) contracts out of twenty three (23) signed have only been made available. These processes makes accountability problematic in the country as it poses challenges in tracing revenue funds. Disclosures of oil contracts in most countries are compulsory but in Ghana, this is not the case as government feels hesitant in doing so because of

the corrupt practices and lapses in the law. Contract transparency is of interest as petroleum revenue managements have greater effect on communities in the areas of petroleum operation and the country as a whole (Gordon & Pulis, 2010).

Stakeholders such as community members, civil society groups and Non-Governmental organisations have all been relegated towards contributing to petroleum revenue management in the country. In Nigeria, for instance, host communities from whose land the resource is mined are left out of the equation of ownership (Babatunde, 2010). Resource control and revenue management in Nigeria are the most contentious issues which pose fundamental issues such as problems of governance, corruption, inter-group conflicts and violence and sustainability of democracy and development in the country (Bryson, 2004). Unless there is proper recognition of communities and their role in the ownership and management of petroleum revenues, there is likely to be continual issues of conflict in the oil producing region of the country, as denying the host communities of the dividend and management of oil wealth has been at the heart of many people in the region. It is as a result of these occurrences that the research seeks to examine community participation in the management of petroleum activities in Ghana.

Purpose of the Study

The main purpose of the study was to examine community participation in the management of petroleum activities in Akyinkyin in the western region of Ghana. The specific research objectives were to:

1. Explore the understanding of host community members on community participation.
2. Investigate the extent to which local people participate in the management of petroleum revenue.
3. Examine the factors that limit effective participation of community members in petroleum revenue management.

Research Questions

Based on the objectives of the study, the following research questions were formulated:

1. How do host community members perceive community participation?
2. To what extent are local people involved in the management of petroleum revenue?
3. What are the factors that limit effective participation of community members in petroleum revenue management?

Significance of the Study

This study is significant in various ways as it helps in understanding the knowledge level of host communities in community participation. It is also useful in assessing the extent of participation of local members in petroleum management. The research also brings out factors that limit effective participation of community members in petroleum management. It also helps government and political authorities, policy makers and petroleum revenue managers in relevant

decision making. It also informs community members, civil society organisations, PIAC, and other stakeholders to understand the importance of cooperation and participation among community members in petroleum management. It also helps to ensure transparency and accountability of petroleum revenues and reduce the menace of oil being a resource curse. Lastly, it serves as a reference point and adds to available literature on community participation in petroleum management.

Definition of Terms

Community Participation: Community participation is a voluntary contribution by people in one way or another in cash or in kind in public programmes. It is also viewed as a bottom-up approach which originates from the people themselves and not forced by external pressures; includes an active involvement of people from communities preparing for, or reacting to disasters. ***Petroleum Management:*** It is the systems put in place to ensure effective supervision of government activities and oversight bodies in identifying non-compliances with rules, wastes, fraud, abuse and mismanagement, and suggest or enforce corrections in petroleum revenues. They are an important force that induces a government to follow its own rules or principles in order to meet its own objectives.

Delimitations of the Study

The study covered Akyinkyin, in the western region of Ghana where community members were interviewed to seek their opinion and level of participation in the management of petroleum activities in Ghana. It also

comprised all community members of Akyinkyin, chiefs, opinion leaders, key informants and assembly members. The geographical area was chosen because it is one of the host community areas where oil and gas are explored and it is imperative to assess the level of community participation in the management of petroleum activities in Ghana.

Organisation of the Study

The research was presented in five chapters. The first chapter comprised the introduction which elaborates on the background to the study, problem statement, purpose of the study, research questions, significance and delimitations, and the organisation of the study. The second chapter reviewed theoretical, conceptual and empirical studies. The third chapter dealt with presenting the methodology used in carrying out the research while the fourth chapter presented the findings of the study. The last chapter covered the summary, conclusions and recommendations for the study.

CHAPTER 2

LITERATURE REVIEW

Introduction

Literature review is important as it links the research to the current state of relevant knowledge and provides a justification for the study. It also provides the background that supports the study and lays a foundation towards understanding the research. This chapter focuses on theoretical, conceptual and empirical approaches. Theories of Oil-Rich or Wealth Nations, Resources Curse or the ‘Dutch Disease’ and Ladder theory of Participation are used as the underpinning theories to understand the revenue management in the petroleum sector. The concepts of community participation and stakeholder participation are reviewed to give a clear understanding of the conceptual approaches. The relevance of host communities participation and empirical works from participation is also reviewed. Evidences from various oversight bodies in oil producing economies are reviewed as well as the oversight body of the Ghana’s petroleum sector which is the Public Interest Accountability Committee (PIAC).

Theoretical Framework

Countries endowed with natural resources have lots of value because the natural resources are seen as engines for socio-economic empowerment which is critical in most societies (Bello, 2010). Amoako-Tuffuor and Owusu-Ayim (2012) are of the view that oil and gas are important resources to any oil producing nation. They further assert that apart from ensuring economic development

through redistribution of resources, the petroleum industry attracts foreign direct investments as well as foreign earnings. However, the most critical element in oil producing economies which needs attention in oil and gas economies is the human dependence on the natural resource, accountability and participation mechanisms put in place to drive the development process. The discussion of whether or not the discovery of oil in Ghana facilitate development and may also produce a resource curse is considered under two theoretical paradigms known as ‘theories of oil-rich or Wealth Nations and theory of Resources Curse or the ‘Dutch Disease.’

Oil-Rich or Wealth Nation Theory

The theory of oil-rich or Wealth Nations states that countries endowed with oil and gas resources turn to develop at a faster pace but with high level of crimes (Faure & Hui, 2005). They explain that oil and gas extractive industries have great opportunities to expand their economies through socio-economic and infrastructural development such as job creation, provision of social amenities and improved living standards. However, this often comes at a cost especially when the resources are not appropriately handled which could lead to high level of crimes and crime related activities. This further means that any attempt by the state to misappropriate the revenues generated from the oil and gas industries could lead to unfortunate circumstances such as disorders in the form of political instability, persistent pirating and resource curses (Finn, 1995).

Indeed, this theory is useful for this research in two ways; first, it places Ghana in the context of oil-rich nations and second, it spreads the argument that oil rich economies are often manipulated by the capitalist economy which could often lead to a resource curse. For instance, Frooman (2005) describes that in a capitalist society, oil and gas or any natural resource is exploited by multinational corporations from exploration to exploitation and from transformation to marketing of the products. The reality is that the exploration and exploitation of natural resources require huge capital investments and this is usually undertaken by the multilateral companies. Miles (2012) posits that a developing country like Ghana, blessed with natural resources such as oil, do not automatically transform the lives of citizens into riches as the resource wealth or oil-rich nation's theory postulates. This is because investments and oil laws are done to favour the multinational corporations, who themselves are not transparent in their dealings and hence tend to undermine the accountability of the oil and gas industry (Moodley, Smith & Preece, 2008).

In theory, it is quite easier to explain that oil-rich nations have the tendency to become prosperous. Similarly, oil and gas revenue management has a legal backing, however, the laws and regulations are often not sufficient to ensure accountability since those laws and regulations are often designed by the multinational corporations. A major challenge of the oil and gas industry is its accountability mechanism and host community participation problem which can lead the economy into a resource curse (Partlett & Weaver, 2011). Ramseur (2013) attests that it is unusual to find any oil-rich nation in sub-Saharan Africa

operating a transparent and accountable oil and gas economy due to pervasive investment politics and capitalism. This is because multinational corporations create forms of networks which place their demands and share of investments at vantage positions for mutually reciprocating benefits.

Roach and Harris (2010) argue that despite the acceptance of the theory of oil-rich or Wealth Nation, it is inconsistent with the reality of oil and gas extraction economy. Oil and gas revenue management in most African countries lack the accountability mechanisms to ensure fair treatment of stakeholders. The media also lack access to information about the sector and the oil agreements with multinational corporations as well as stakeholders also lacking insight into the operations. These occurrences however lead the research to examine the theory of the resource curse.

Resource Curse Theory

The 'Resource Curse theory' states that mismanagement of the revenues and crimes associated with the oil and gas sector is the "visible form of the invisible curse" (Amoako-Tuffuor & Owusu-Ayim, 2012, p.25). Media reportage confirms the position of this theory as it explains that wars and other related crime activities have become pervasive in most oil-rich nations not because oil and gas industry is an evil resource but rather, the mismanagement and exclusion of host communities of such resource is equivalent to high level of crime and some level of atrocities (Amoako-Tuffuor & Owusu-Ayim, 2012). The theory of the resource curse used in this study explains how a lack of an accountability mechanism and

exclusion of host communities in the oil and gas industry could stimulate mismanagement and hence undermines its realities.

Steiner (2012) explains that the mismanagement of oil resources reinforces what the Dutch disease makes in countries where corruption is rampant. It is important to note that oil and gas extractive industries lack accountability mechanism and is characterized by pervasive disasters of capitalism (Suchman, 1995). In view of this, the study postulates that the revenues obtained from the oil and gas industries would be a blessing or a curse depending on the manner in which the revenues are utilised. Majority of Ghanaians are pessimistic about whether or not the oil and gas sectors would focus on national development and not be a menace towards national security. The study reviews how the oil and gas industry is managed in order to avoid the resource curse syndrome that has ravaged many natural resource-rich African countries through unravelling the accountability challenges and exclusion of host communities bedeviling Ghana's oil and gas sectors.

The Ladder of Participation

Theories of community participation have received considerable attention particularly since the early 1990's but have been a source of debate since the 1960's. Arnstein's ladder of participation is examined to support the theoretical context within which the appropriateness of different approaches to community participation is assessed (Arnstein, 1969). The particular importance of Arnstein's work stems from the explicit recognition that there are different levels of

participation, thus, from manipulation or therapy of citizens through consultation, and to what we might now view as genuine participation.

According to Arnstein (1969), community participation can be achieved through eight different stages which usually take the form of a ladder. This made Arnstein refer to it as the ladder of participation. According to him, each stage on the ladder is a systemic approach which requires the involvement of all persons in the community. He asserts that the ladder of participation starts with manipulation, therapy, informing, consultation, placation, partnership, delegating power and reaches the last stage which is the citizen control. However, the limitations of Arnstein's framework to explaining participation are obvious. First, each stage represents a broad category within which there are likely to be wide range of experiences. For instance, at the level of informing, there could be significant differences in the type of and quality of information being conveyed. Secondly, different levels of participation are acceptable in differing context and settings.

This progression recognizes that power is not always transferred in apparently participative processes as opposed to the common interpretation of Arnstein, that bring the thought that it is only acceptable to be striving towards citizen control. As a development to the framework of Arnstein, Wilcox (1999) also identified five interconnected levels of community participation. According to his proposition, the ladder of participation starts with supporting individual community initiatives, acting together, deciding together, consultation and

providing information. All of these frameworks leads to the understanding of what community really is.

Community Participation

The word community is a complex concept that has been defined by different scholars. Marsland (2006) describes community as a body of persons or nations having a common history or common social, economic and political interest. He further reiterates that the meaning of community is described in two forms. The first refers to social ideals of solidarity, sharing and consensus and the other also refers to groupings of people. According to him, community groupings are usually defined through affinity or geography. According to Cohen (2004), there are two central ideas that are found in the notion of community. They are aggregation and relation. Aggregation involves grouping together of people who share something in common and relation expresses the opposition of one community in relation to others that are different.

Participation is also multidimensional and has different meanings, focused on sharing in activities by privilege or right, which derive from basic construct of democratic theory. Pateman (2005) therefore posits that participation must include four elements, namely, participation by someone, participation with someone, participation in something and participation for some purposes. He further asserts that participation excludes where an individual merely takes part in a group activity, where an individual is merely given information on a decision affecting

him or her before it is executed or where an individual is present at a meeting but has no influence.

Rose (2003) therefore describes community participation as a generalized term that is used to reflect the extent to which communities are involved in the development processes. The World Health Organization [WHO] (2008) characterizes community participation on three levels; namely: marginal, substantive, and structural. In marginal participation, community input is “limited and transitory and has little direct influence on the outcome of the development activity.” They described substantive participation as characterized by the community being actively involved in determining priorities and carrying out activities, even though the mechanisms for these activities may be controlled externally. In structural participation, the community is involved as an integral part of the project, and its participation becomes the ideological basis for the project itself. According to Sullivan-Owomoyela and Brannelly (2009), the community plays an active and direct part in all aspects of the development process and has the power to ensure that its opinions are taken into account.

Bamberger (2008) also explains community participation as including both the processes and the activities that allow members of an affected population to be heard, empower them to be part of decision-making processes, and enable them to take direct action on social and economic issues. According to him, community members are involved in the development processes because their participation fosters local ownership. Elliot (2004) reiterates that local ownership helps ensure the long term sustainability of initiatives. According to him, in many

educational projects, communities that have taken ownership of and sustained initiatives have done so because they have embraced the importance of education for their children and not because they are motivated by external resources.

According to Nelson and Wright (2009), community participation is a voluntary contribution by people in one way or another in cash or in kind in public programmes. Bray (2004) also views community participation as a bottom-up approach which originates from the people themselves and not forced by external pressures. In the opinion of Campfens (2007), community participation is the active involvement of people from communities preparing for, or reacting to disasters. Gaventa and Valderrama (2009) also assert that community participation helps ensure a culturally sensitive approach to education, leading to greater parental involvement. In their opinion, parents are more likely to support the entire education system that is curriculum content, location of schools, school personnel and school calendars.

However, in some cases, community participation is seen as a means to access local resources and shift the responsibility for providing resources for education from the government to communities (Fosu-Siaw, 2004). The World Bank (1996) explains participation as a process through which stakeholders, influence and share control over development initiatives and decisions and resources which affect them. Kohssay and Oakley (1995) sees community participation as collaboration with an externally determined development project, often by contributing labour and resources in return for some expected benefits. Shaeffer (2004) clarifies different levels of participation including involvement

through the contribution of money, materials and labour. He also identifies involvement through attendance and consultation on a particular issue. Uemura (1999) also describes community participation as implementers of delegated powers and participation in real decision at every stage including identification of problems, planning, implementation, monitoring and evaluation.

Community participation is concerned with human development and increases people's sense of control over issues which affect their lives, helps them to learn how to plan and implement and, on a broader front, prepares them for participation at regional or even national level. In essence, participation is a good thing because it breaks people's isolation and lays the groundwork for them to have not only a more substantial influence on development, but also a greater independence and control over their lives (Rose, 2003). Without community participation, there is obviously no partnership, no development and no program. Hence the lack of community participation in decision making to implement educational development can lead to failure in community development (Miranda 2007).

Petroleum Management

Boateng (2008) explains that petroleum management are systems put in place to ensure effective supervision of government activities and oversight bodies in identifying non-compliances with rules, wastes, fraud, abuse and mismanagement, and suggest or enforce corrections in petroleum revenues. Faure and Hui (2005) also assert that petroleum management is an important force that

induces a government to follow its own rules or principles in order to meet its own objectives. The discovery of oil in Ghana in 2007 gave way to establishing different policy frameworks in managing petroleum revenues in Ghana. Ghana's oil and gas industry is governed by: Petroleum Revenue Management Act (PRMA) 2010, Petroleum Exploration and Production Bill 2010, Petroleum Income Tax PNDC Law 188, Environmental Assessment Regulation 1999, Ghana Model Petroleum Agreement. The PRMA 2010 makes provision for the creation of a petroleum account from which should be established Ghana Stabilization Fund (GSF) and Ghana Heritage Fund (GHF). These Sovereign Wealth Funds (SWFs) are created with the objectives of stabilising the economy and also securing the future of generations to come when oil resources would be depleted.

The GSF seek to provide a cushion to budget imbalances due to unanticipated revenue shortfalls caused by a fall in the petroleum price or through adverse production changes. The GHF seek to provide an endowment to support the welfare of future generations after the underground petroleum has been depleted. The same act assigns day-to-day operational management of these SWFs to the Bank of Ghana. Oil proceeds from lifting are distributed to Jubilee partners according to an entitlement scheme. GOG's oil proceeds come from oil royalties (rental right to exploit oil resources which is set between 5% to 12.5% of gross production); additional oil entitlements (scheme that ensures that as field production becomes more and more profitable, the State's share of that production increases); participating interest (return on investment for undertaking oil exploration and development venture), carried interest (participating interest in an

oil exploration and production venture without any financial contribution towards such venture); petroleum income tax (which is tax on corporate profit paid by oil producing companies to the state). In addition, the Government of Ghana (GOG) receives dividend payment and any surpluses from GNPC.

Oil revenues due to GOG are managed in accordance with the provisions of the Petroleum Revenue Management Act (PRMA) 2010. This Act provides the framework for effective collection, allocation, and management of petroleum revenue in responsible, transparent and accountable manner for the benefit of all Ghanaian. The Act calls for the establishment of petroleum account at Bank of Ghana for the receipt and disbursement of petroleum revenue due to the state. Cash inflow to petroleum account comes from royalties on oil and gas, participating interest, carried interest, additional oil entitlement, surface rentals, corporate income taxes, and dividends and corporate tax from GNPC. From this petroleum accounts shall be disbursed to the Ghana Stabilization Funds (GSF) and Ghana Heritage Funds (GHF) collectively referred to as Ghana Petroleum Funds (GPFs) excess petroleum revenues for the purpose of savings and investments.

Withdrawals from GSF are to be made only for the purpose of filling up a shortfall in annual budget due to insufficient petroleum revenue. The PRMA states that withdrawals from GSF are made where petroleum revenues collected in each quarter fall below one-quarter (1/4) of the Annual Budget Funding Amount for that financial year. The same withdrawal principle applies to GHF. Management of GPFs is a joint responsibility of both the Ministry of Finance &

Economic Planning and Bank of Ghana. The Minister develops the investment policy for GPFs; is responsible for the overall management of these funds; consults regularly with the Investment Advisory Committee and Governor before any decisions in relation to investment strategy or management of GPFs are made; and lastly establishes an operation management agreement with the Bank of Ghana for operational management of GPFs. The Bank of Ghana is responsible for the day-to-day operational management of the Petroleum Reserve Accounts (PRAs) under the terms of Operation Management Agreement; and manages the PRAs prudently within the framework of the operational and management strategy provided by the Minister.

Investment rules regarding GPFs require that resources of GPFs be invested in qualifying instruments prescribed in the PRMA. The Act defines a Qualifying instrument as; (1) a debt instrument denominated in internationally convertible currency that bears interest or a fixed amount equivalent to interest that is of an investment grade security and that is issued by or guaranteed by the International Monetary Fund (IMF), the World Bank or by sovereign State other than the Republic of Ghana if the issuer or guarantor has investment grade rating; (2) an internationally convertible currency deposit with, or a debt instrument denominated in any internationally convertible currency that bears interest or a fixed amount equivalent to interest issued by the Bank for International Settlements, the European Central Bank; or the central bank of a sovereign State other than the Republic of Ghana with a long-term investment grade rating; (3) a derivative instrument that is solely based on an instrument that satisfies the

requirements of this subsection, and where its acquisition reduces the financial exposure to the risks associated with the underlying instrument or instruments.

Relevance of host community participation

The significance of host community participation emerged from the need to make development continuous, sustainable and one that has long lasting impact transforming society towards achieving better quality of life. The ultimate goal of host community participation is developing a sense of ownership of programs. Although full engagement in community initiatives is highly desirable, for many communities it is a new concept. El Gohary, Osman and El-Diraby (2006) demonstrate that host community participation is a generalized term that is used to reflect the extent to which communities are involved in the development processes. Finn (1995) characterizes community participation on three levels; namely: marginal, substantive, and structural. In marginal participation, community input is “limited and transitory and has little direct influence on the outcome of the development activity.”

He describes substantive participation as characterized by the community being actively involved in determining priorities and carrying out activities, even though the mechanisms for these activities may be controlled externally. In structural participation, the community is involved as an integral part of the project, and its participation becomes the ideological basis for any project or activity. According to Gordon and Pulis (2010), the community plays an active and direct part in all aspects of the development process and has the power to

ensure that its opinions are taken into account. Jones and Wicks (1999) describe community participation as including both the processes and the activities that allow members of an affected population to be heard, empower them to be part of decision-making processes, and enable them to take direct action on issues. According to them, community members are involved in the development processes because their participation fosters local ownership.

Johnston (2011) reiterates that local ownership helps ensure the long term sustainability of initiatives. According to him, in many projects, communities that have taken ownership of and sustained initiatives have done so because they have embraced the importance of participation and not because they are motivated by external resources. Karlsen, Grae and Massoud (2008) also assert that community participation helps ensure a culturally sensitive approach leading to greater involvement. In their opinion, community members are more likely to support the entire project. However, in some cases, community participation is seen as a means to access local resources and shift the responsibility for providing resources from the government to communities (Keen & McPherson, 2011).

Kjeldsen (2010) opines that community participation can be useful to the management of petroleum revenues in oil producing economies. Community members who are often in poor oil producing regions need to be integrated or involved in the management of oil revenues. When they are excluded from the management process, it widens the economic divide and increases the discrepancy in the quality of life available to the poorest communities. The persistence of poverty in many parts of the oil region in Ghana today has made the issue of

petroleum management of critical importance especially to host communities. The transformation of the macro-political landscape, the promise of expanded democratization, the increasing risks of environmental degradation and endemic diseases, all of these challenges call for the more effective involvement in the management of oil exploration and revenues for a better life of community members (Miles, 2012).

Mitchell, Agle and Wood (1997) posit that community participation is a global phenomenon and the international community is encouraging oil producing developing countries to involve local people in the management of oil exploration and resources. The United Nation, World Bank and other donors who fund development projects require participatory approach involving local communities and a similar proposals have been made to oil producing countries. The need for bottom- up approach to the management of oil resources is highly admiring in creating sustainable development. Bottom-up approach to decision-making and implementation of development project is better than top-down because bottom-up approach brings people close to the development activities (Moodley et.al, 2008).

However, Babatunde (2010) argues that community participation in the management of oil resources is one of the important aspects of the democratic process. Major element of democracy is participation and involvement of people in matters that affect their life. Community participation depends on its representativeness, independency, involvement of stakeholders, level of influence and transparency in managing oil resources and Moore (1995) comments that

when people are not involved in development project, they are likely to oppose it creating chaos and instability in the oil regions.

Approaches to Community Participation

Community participation occurs in different areas in academic discipline such as organisational management, public policy and international development projects. Mitchell, (1997) describe that in organizational management, it is relevant to identify who is important from an organisation's perspective and to whom managers need to pay attention. In public policy, it is also important to engage the general public in order to design policies that are sensitive to the needs of the people (Olander, 2007). He comments that in public policy, a broader participation or engagement is necessary to ensure active participation, transparency, and decision making structures to ensure that citizens have the power to determine the services they need. Olander and Landin (2005) also view that in the field of international development, emphasis is laid on identifying those who are affected by a project or activity in order to ensure that it is responsive to local needs, thus ensuring support of the intended beneficiaries.

However, Bryson (2004) views that in all fields of study, it is important to develop systematic approaches for identifying and analysing community members and other stakeholders. Nutt and Backoff (1992) describes that in developing a systematic approach for community participation, it must focus on the principles of transparency, participation, equity and learning. Pajunen (2006) demonstrates that community or stakeholder participation involves identifying all primary and

secondary stakeholders who have interests in the issues with which the project or policy is concerned. According to him the goal of stakeholder analysis is to develop a strategic view of the human and institutional landscape, and the relations between the different stakeholders and the issues that arises. In this view, every project depends on selecting stakeholders with whom they can jointly work towards goals that will reduce or reverse the threats to the project targets.

Stakeholder and community participation helps to identify; the interests of all stakeholders who may affect or be affected by the project; potential risks or conflict that could jeopardise the project; opportunities and relationships that can be built during implementation and ways to reducing negative impacts on vulnerable and disadvantaged group (Prager & Freese, 2009). According to Steiner (2012), for sustainability of projects or activities, all stakeholders need to be integrated and involved because of different forms of knowledge and perspectives. In order to include different forms of knowledge including non-technical, indigenous, and layperson's experiences, the assessment process should include participation of wide range of stakeholders including non-specialists and especially those who are affected (Partlett & Weaver, 2011).

Newcombe (2003) puts forward that community participation must involve those who have little or no influence on the project but may possess different knowledge types described to be instrumental, thus, common sense and knowledge gained through experience. Shepherd and Bowler (2013) argue that in projects or activities, inclusive decision making processes are more likely to lead to an increased sense of ownership and support. This emphasizes the need for all

the intended as well as non-intended users of a project to be considered as stakeholders, since their sense of ownership may be crucial for the project. Also, there is the need to engage the local community or general public who may not be targeted users, and not considered as stakeholders in a narrow conception of the term, but may be considered as stakeholders (Karlsen, Grae, & Massaoud, 2008).

Oil as an increasing scarce resource continues to fuel the global economy and as the production outputs of traditional reserves are decreasing, its control crucially influences economies and politics worldwide. Like most oil and gas export-dependent states in the Middle East, North Africa and Nigeria, Ghana has an institutional framework which regulates the use of oil revenues. Stakeholders in Ghana's oil and gas development can be categorized as; host communities, oil companies particularly the International Oil Companies (IOCs), organized labour, Public Interest Accountability Committee (PIAC), Ghana National Petroleum Commission (GNPC) and government. However, due to the wider group of stakeholders in Ghana's oil and gas industry, only the host communities would be taken into consideration as stakeholders in this study. This is because host communities are key people who can significantly influence or are important to the success of the industry and the research.

Frooman (2005) explains the host communities to be those communities 'hosting' the oil and gas resource in their land or people resident within the oil prospecting license or petroleum mining lease area. In Ghana most of the host communities are found in the Western region. The stakeholders in host communities include individuals, groups or organizations that are potentially

affected by the exploration of oil or who have an interest in or influence over the exploration. Bourne and Walker (2005) describe that these host communities are usually the most vulnerable to the social and environmental impacts of oil industry development in Ghana. The host communities in Ghana are however more interested in the oil and gas exploration due to the exclusion and lack of transparency and poor accountability mechanisms put in place.

Ahadzie (2012) posits that the oil and gas industry in Ghana is run by inefficient and weak entities that are precipitating waste which is embedded in social exclusion. African oil producers have had very poor development records and much of the oil revenue that the oil producers receive have been wasted through corrupt practices by government officials. Ghana's oil sector could deteriorate to an outright collapse in the next few years, a scenario that could drag down and destabilize a large part of the Western region. The oil-rich region has in recent years waged campaigns against the oil companies and the state; protesting among other things against ecological devastation and social exclusion by the state. The oil and gas industry in Ghana is state controlled and the legal framework before now did not clearly make provision for stakeholder engagement which provides for aligning business practices with societal needs and expectations, that helps drive long term sustainability and stakeholders' value.

The absence of formal engagement has considerably strained relations between indigenous communities, oil companies and the state (Lynn, 1996). Often times, the lack of the institution that can resolve conflicts lead to the need to bring the activities of this sector in tune with current realities, resulting in the

creation of the Oil and Gas Sector Reforms and other Petroleum Revenue Management Acts (Adam, 2012). There is the need to create a mandate of framework that meets the peculiar needs of oil producing communities in order to reduce relational frictions in the operating environment and to completely overhaul the fiscal system that hitherto governed revenue sharing from oil and gas operations in the country (Aaltonen & Sivonen, 2009).

Public Interest Accountability Committee (PIAC)

Olander and Landin (2005) describes that public oversight is the supervision of government activities and that oversight bodies identify non-compliances with rules, wastes, fraud, abuse and mismanagement, and suggest or enforce corrections. They are an important force that induces a government to follow its own rules or principles in order to meet its own objectives. Public oversight bodies also encourage governments to manage public funds in the public interest, rather than for private gain, and to follow the rule of law (Chevalier, 2001). Taylor (1998) describes that public oversight bodies gain their influence through different channels such as judiciary, parliaments and independent regulatory agencies. In other instances, they must rely on their legal or informal powers to persuade policymakers and for those without direct access to policymakers, they can persuade the public or influential groups to pressure the government through the use of the media and civil society groups. But whether or not rules are in place, oversight bodies have important roles to play in promoting good governance of resources and holding governments to account.

Bourne and Walker (2004) also put that oversight bodies can incentivize compliance with rules or consistency with objectives in a number of ways such as raising concerns or identifying gaps in good governance standards to help the government implement reforms and manage resource revenues better. In Ghana, the Public Interest Accountability Committee (PIAC) is the institution with oversight responsibility towards the Management of oil and gas revenues. The Public Interest and Accountability Committee (PIAC) was established by an Act of Parliament, the Petroleum Revenue Management Act (Act 815) 2011. The bill was first passed in March 2011 by the Parliament of Ghana and amended in 2015. The Committee was however inaugurated in September 2011 but actually started operations the following month.

PIAC was mandated to; monitor and evaluate compliance with the Petroleum Revenue Management Act; provide a platform for public debate on whether petroleum revenues are being used to advance development priorities; and provide an independent assessment of the management and use of petroleum revenues. PIAC represents the only legislated petroleum revenue management oversight body consisting entirely of civil society members and therefore completely independent. As such, there is keen interest from the international community to determine if it provides an effective model to promote compliance with fiscal rules and improve natural resource fund governance (Tordo & Johnston, 2010).

PIAC is a citizens-led independent statutory organisation with representation from various groups and institutions in the country. The

nominating institutions from where PIAC derives its membership are; independent policy research think tanks, Civil Society and community based organisations, Trade Union Congress, National House of Chiefs, Association of Queen Mothers, Association of Ghana Industries and Chamber of Commerce, Ghana Journalists Association, Ghana Bar Association, Institute of Chartered Accountants, Ghana Extractive Industries Transparency Initiative, Christian groups namely the National Catholic Secretariat, the Christian Council and the Ghana Pentecostal Council on a rotational basis, the Federation of Muslim Councils and Ahmadiyya Mission on a rotational basis, and Ghana Academy of Arts and Sciences. PIAC is unique because it is a citizens-led oversight body with representation from various segments of society who are sworn in by the Minister of Finance to exercise oversight over the same Minister and the government (Amrfitio, 2010).

For PIAC, transparency and accountability implies that the citizens of Ghana are provided sufficient information to know what rules guide the development of petroleum resources, who is given the responsibility to develop these resources and how much revenue is generated from these resources. Transparency is a tool that helps citizens assess government's management of petroleum wealth and hold her to account (Tordo & Johnston, 2010). This means that the Committee provides a platform for the citizens to influence the decisions of government in managing oil and gas revenues and the government is answerable to the citizens. Since its establishment PIAC has provided continuous monitoring of government through issues raised in its annual and semi-annual

reports and press releases some of which have received attention from government. The Committee has also provided a huge platform for the public to debate government's management and use of oil revenues through PIAC's public forums which have so far been held in eight regions of Ghana.

In addition, PIAC's advocacy has ensured that government complies with the Petroleum Revenue Management Act and where there are challenges with implementation, PIAC has raised concerns and proposed changes which led to amendment of the Act. The new Act (Act 893) addresses some of the implementation bottlenecks of the previous Act (Act 815). However, PIAC relies on data and information from stakeholder institutions and companies for its reports. Ministry of Finance, Bank of Ghana, Ghana Revenue Authority, Auditor General's Department, Ghana National Petroleum Corporation and Petroleum Commission are the main sources of information and data for PIAC. PIAC also has two main sources of funding for its activities; Government of Ghana funds and Donor funds.

Empirical Review

The persistence of poverty in many parts of the world especially in Africa today have made stakeholder participation in community activities an issue of critical importance. The transformation of the macro-political landscape, the promise of expanded democratization, the increasing risks of environmental degradation and endemic diseases, all of these challenges call for the more effective development of stakeholder participation. Aspin and Chapman (2004)

posit that stakeholder participation is a global phenomenon and the international community is encouraging developing countries to involve people in development. The United Nation, World Bank and other donors who fund development projects require participatory approach involving local communities. The need for bottom-up approach to the development is highly admiring in creating sustainable development. Bottom-up approach to decision-making and implementation of development project is better than top-down. Bottom-up approach makes people close to the development activities (Dixon, 2008).

However, Hallak (2009) argues that community participation in decision-making process is one of the important aspects of democratic process. Major element of democracy is participation and involvement of people in matters that affect their lives. Community participation depends on its representativeness, independency, earlier involvement of stakeholders, level of influence and transparency in decision-making process. Dixon (2008) reiterates that when people are not involved in development project, they are likely to oppose it. A good example was a borehole project that was constructed by World Vision Ghana in the Upper East region. The borehole was constructed without involving the people in the process and only sited the borehole based on the agreement between the chiefs and the project managers. In the end, the people did not like where the borehole was constructed and abandoned the use of the borehole while they still went to the river side to fetch water.

According to Hallak (2009), a similar thing occurred in South Africa where commercial banks decided to build houses and offered loans to poor

Africans without involving the people in the project design and implementation. After people took the houses, they realized that the houses have poor quality and boycotted payments because they felt cheated. Brohman (2006) asserts that community participation empowers people, builds social capital, and strengthens local governance. For example, the government of Japan through JICA in improving primary education in Niger established a project on “improving school management through community participation in Niger.” Niger is one of the countries in Africa characterized by extreme poverty and poor quality education with low gross enrolment of 38 percent, absolute lack of classrooms and low level of awareness among the community and parents.

In collaboration with the government of Niger, JICA established a School Management Committees consisting of headmaster, representative of teachers, representative of parents, and the community, village and religious leaders. Through this participatory approach Niger, managed to improve the quality of primary education and created a sense of ownership of schools by communities and parents. The government influenced people and the community to participate in community development projects. In order to ensure that the community effectively participated in the development agenda, the government established Capital Development Grants (GDG) to societies. In Zambia, the government of ensured people participated through the provision of social services. For instance, from the mid-eighties, the country adopted cost sharing in primary education. The term cost sharing simply means that the government did not work alone to provide social services but also the community had to contribute for the services.

Encouraging participatory approaches to development is difficult to do for several reasons. First, many communities, perhaps especially those most disadvantaged are not all homogeneous in nature. Duke (2009) posits that social stratification, divisions along caste, religious, and ethnic lines, personal rivalries and social factionalism, and the incompatibility of interests are all factors which make it difficult to talk of community mobilization through participation. He further asserted that a community seen as natural in some way may not necessarily be the community most appropriate to mobilize towards a particular outcome. In such a context, participation may bring irresolvable conflicts out into the open, exacerbating rivalries of class, and ethnicity by making potential differences in goals and tactics explicit, rather than keeping them constrained and hidden through the operation of traditional roles and responsibilities (Elliot, 2004).

Dubbeldam (2010) also asserts that where community members may want to work together, a major obstacle may be the sheer lack of experience and skill in participatory and collaborative activities. Participation by the community in development and the collaboration of the community with other partners imply certain knowledge and skills such as setting goals and priorities, running meetings, planning budgets, accounting for resources. Campbell (2010) also posits that potential participants, especially those economically and socially weakest, may lack a sense of self-confidence. They may also feel, or may have been encouraged to feel, that, given the overriding authority of the government,

they have little political power, few obligations beyond receiving government services, and little ability to affect government policy.

Furthermore, sceptics argue that marginal communities cannot bear the added expense of participatory processes especially in terms of financial resources and of the time and energy required of participating community organizations, government agencies, and individuals (Hall, 2009). Overworked village leaders and community members struggling for survival, particularly if affected by the inherent meekness and illiteracy of many communities, do not find it easy to participate in labour-intensive, collaborative activities, and participation in the management of meagre resources is often seen as not worth the effort. Drabek (2007) also reiterates that because sometimes there are so many development agencies each dealing with problems in each sector, people can get only more and more confused because they do not have the training necessary to understand how all those activities which are being proposed are integrated into one another. The tendency is to set up village groups, associations, and committees each time a new operation commences. This has the double inconvenience of multiplying, at times needlessly, people's organizations and marginalizing existing forms of organization with the result, in cases, of creating social tension.

Changran (2010) also posits that participatory processes do not just happen by themselves, but rather require new and complex managerial and supervisory skills, attitudes, and behaviours. He also argues that authorities within and across schools, teachers especially those from another region, ethnic group, or language group able to carry out surveys of community needs, district officers

able to work with programme staff of non-government organizations, central planners willing to issue the regulations mandating community involvement in curriculum development - all of these are not easy to develop in traditional bureaucracies and, once developed it becomes difficult to sustain.

Cusworth and Franks (2003) also describes that participation is often in conflict with a political culture where initiatives toward reform may require clear sanction from above and where, for example, both parental participation in designing school policies and flexible, non-standardized responses to a variety of development contexts are difficult to imagine. However, the absence of clear rules as to who should do what and when, poor technical support from those meant to provide it, and the fear of losing control to other agencies, to lower levels of the system, or to outsiders all make it difficult to encourage new initiatives.

Thus, for example, reforms involving the participation of the community and of other sectors in education require flexible, multi-sectoral approaches and are often seen as interfering with the academic, examination-oriented aspects of the curriculum or as being intrusive, unprofessional, and working against the accepted wisdom that quality necessarily depends on higher teacher salaries, better facilities, and the competence of a better teaching staff.

Conceptual Framework of Petroleum Revenue Management

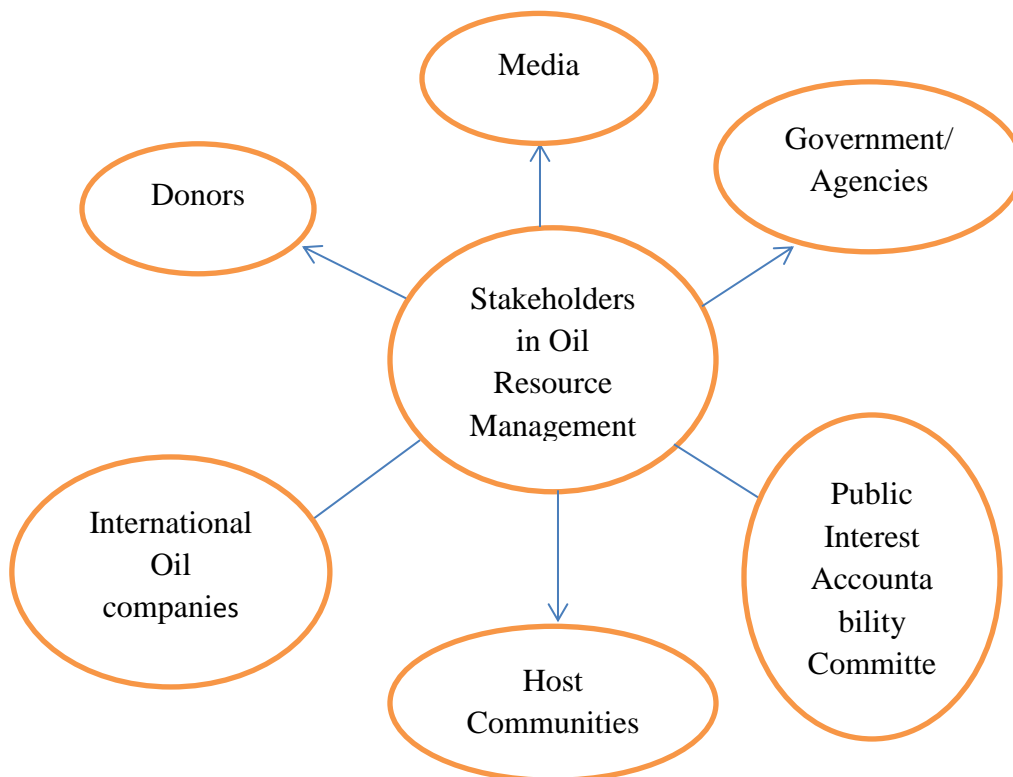


Figure 1: Stakeholders in Petroleum Revenue Management

Source: Sarbeng (2017)

It is important to have established formal multi-stakeholder groups such as PIAC, media, host communities, international oil companies, donors and government to reinforce and support the work of petroleum revenue management. In Ghana, civil society groups including chartered accountants, trade unions, religious organizations and traditional leaders form important stakeholders in petroleum revenue management. The media is also identified as one major stakeholder in the management of oil revenues in many countries. Television, radio, newspapers and internet coverage of fund management can encourage good

fund governance. News of unwarranted withdrawals from the Petroleum Fund causes a degree of disenchantment and indignation among citizens and puts people in the know on how revenues are utilized.

A number of international organizations and think tanks provide independent assessments of fund operations and management. For example, the International Monetary Fund (IMF) includes regular assessments of natural resource fund performance in its Nigerian and Norwegian Article IV consultation reports. They assess natural resource fund transparency and management as part of its Resource Governance Index of which the Brookings Institution periodically grades sovereign wealth funds using indicators of structure, governance, transparency, accountability and stakeholder participation.

Host communities are also useful in the management of petroleum revenues in Ghana. Community members who are often in poor oil producing regions need to be integrated or involved in the management of oil revenues. When they are excluded from the management process, it widens the economic divide and increases the discrepancy in the quality of life available to the poorest communities. However, when they are involved in the management process, it leads to sustainability and greater development hence reducing the ability of the oil resource to be a curse to the nation. The transformation of the macro-political landscape, the promise of expanded democratization, the increasing risks of environmental degradation and endemic diseases, all of these challenges call for the more effective involvement in the management of oil exploration and revenues for a better life of community members (Van de Walle, 2005).

Chapter Summary

The chapter reviewed literature on theories, concepts and empirical evidences on stakeholder participation. Many countries endowed with natural resource such as oil have not been able to meet the demands of citizens due to social exclusion of community members in the management of oil resources. Many governments have relied on their own agenda for development by managing resources excluding citizens which have led to the mismanagement of oil revenues, leading to the resource curse theory which underpins the research. Evidences from other countries on their failings to oil revenue management have also been reviewed to position Ghana on the path of growth so as not to be affected by the Dutch disease.

CHAPTER 3

RESEARCH METHODS

Introduction

Research methodology is the systematic process of finding solutions to research problems. Patton (1990) also explains that research methodology helps to understand the assumptions underlying various techniques and procedures which are applicable to solving problems. The research methodology comprises the research design, study area, population, sampling, data collection methods and instrument, data analysis and ethical issues.

Research design

The research employed both the qualitative and quantitative method. Qualitative studies involve a language of cases and context, examines social processes and cases in their social context and study interpretations or meanings in specific socio-cultural settings. This design was used because the substance of this study entails a detailed explanation of the involvement of community members in decision making in the management of oil revenues in Ghana. “Quantitative data is usually produced by coding some data, which is reduced to a number by stripping off the context and removing content from it. Later after manipulating the numbers, they are interpreted, that is, expanded by adding content and context which enable one to see through the numerical tokens back to the social world” (Halfpenny, 1996, p.5).

The descriptive survey was also used. According to Sarantakos (2005) a descriptive study design is used to describe what conditions exist. It involves the use of techniques to describe, record, analyse and interpret conditions that exist. A descriptive study design also involves comparison or contrast and attempts to

discover relationships between existing variables. This design was used as it helped to describe the level of inclusion of the host communities in petroleum revenue management in the country. A descriptive study was relevant for this study because it helped to ascertain and describe the characteristics of the variables of interest regarding the involvement of community members in petroleum revenue management. This approach helped to provide an understanding of participation of host communities in the management of petroleum revenues in the country.

Study area

“Akyinkyin” is a small fishing community in the Ahanta West District of the western region of Ghana. It is located between Dixcove and Princes town all located at 0 latitude, 0 longitude and 0 altitude. It is usually known as “The Cape Three Point.” The capital of Ahanta West district is Agona Nkwanta which has a land area of 591 kilometers with a population of 95,140 (Ghana Statistical Service, 2010). At the current growth rate of 3.2% it is estimated that the population would be 102,186 by 2017 (Ghana Statistical Service [GSS], 2010). The increase in population growth in the district over the periods has been attributed to the migration of people from different parts of the country towards the locality due to the exploration of oil and gas in the area. With the recent oil and gas development and increasing manufacturing activities, the cost of residential accommodation has doubled.

The main economic activity in Akyinkyin is fishing but usually during the lean seasons, farming becomes a replacement to fishing activities. Crops such as cassava, yam, plantain, tomatoes and other vegetables are grown but are on smaller scales. The men go fishing while the women engage in fish mongering. The women usually buy the fish, smoke them and sell to other people. Other economic activities engaged in by community members include petty trading, hairdressing, dressmaking, furniture works, block making and many others. As a result of the oil exploration, fishing has been redirected to other areas along the coast and fishermen now fish far away offshore from their communities. Fishermen sometimes migrate to other coastal areas in the sub-region in response to availability of fish, the price of fish or the need to raise money to pay back accumulated debts or to invest. Such migration could be short term (seasonal), long term or sometimes permanent. Some fish traders during the lean season also adopt the strategy of purchasing frozen fish from cold stores, which they later smoke for sale. These strategies are adopted in order to earn incomes to facilitate loan repayments and also cope with hardships associated with low fish catches.

The area of study was chosen to examine the level of inclusion of host communities in the management of petroleum activities in Ghana. With the exploration of oil and gas in the region, community members in host communities have complained about the exclusion of their leaders and the general community in oil related management issues. Community members have also complained of lack of development in the oil region and poor conditions of living coupled with high standards of living in the communities due to the exploration of oil activities.

It is therefore necessary to investigate the level of host communities' participation in the oil related management.

Study population

A study population is the number of people in a particular area but for the purposes of research, a researcher is free to define population in whatever way is considered appropriate to address the research question (Neuman, 2011). For the purpose of this research, the population of the study comprised all members in the Akyinkyin locality including local leaders, fisher folks, traders, fishermen, opinion leaders, chiefs and key informants.

Sampling and Sampling Procedure

Sampling is the process of selecting from a larger population a small collection or units and examining in detail to understand a much larger set of cases. It also involves the selection of elements from a population and may be used to make statements about the whole population. An ideal sample is one that provides a perfect representation of a population, with all the important features of the population included in the sample in the same proportions. According to Krejcie and Morgan (1970), the probability method is the best method used in a quantitative study. Therefore, this research employed the probability sampling technique. The simple random method was employed to give respondents equal chance of being selected in the study. The simple random sampling method was used because it involves a selection process that gives every possible sample of a

particular size an equal chance of being selected. However, the simple random sampling technique does not guarantee an exact representation of a population but it allows the use of probability theory to provide an estimate of likelihood of such samples being drawn. The research also used the purposive sampling technique to ascertain from specific people the levels of community participation.

The method was also used due to the nature of the research, the availability of information that would be gotten from respondents and the low cost to the researcher. According to the sample size distribution table developed by Krejcie and Morgan (1970), a population of over 95,000 requires a sample size of 305 to ensure representativeness. According to them, as population increases the sample size increases at a diminishing rate and remains relatively constant. However, Newman (2007) asserts that a sample size of more than 100 is adequate for running a quantitative analysis and gives a representation of the population. Therefore, a sample size of 120 respondents was used in this research. The lottery method of the simple random sampling technique was also used to select respondents for the study.

Data collection method

The survey questionnaire and focus group discussion was used to collect primary data for the research. Data collected from this source focused on the research questions in helping address the research problem. According to Buame (2006), the survey method is used to study the sample of individuals from a population with a view towards making statistical inferences about the population

using the sample. The survey method was used because it is less costly and ensures standardisation of measurements. Focus group discussion was used to provide more in-depth information to support the study and a tape recorder was also used. Data collection was carried out by the researcher. The means of administering questionnaires through face-to-face was used in gathering information. In fact, this method provided a more simple and easy way of collecting data. One focus group discussion was also done by the researcher which consisted of seven member group. Data was collected by the researcher and commenced from 4th August 2017 to 7th August 2017.

Data Source

The study employed the use of questionnaires and focus group discussion guide to collect primary data. The questionnaire instrument was used due to its high degree of confidentiality. The questionnaires were close ended. Closed ended questions were used because they provided easier and quicker responses from respondents and easy to analyse statistically given the nature of the study. The focus group discussion guide also helped discover unanticipated findings and permitted creativity, self-expression and richness in detail. The focus group discussion guide comprised of ten questions which focused on answering questions to the research objectives. The questionnaires also consisted of seventeen (17) items grouped into four sections.

The first section comprised the background information of respondents. This sought to gather some personal information about respondents. The second

section sought to explore host communities' understanding of community participation. Section three also investigated the extent to which local people participated in the management of petroleum activities. Section four evaluated the factors that limited effective participation of community members in petroleum management.

Data Analysis Tool

Each questionnaire was numbered, cleaned and edited before coding. Raw scores were fed into the computer and analysed using Statistical Package for Service Solution (SPSS) software version 22.0. Descriptive statistics such as frequencies, tables and percentages were used. The use of themes was also used to analyse qualitative data especially for the focus group discussion.

Ethical issues

The research ensured the principle of confidentiality of information and truthfulness established. This helped protect information gathered from respondents. The researcher also ensured that responses given by participants could not be traced back to the respondents in the analysis. In order to ensure confidentiality, respondent's names were not included in the questionnaire. The recorded information gathered during the focus group discussion was also transcribed for further analysis. Respondents were required to provide informed consent and their voluntariness in participation and the freedom to decline or withdraw at any time during the questionnaire administration process (Terre

Blanche, Durrheim & Painter, 2006). Each questionnaire administration lasted twenty (20) minutes and the focus group discussion also lasted forty (40) minutes.

Study Limitation

Despite the success of the study, there were some constraints that the researcher faced. Some respondents exhibited non-cooperative attitudes towards the researcher. Retrieval of questionnaires was very difficult and the researcher had to visit respondents several times. Despite the challenges, efforts were made to retrieve one hundred and twenty questionnaires that were given out.

Chapter Summary

The methodological approach adopted for this research was both quantitative and qualitative. Questionnaires were distributed to one hundred and twenty respondents along with the research conducting one focus group discussion to ensure an in-depth study of the topic. Questionnaire administration and focus group discussion were used as the data collection method. Ethical principles in research were applied in conducting the research.

CHAPTER 4

RESULTS AND DISCUSSION

Introduction

This chapter of the study presents the results and discusses data collected from the field. The chapter is grouped into two main sections. The first section analyses the demographic information of respondents and the second section addresses the objectives of the study. A focus group discussion consisting of seven community members was undertaken. Statistical Package for Service Solution version 22 was used in analysing data collected whilst tables, frequencies, percentages and charts were also used in analyzing data.

Demographic information

The demographic information of respondents used in the study comprised sex, age, marital status, level of education and years of stay in the community.

Sex of respondents

The sex of the respondents from the study shows that 67 percent of respondents were males while 33 percent of respondents were females. This implies that responses were dominated by males. The sex of respondents is presented in Table 1.

Table 1: Sex of respondents

Sex	Frequency	Percentage
Males	80	67.0

Females	40	33.0
Total	120	100.0

Source: Field Survey (2017)

Age of respondents

Age of community members is important to the level of participation in the management of petroleum activities and this made it necessary to explore the ages of respondents in the community. The study identified that twenty five (25%) percent of respondents were between the ages of 31 and 49 years; sixty two (62%) of the respondents were above the age of 50 years and thirty percent (13%) percent of respondents were below 30 years. This is an indication that most of the respondents are mature and have the capability to deliver optimum results and contribute to the management of petroleum activities in the community. The ages of respondents is presented in Table 2.

Table 2: Age of respondents

Age	Frequency	Percentage
30 years and below	15	13.0
31-49 years	30	25.0
50 years and above	75	62.0
Total	120	100.0

Source: Field Survey (2017)

Marital status of respondents

Adam (2012) associated marital status with individual's ability to make contributions towards societal development. The research showed majority (55%)

of the respondents are married while 40 percent of respondents are single. However, 5 percent of the respondents have either been divorced or widowed. The outcome of the results reveals that many of the respondents are better placed to perform their responsibilities responsibly to societal activities as Babatunde (2010) demonstrated that married individuals are more devoted and passionate in work activities. The finding on respondents' marital status is presented in Table 3.

Table 3: Marital status of respondents

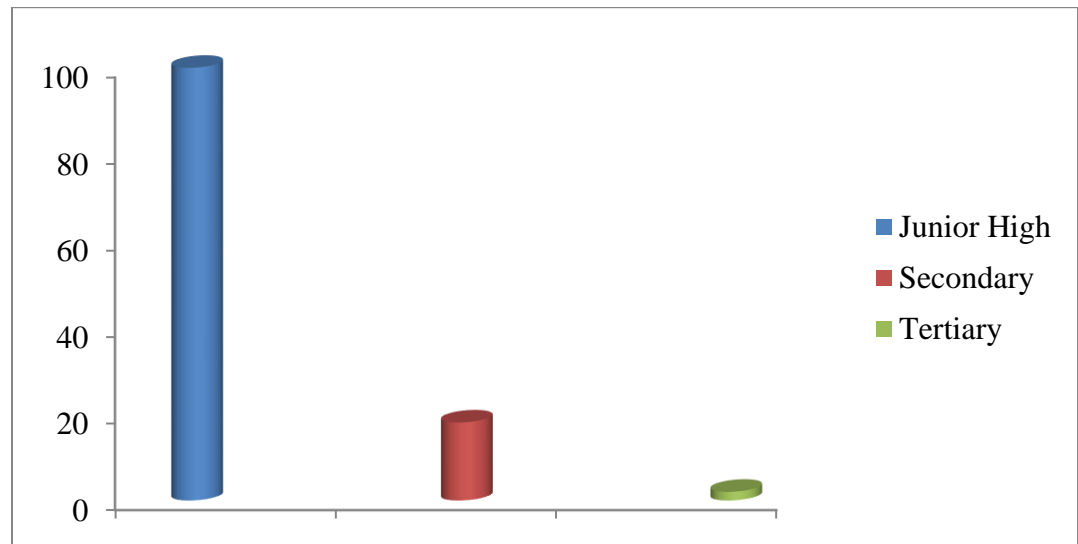
Marital status	Frequency	Percentage
Single	48	40.0
Married	66	55.0
Divorced/widowed	6	5.0
Total	120	100.0

Source: Field Survey (2017)

Level of education

The study also ascertained the level of education of respondents to determine their academic status. This will help to understand if the community would have a representation on the government board for the management of petroleum activities. The finding revealed that hundred respondents (83%) had completed junior high schools; eighteen respondents (15%) had also completed senior high school with three respondents (2%) having completed training college. This disclosure is quite discouraging as the education level of community members are very low which may not encourage government to put some

members on any board in the management of petroleum activities. The level of education of respondents is presented in Figure 2.

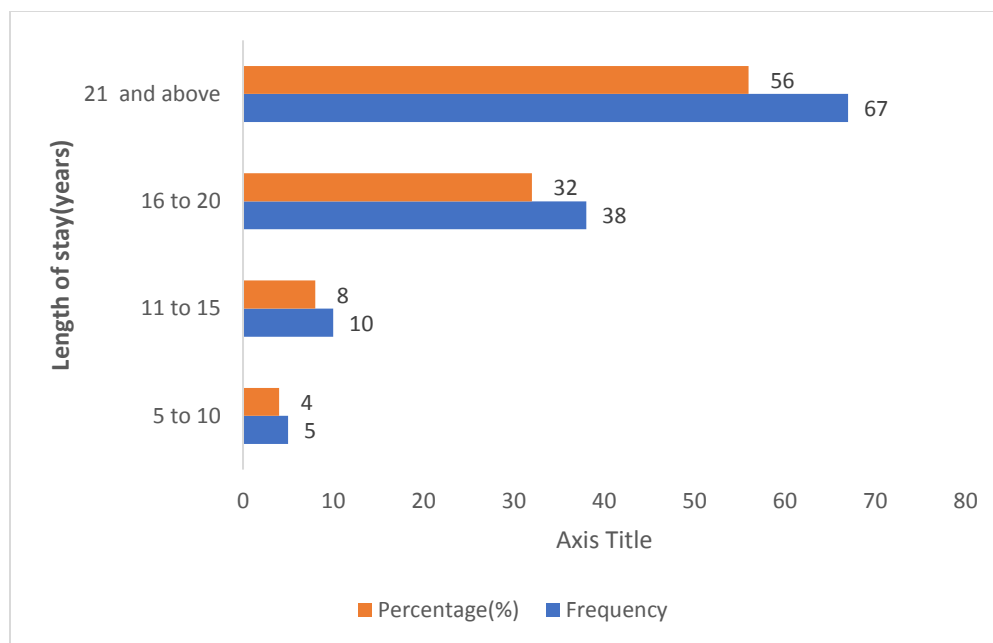


Source: Field Survey (2017)

Figure 2: Level of education of respondents

Length of years in the community

Respondents were also asked how long they have lived in the community and the result is presented in Figure 3.



Source: Field Survey (2017)

Figure 3: Length of stay in the community

The study revealed that four (4%) percent of respondents have stayed in the community between five and ten years. The study further revealed that eight (8%) percent of respondents have also lived in the community between eleven and fifteen years and thirty two (32%) of respondents have also stayed in the community between sixteen and twenty years. Majority (67%) of the respondents have stayed in the community for more than twenty one years. Many of these individuals were born in the community and have lived all their lives there. This goes on to show that the people who were selected for this study have in-depth knowledge of the town which is in agreement with the assertion by Marsland (2006) who argue that people who live in a particular locality over a long period of time have requisite knowledge about the place and are able to express their views better about the locality.

Understanding of host community members on community participation

This section analyses the major objectives of the research. First, the study sought to explore the understanding of host community members in community participation. The essence of this was to explore whether community members understood community participation. The research found out from respondents who are stakeholders in the community. The findings are presented in Figure 4.

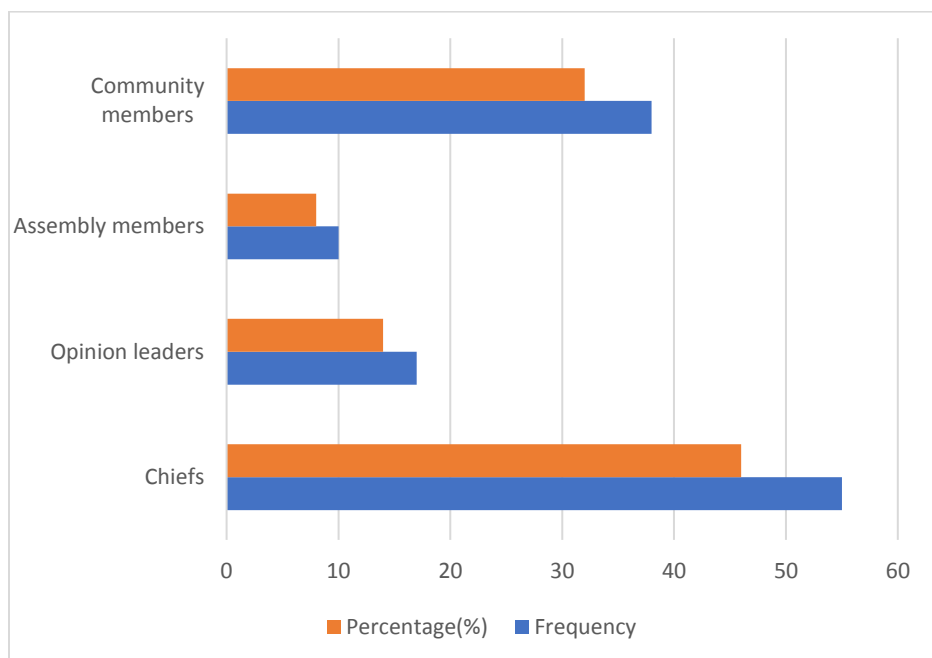


Figure 4: Constitution of stakeholders

Source: Field data (2017)

The results of the findings indicate that forty six (46%) percent of respondents answered that chiefs are stakeholders in the community. It was also revealed that thirty two (32%) percent of respondents answered that community members are also stakeholders while fourteen (14%) percent answered that opinion leaders represent stakeholders with eight (8%) percent saying assembly members in the community are also stakeholders. The finding from the research

indicates that respondents have adequate knowledge on who constitute stakeholders. This reinforces and supports the assertion by Aaltonen and Sivonen (2009) who demonstrates that if people would appreciate the importance of participation, then they need to be conversant with its principles. It is also consistent with the work of Barzelay (2011) who revealed that adequate knowledge level of stakeholders are relevant and important towards the successful completion of a project.

A focus group discussion was undertaken to also assess the understanding of community members on community participation. The majority of participants had heard about community participation and they associated it with empowerment or involvement of the community in activities or programs. Respondents expressed their view on their understanding of community participation. In the focus group, one of the opinion leaders said:

“Community participation means the local people being partakers of a project or a program that is undertaken in a community.”

A 40 year old man also lamented that:

“Community participation means the local people doing something to help a program. What I also know is that community participation include involving people in deciding about their own affairs”

The Assembly member also explained that:

“Community participation is when people bring what they can offer to make a program a success. It can be money, ideas, strength or anything.”

A fifty three (53) year old woman also answered that:

“Community participation is the involvement of the local people in every activity of a project.”

The outcome of the study depicts that community members are well knowledgeable on community participation. This outcome is in agreement with the assertion of Drabek (2007) who argued that when people understand the meaning of community participation, then it goes a long way to ensure the success of a project. The assertion of Ibaba and Olumati (2009) also supports the findings of the research as they demonstrated that because stakeholders are persons who take interest in a program, an adequate knowledge in community participation is important.

The research also sought out to further ascertain from respondents the importance of community participation in the community. The result is presented in Table 4.

Table 4: Importance of community participation

Importance of participation	Frequency	Percentage (%)
Less important	-	-
Important	40	33.00
Very important	70	58.00
Somehow	10	9.00
Not important	-	-
Total	120	100.00

Source: Field Survey (2017)

The finding of the research depict that thirty three (33%) percent of respondents answered that community participation is important while fifty eight (58%) percent of respondents were also of the view that community participation is very important with only nine (9%) percent of respondents being indecisive as to the importance of community participation among chiefs, community members and opinion leaders. The finding goes on to support the revelation of El-Gohary, Osman and El-Diraby (2013) who says that because community members have a legitimate interest in a project, they attach an importance to it.

In the focus group discussion, respondents also gave different views of what they thought was the importance of community participation. In the focus group session, a 49 year old pupil teacher said:

“Community participation is very important because it helps to bring every member of the community on board in a project or an activity.”

A 50 year old opinion leader in the community said:

“Community participation is important because it helps everyone to understand a project. You see, when you understand what is being done and you value it, nobody will come and tell you to support it but when a project or an activity is done without the people understanding it then it becomes difficult for the people to support it.”

A 48 year old woman lamented that:

“Community participation is important because it helps to convince other community members to bring their ideas on board so that when something goes wrong when a project is implemented, then the whole community takes the blame.”

The 28 year old man also said that:

“In fact, personally I am happy because it makes me feel part of a program.”

Fauri and Hui (2005) identify that when members of the community are involved in the decision making of a project they feel part of the process and supports it fully. This made the research sought to ascertain the level of involvement of respondents in decision making towards petroleum management activities in the community. The responses are presented in Figure 3.

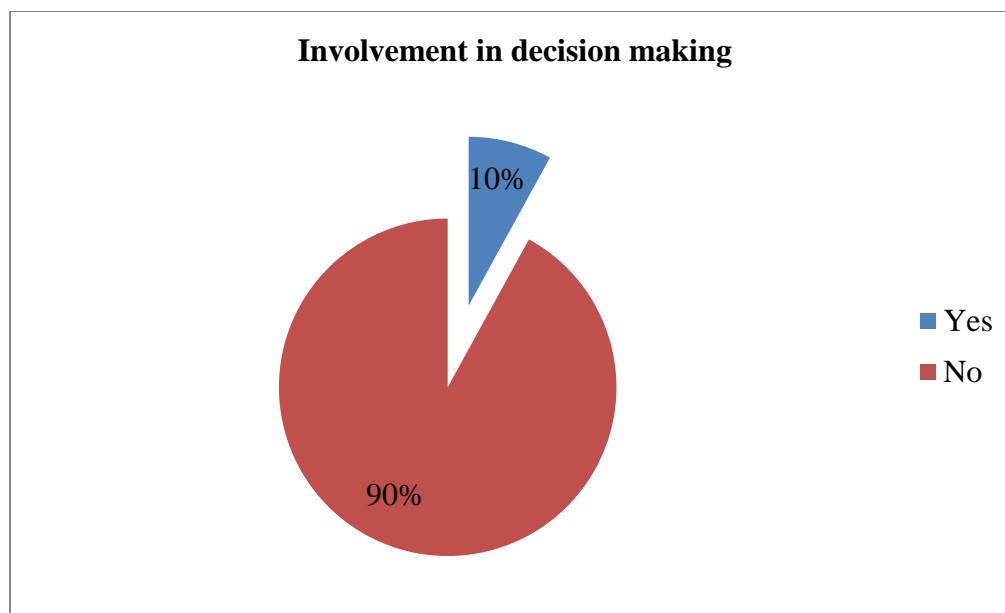


Figure 5: Involvement in decision making

Source: Field Survey (2017)

The results from the study revealed that ninety (90%) percent of respondents have not been involved in any decision making towards petroleum management activities while ten (10%) percent of respondents also answered that they have been involved in a decision making. It was revealed that the respondents who were involved were the chief and some key opinion leaders who were only consulted when exploration of oil in the community was to begin. However, after exploration these individuals have not been fully involved in any decision making. This occurrence according to Pajunen (2006) is in contrast to stakeholder management since it has the potential to create conflicts that could jeopardise the activities of the oil sector. He opines that active involvement of stakeholders especially community members is important towards the effective management of oil resources.

The finding is also in contrast with the work of Newcombe (2013) who asserted that community participation must involve even those who have little or no influence on a program. But this was not the case in the finding of the research as major stakeholders such as chiefs, opinion leaders and community members have been excluded from petroleum revenue management. The study sought from the respondents whether they think they should be involved in decision making in petroleum management activities. It was quite revealing that all respondents answered that they should be involved because they live in the community and so if there is anything to happen, they would be the persons to suffer from it.

Extent of community involvement in petroleum management

This section of the study sought to find out from community members their level of involvement and the extent of participation in petroleum management. Respondents were asked the extent to which they are involved or participate in petroleum management. The findings are presented in Table 5.

Table 5: Extent of community involvement in Petroleum Management

Level of involvement	SA	A	N	D	SD
We share our ideas during meetings	-	-	-	55%	45%
Government organize durbars to get our input	-	-	75%	25%	-
We have a representation serving on the board	-	-	-	20%	80%
Government has undertaken projects in this community	-	-	-	10%	90%
n= 120					

Source: Field Survey (2017)

The results of the finding revealed that fifty five (55%) percent of respondents disagreed that they get to share their ideas during meetings and forty five (45%) percent of respondents also strongly disagreed that they get to share their ideas during meetings. This implies that community members are not involved when it comes to petroleum management. It was also revealed that all respondents either disagreed or strongly disagreed to the assertions that government organized durbars to get their input; government had undertaken projects in their community and also nominating a person to serve on the board instituted by government for petroleum revenue management. The involvement of community members is what drives the successes and sustainability of programs. Bourne and Walker (2005) identified that the involvement of host communities in oil and gas exploration is important due to the exclusion and lack of transparency and poor accountability mechanisms. It is however not surprising that some oil proceeds in Ghana in 2015 was not accounted for as was noticed in the Auditor

General's report. The finding is completely in disagreement to the effective management of oil revenues in many developed nations as espoused by Ahadzie (2012) who says that exclusion of community members in managing oil revenues precipitate wastes.

In the focus group discussion that was conducted, it was found out that community members have not been involved in any discussions related to petroleum management or even a government project in the community. The assembly member of the town answered that:

“Before oil was discovered in this area, I remember the government authorities had a meeting with the chiefs, myself, community members and other opinion leaders in the community. It was there they informed us that they have discovered oil in this area and so they will at a point direct everybody to stop fishing in some areas on the sea. But since then I have not heard of anything again until the exploration started.”

A 56 year old chief fisherman who is also an opinion leader also lamented that:

“We were all involved at the beginning. Even after the meeting with the elders, the chief summoned the community members and put it before the whole community that it was good news that oil has been found here because it was going to bring development to the people. Even at that time, there were government authorities who also spoke to the people and said they were going to have a number of projects that will reduce poverty and create job opportunities for our people.”

The researcher found out whether government authorities have involved the people in any project in the community. It was revealed that there has been no poverty eradication project or any employment creation program in the community. Respondents answered that all projects implemented in the community was done by Non-Governmental Organisations (NGOs). The research further asked of the role or support the people gave to the implemented projects or programs and one woman whose children participated in a project called “Early Grade Reading” expressed that:

“I personally monitored the project even though I was not directly involved. I sometimes passed by where the class was been held just to see whether the children are there learning or the teacher is teaching.”

The Assembly man of the area also expressed that:

“The District Coordinating Director, Chief Executive Officer and Assembly gave out an office space to the staff of the NGOs. The community helped to build tents for a project called Complementary Basic Education (CBE) class while the chiefs also provided a land space for the building of tents. The assembly also looked for a room for the staff to stay even though it was paid by the staff themselves. The assembly also selected three community members including myself to be part of the project monitoring team because we knew the route to the nearby villages and the people also knew us. What I like about the

NGOs who have all worked here was that they often call on the chief, education officer and opinion leaders to know of what can be done to make programs successful.

An opinion leader also lamented that:

“We have played a great role in several projects especially the CBE program because we gave World Education Ghana facilitators from the community who they trained to also teach the children. We also assigned our circuit supervisors that anytime they go for monitoring, they should ensure they monitor the facilitators from the various communities.”

A 54 year old community member also expressed that:

“I had one of the staff living in my house and anytime the taps are not flowing, I send my son to go and fetch water for him.”

The revelations of the findings revealed that when government implements a program in the community, members would be willing to support it. Adam (2012) attested that Ghana’s oil sector could deteriorate to an upright collapse in the next few years because of the exclusion of community members in oil management.

Factors limiting effective participation of community members

This section of the study addressed the factors that limit community participation. Respondents were asked to identify their level of agreement to the factors that limited their participation in community programs and the results are presented in Table 6.

Table 6: Factors limiting effective participation of community members

Limiting factors	SA	A	N	D	SD
Lack of time	28%	38%	10%	14%	10%
Lack of awareness creation	52%	20%	5%	8%	15%
Poor communication	48%	18%	12%	22%	-
Lack of management capacity	36%	22%	-	32%	10%
Lack of financial resources	35%	38%	18%	-	9%

n= 120

Source: Field data (2017)

The responses from the research revealed that twenty eight (28%) percent of respondents strongly agreed that lack of time hinders their ability to effectively participate in community programs. Thirty eight (38%) percent of respondents also agreed that they do not have enough time while ten (10%) percent of respondents remained neutral. However, fourteen (14%) percent of respondents disagreed that they did not have enough time to be involved in community programs and ten (10%) percent strongly disagreed to the assertion. The findings from the study imply that lack of time is a major hindrance to participation of community members in programs.

Further, fifty two (52%) percent of respondents strongly agreed that lack of awareness affect their participation in community programs and twenty (20%) percent of respondents also agreed that lack of awareness has been a hindrance. According to the results, twenty three (23%) percent of respondents also disagreed to the assertion with five (5%) percent of respondents remaining neutral

to the assertion. This implies that awareness creation in the community is low and that many community members do not get to hear of certain programs that are being undertaken by the community. This may also be as a result of the dispersed nature of community settlement.

The responses from the study identified that forty eight (48%) percent of respondents strongly agreed that lack of communication is a factor that limit community participation with eighteen (18%) percent of respondents also agreeing to the assertion. It was also revealed that twenty two (22%) percent of respondents disagreed to the assertion with twelve respondents remaining neutral. It was also revealed from the study that thirty six (36%) percent of respondents strongly agreed that lack of management capacity contributes to their inability to engage in community participation; twenty two (22%) percent also agreed that lack of management capacity affect their participation. It was also revealed that forty two (42%) percent of respondents disagreed that lack of management capacity affected their participation level. Majority (73%) of respondents also agreed that the lack of financial resources affect their ability to participate in community developmental issues and nine (9%) percent also disagreed that lack of financial resources was a problem that limited their participation, with eighteen (18%) percent of respondents neither agreeing nor disagreeing to the statement that lack of financial resources is a factor that affect their participation.

In the focus group discussion, a number of issues were raised that inhibited the smooth participation of a program and when respondents were asked of some of the limitations, a 30 year old female community member said:

“The greatest challenge for the participation of the local people in an activity is time. As you know we are poor and so we always have to go to the farm and so we do not have enough time to be involved in most programs.”

A 32 year old man also lamented that:

“We do not also get time especially when meetings are called.”

A 34 year old fisherman also explained that:

“Sometimes, when we go for fishing and to the farms, we don't return early and so we are unable to attend some meetings at certain times.”

The Assembly man for the area also said:

“At certain periods some members intentionally refuse to attend meetings because according to them, they have been attending meetings for a long time and there has not been any improvement to their lives.”

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the summary of findings that emerged from the research and data analysis. The study assessed stakeholder participation in managing petroleum activities in oil exploring areas. The study employed both the quantitative and qualitative research designs. Data was collected from one hundred and twenty (120) respondents and a focus group discussion comprising seven members of the community was undertaken. This study also adds to available literature, draws conclusions and makes recommendations.

Summary

The study addressed three specific objectives. First, the study examined the understanding of community members on stakeholder participation. It also identified the extent to which the local community is involved in managing petroleum activities; and finally examined the factors that limit the effective participation of the local community in participating in petroleum management. With regard to the understanding of stakeholder participation, the following key findings were revealed:

1. All (100%) respondents understand clearly who stakeholders are and the meaning of community or stakeholder participation as they all asserted that community participation meant the involvement of the local people.

2. Majority (91%) of respondents also identified that stakeholders in the community are very important to the success of petroleum management.
3. Majority (90%) of respondent answered that they have not been involved in any decision making regarding the management of petroleum activities.

The findings on the extent to which community members participate in the management of petroleum activities are as follows:

1. Majority of respondents identified that they do not get to share any idea in managing petroleum activities in the community.
2. Respondents also identified that they do not have any representation on the board of governance in charge of managing petroleum activities.
3. It was also revealed that durbars are not organized to get inputs from community members.

The findings on the factors that limit the participation of the local people are as follows:

1. Respondents also explained that they did not have enough time as they were always engaged in fishing and farming activity.
2. Respondents identified lack of awareness creation to be a barrier to effective participation in community activities.
3. It was also revealed by majority of respondents that poor communication in information sharing limited participation.

Conclusions

The following conclusions were drawn in respect of the study objectives:

1. Government is aware of the problems that have saddled many oil and gas producing countries and this has always been as a result of excluding community members as key stakeholders in the management of petroleum activities. These occurred because governments took for granted the important roles that community members played in oil management. Currently, community members understand the meaning and relevance of community and stakeholder participation. This implies that people are fully aware of the development processes and the roles they need to play.
2. The full participation of community members in any given program is important to its success. The participation of members helps to ensure the sustainability of a program especially the management of petroleum activities. However, in the management of petroleum activities in the study area, community members have not been socially included. But this should not be the case because community members have exhibited a behavior of cooperation for other Non-Governmental Organisation project. This means that the sustainability of petroleum activities or government project may be at risk since members have been angry with government for a long time for not involving them in the management of petroleum activities.
3. There are a number of factors that limit the participation of community members and this means that as far as they are present, it would continue

to inhibit the program processes despite the involvement of the local people. The challenges to a large extent affect the level of community participation in the project process.

Recommendations

Based on the summaries and conclusions, the following recommendations are drawn:

1. The government should ensure that community members get to share their ideas in the management of petroleum activities.
2. Government should recognize the interdependence of efforts and rewards among community members and should provide a fair distribution of the benefits of petroleum revenues.
3. Government should ensure that there are appropriate engagement techniques at different stages in the management of petroleum activities to avoid potential conflict.
4. The local oil exploring communities should have a representation on the board of governance on petroleum activities.
5. The leadership of the communities should ensure that there are effective methods of communication to community members.

Areas of further research

Stakeholder management is important in the development process of petroleum management. Further areas of research should be extended to other

stakeholder groups and not restricting to only host community members. A larger group of stakeholders need to be identified and assess how they can all work to ensure sustainability of programs.

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UNIVERSITY OF CAPE COAST (UCC)
COLLEGE OF HUMANITIES AND LEGAL STUDIES
SCHOOL OF BUSINESS

APPENDIX A: QUESTIONNAIRE FOR RESPONDENTS

I am a postgraduate student in the school of business, University of Cape Coast, collecting data for a dissertation on the community participation in managing petroleum activities in Akyinkyin in the Western Region of Ghana. I would be most grateful if you could take time off your busy schedule to permit me to engage you to provide answers to the questions below. The information is solely for academic purposes and the information provided will be treated confidential.

PLEASE TICK (✓) WHERE APPROPRIATE

SECTION A: BACKGROUND INFORMATION

1. Sex: (a) Male [] (b) Female []
2. Age:
3. Marital status: (a) Single [] (b) Married [] (c) Divorced [] (d) Widowed []
4. Level of education: (a) Junior high school [] (b) Senior High School [] (c) Tertiary []
5. How long have you stayed in this community? (a) Less than 5yrs [] (b) 5-10 yrs [] (c) 11-15 yrs [] (d) 16-20yrs [] (e) 21yrs and above []

**SECTION B: KNOWLEDGE OF HOST COMMUNITIES ON
COMMUNITY PARTICIPATION**

6. Who are the stakeholders in this community?
 a. Chiefs [] b. Opinion leaders [] c. Community members []
7. To what extent do you consider community participation as important to the community?
 a. Less important [] b. Important [] c. Very important []
 d. Somehow [] e. Not important []
8. Are community members involved in managing petroleum revenue?
 a. Yes [] b. No []

**SECTION C: EXTENT OF COMMUNITY INVOLVEMENT IN
PETROLEUM MANAGEMENT**

Check the answer that best describes your level of agreement and disagreement of the extent to which community members are involved in petroleum revenue management with each statement below

1-Strongly Disagree (SD), 2- Disagree (D), 3- Neutral (N), 4- Agree (A),
 5- Strongly Agree (SA)

	1	2	3	4	5
Statement	SD	D	N	A	SA
9. We share our ideas during meetings					
10. Government organize durbars to get our input					
11. We have a representation serving on the board					
12. Government has undertaken projects in this					

community					
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**SECTION D: FACTORS LIMITING EFFECTIVE PARTICIPATION OF
COMMUNITY MEMBERS**

To what extent do you agree or disagree that the following factors limit effective participation of community members with each statement below

1-Strongly Disagree (SD), 2- Disagree (D), 3- Neutral (N), 4- Agree (A),
5- Strongly Agree (SA)

Statement	1 SD	2 D	3 N	4 A	5 SA
13. Lack of time					
14. Lack of awareness creation					
15. Poor communication					
16. Lack of management capacity					
17. Lack of financial resources					

Thank you for your time!!!

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APPENDIX B: FOCUS GROUP DISCUSSION GUIDE

I am a postgraduate student in the school of business, University of Cape Coast, collecting data for a dissertation on community participation in managing petroleum activities in Akyinkyin in the Western Region of Ghana. I would be most grateful if you could take time off your busy schedule to permit me to engage you in a brief discussion which would not last more than forty (40) minutes.

1. Position:
2. How long have you stayed in this community?
3. What do you understand by the meaning of community participation in petroleum revenue management?
4. In your view, do you think community participation is important?
5. Have you been involved in any petroleum management?
6. If yes, what role did the local people play?
7. How were the local people involved in the decision-making process?
8. What kind of support do the local people give to petroleum management?
9. What has been some of the limitations towards effective community participation of local people?
10. What do you think can be done to improve effective participation?

Thank you!!