

## **A REPORT ON THE CITIZEN’S CONCERNS ABOUT THE OIL AND GAS SECTOR**

### **INTRODUCTION**

The discovery of a valuable natural resource such as crude oil is usually received with celebrations as it brings wide prospects to the country and its standing and leverage on the international market and its citizens. Talk of economic prospects with regard to the influx of foreign investors bringing along more and better paid job opportunities, boost for the tourism and hospitality industry. However, it has proven to be great source of concern and alarm in almost a lot of the petroleum producing countries such as Nigeria, Iraq, Syria, Egypt, USA, and Angola among others.

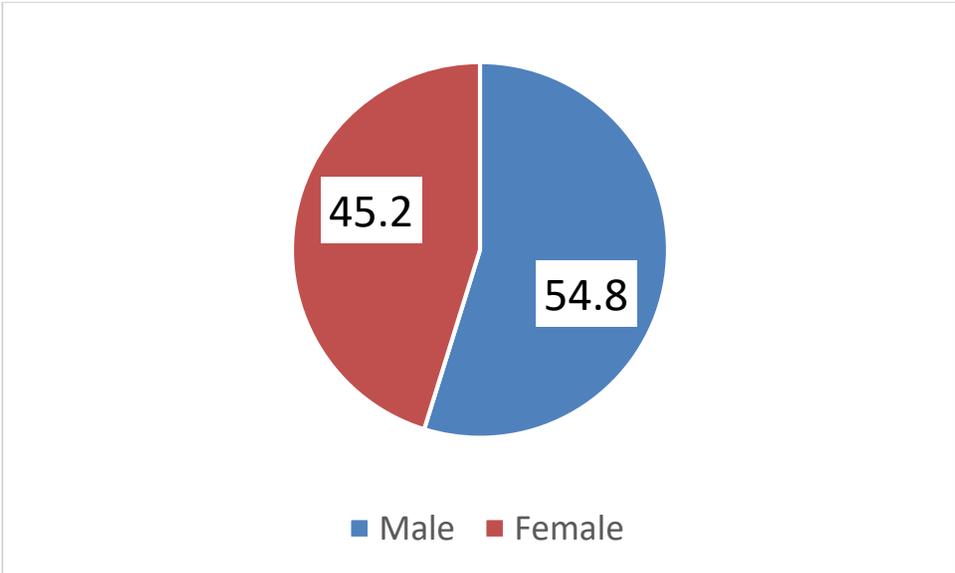
Ghana has received over \$3 billion since 2011 from commercial oil production. The original euphoria that met the discovery of the oil has died down but expectations about the long-term potential of oil production is still high. The just-ended election featured several promises by the political parties to use funds from oil and gas production for one project or the other. They also made promises about what they planned to do in the sector. Ghana Decides, a Blogging Ghana project, with support from the Ghana Oil and Gas for Inclusive Growth (GOGIG) catalogued these promises and made them available to Ghanaians online, particularly on social media. But apart from the promises made by the politicians, Ghana Decides believes that it is important to find out what the concerns of Ghanaians are with regards to the oil and gas industry. A survey

was therefore conducted in order to identify these concerns. This report presents the findings of the survey, the discussion of the results and recommendations thereof.

**SURVEY RESULTS**

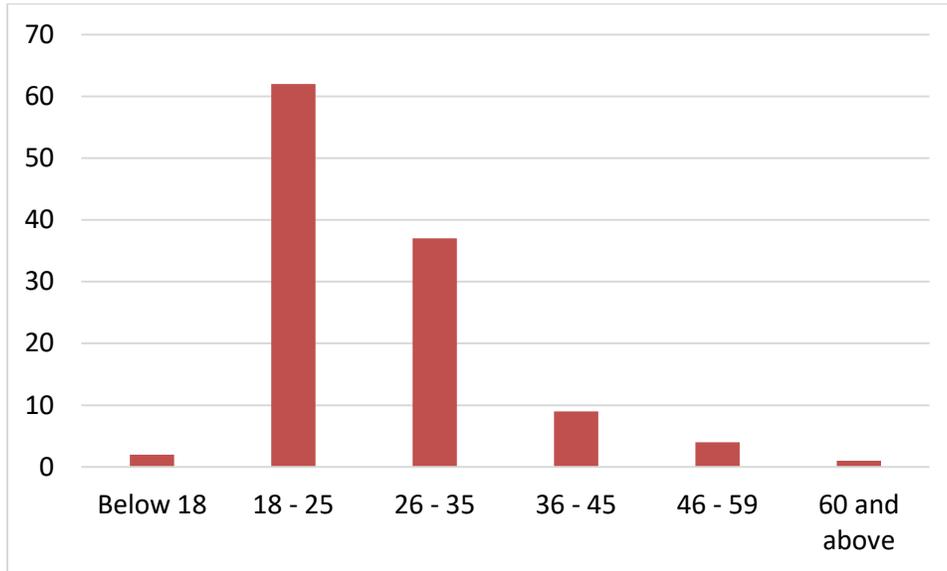
A survey was conducted over three different media - an online survey using Google forms, an offline survey and a twitter poll. The surveys were conducted in January and March of 2017 and the twitter poll was conducted in April 2017. From these were able to sample a total of about 204 people, some purposively sampled from the University of Ghana campus and others by convenience. The first two media sampled about 115 people and the last one, that is the twitter survey, sampled 89 people. The data collected from the first two media were analyzed and the results are as follows.

**Figure 1: Gender Distribution of the Respondents**



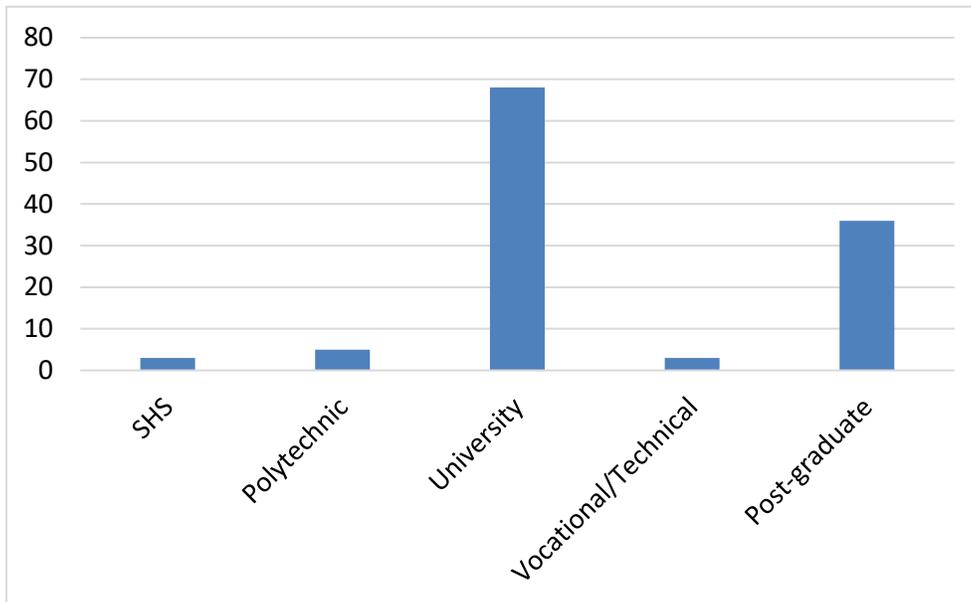
With regards to the demographics, of the 115 people sampled in the online and offline survey, 52 were female and 63 were male, representing 45.2% and 54.8% of the sample size respectively.

**Figure 2: Age Distribution of the Respondents**



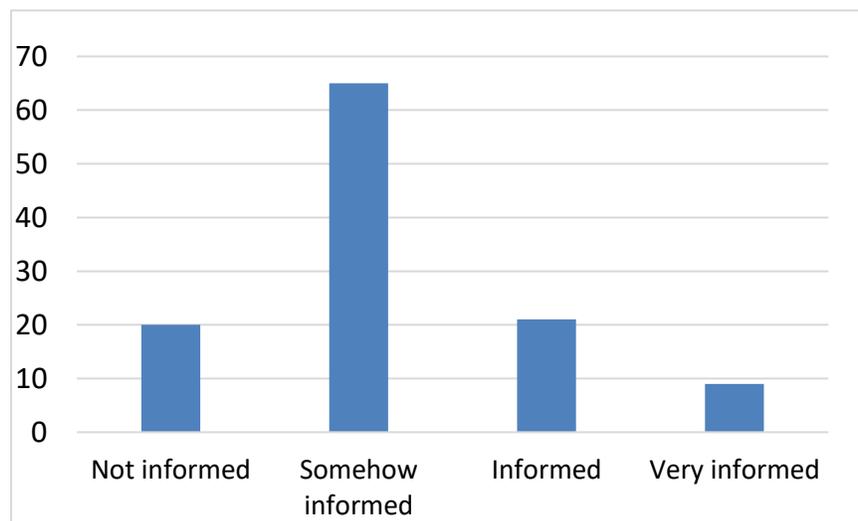
Of the sample 1.7% was aged below 18, 53.9% were between the ages of 18 and 25, 32.2% were between the ages of 26 and 35, 7.8% were between the ages of 36 and 45, 3.5% were between the ages of 46 and 59 and 0.9% were aged 60 and above.

**Figure 3: Educational Level of the Respondents**



In answering the question about their highest levels of education 2.6% of the sample said their highest level of education was Senior High School, 4.3% said theirs was Polytechnic, 59.1% of the sample said their highest level of education was the University, another 2.6% said their highest educational level was Vocational/ Technical and 31.3% of the population said their highest level of education was Post-graduate.

**Figure 4: How informed are the Respondents about Oil & Gas**



17.4% of the sample was not informed about Ghana's Oil and Gas sector, 56.5% were somehow informed about the sector, 18.3% were informed and 7.8% of the sample said they were very informed about the sector.

There were 7 items on the questionnaire and the participant was to rate on a scale of 1 to 5 in ascending order of importance, how important the issue was to her. The first issue was on transparency and accountability in Management of the oil and gas revenue. Of the people sampled, 6.1% rated this issue as being least important, 10.4% rated it as quite important, 9.6% rated it as important, 20% rated it as very important and 53.9% rated it as extremely important.

The mean rating of this issue on a scale of 1 to 5 was 4.05 indicating that it was generally considered to be very important.

The second issue was on the protection of the environment from the effects of oil exploitation, of the 115 people sampled, 11.3% rated it as least important, 16.5% rated it as quite important, 14.8% rated it as important, 20% rated it as very important and 37.4% rated it as extremely important. The mean rating of this issue on a scale of 1 to 5 was 3.55 indicating that it was generally considered to be important.

The third issue was on participation of Ghanaians in the oil and gas industry. 6.1% of the sample rated the issue of participation as least important, 13% rated it as quite important, 13% rated as important, 33% rated it as very important and 34.8% rated it as extremely important. The mean rating of this issue on a scale of 1 to 5 was 3.77 indicating that it was generally considered to be important.

The fourth issue was about the fair distribution of oil and gas revenue. In response to this, 7.8% rated fair distribution as least important, 13.9% rated it as quite important, 18.3% rated it as important, 22.6% rated it as very important and 37.4% rated it as extremely important. The mean rating of this issue on a scale of 1 to 5 was 3.68 indicating that it was generally considered to be important.

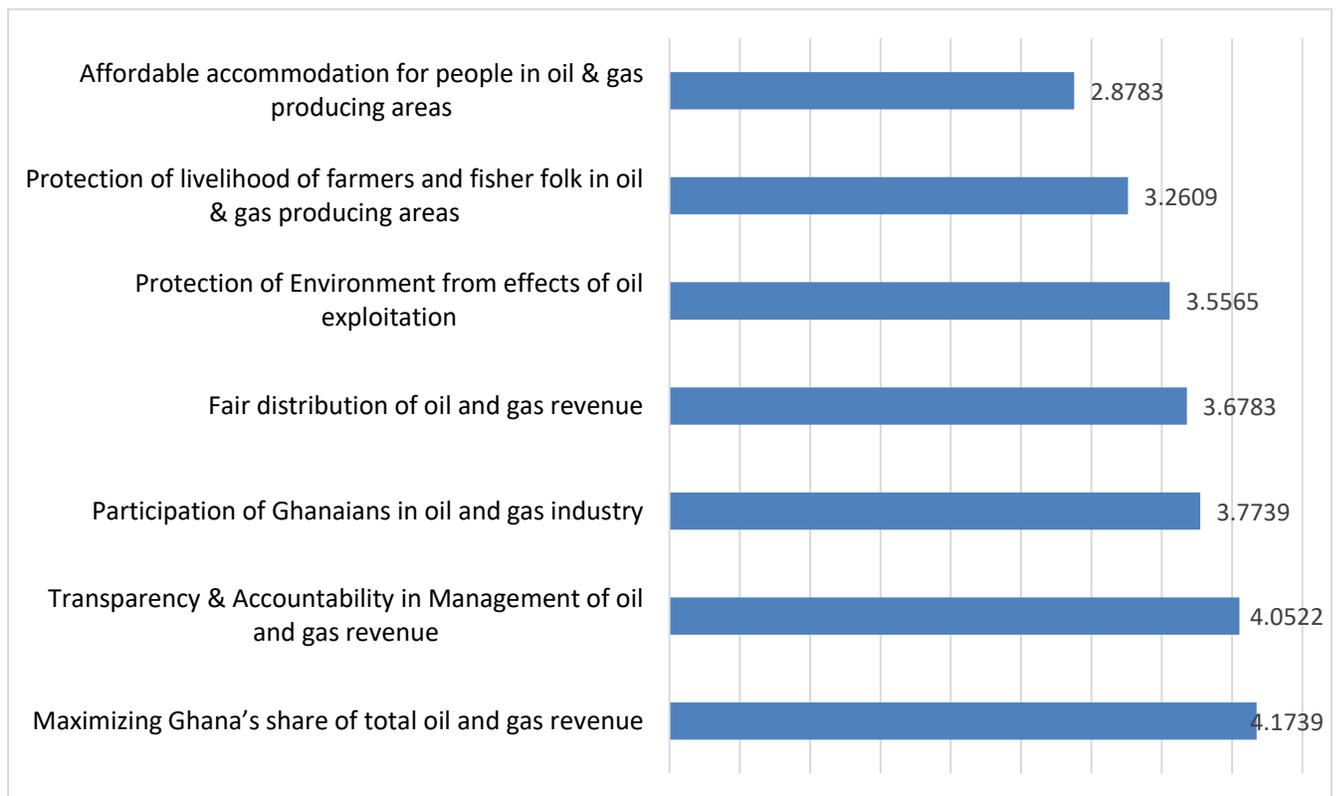
The fifth issue was concerning affordable accommodation for the people in the oil and gas producing areas. 13% of the population sampled rated this as least important, 28.7% rated it as quite important, 30.4% rated it as important, 13.0% rated it as very important and 14.8% rated it as extremely important. The mean rating of this issue on a scale of 1 to 5 was 2.88 indicating that it was generally considered to not be important.

The sixth issue was about protection of the livelihood of the farmers and fisher folk in the oil and gas producing areas. Of the population sampled, 13.9% rated it as least important, 25.2% rated it as quite important, 13.9% rated it as important, 14.8% rated it as very important and 32.2% rated

it as extremely important. The mean rating of this issue on a scale of 1 to 5 was 3.26 indicating that it was generally considered to be important.

The seventh and last issue sampled was about maximizing Ghana's share of the total oil and gas revenue. Regarding this issue 8.7% rated it as least important, 8.7% rated it as quite important, 3.5% rated it as important, 14.8% rated it as very important and 64.3% rated it as extremely important. The mean rating of this issue on a scale of 1 to 5 was 4.17 indicating that it was generally considered to be very important.

**Figure 5: The most important Concerns of the Citizens about Oil & Gas**

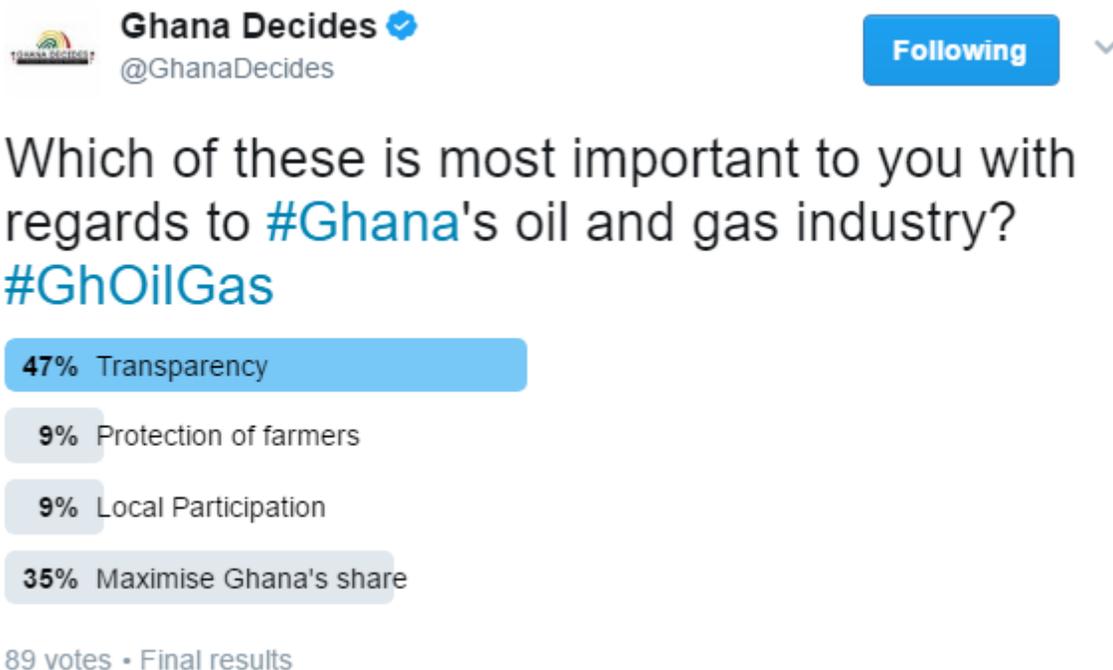


In order of descending importance, the concerns that the respondents of our survey are

- Maximizing Ghana's share of total oil and gas revenue
- Transparency & Accountability in Management of oil and gas revenue

- Participation of Ghanaians in oil and gas industry
- Fair distribution of oil and gas revenue
- Protection of Environment from effects of oil exploitation
- Protection of livelihood of farmers and fisher folk in oil & gas producing areas
- Affordable accommodation for people in oil & gas producing areas

We also ran a twitter poll in which 89 people participated. The question asked in the poll was “Which of these is most important to you with regards to Ghana’s oil and gas industry”. We offered four options: the first was transparency, second was protection of farmers, the third was local participation and the fourth was maximization of Ghana’s share.



Of the 89 people 47% rated transparency as the most important issue, 9% rated protection of farmers as the most important issue, another 9% rated local participation as the most important issue and 35% rated maximization of Ghana’s share of oil revenue as the most important issue.

The results of the twitter differ only slightly in that Transparency ranks as a more important concern than maximizing Ghana's share of the oil and gas revenue.

## **DISCUSSION**

1. The survey respondents tended to be well-educated because majority of them filled the survey online. The online audience in the country currently leans towards the well-educated.
2. Only 17.4% of the respondents reported not being informed about the oil and gas sector. This is in sharp contrast to the 41.1% who reported not being informed about the sector in our last survey in November 2017. This decrease can be explained by the amount of information put out by Ghana Decides about the sector through our social media channels and blog.
3. The most important concerns of the citizens appear to point to dissatisfaction so far with the conduct of the government. This is because the citizens think government has not done enough to maximize the share of the revenue from the oil and gas sector and also it has not done enough in terms of transparency. These concerns appear to rank higher than concerns about the environment and welfare of people living in the oil and gas producing areas.

## **RECOMMENDATIONS**

1. Government must do more to ensure that Ghanaians are informed about their arrangements with oil companies, their operations in the oil and gas sector and their use of the funds generated by the sector.

2. Civil Society Organizations (CSOs) must continue their work of making information about the oil and gas sector more accessible to the citizenry.
3. CSOs and the media, should endeavour to keep oil and gas as a major topic as it promotes transparency in the sector.
4. Online media appears to be an effective channel of education Ghanaians about the oil and gas sector. Government, the media and CSOs should consider targeting that space with easily accessible bits of information.