

## **Challenges to Local Content Development in Ghana: Knowledge, Attitudes and Practices of Local Companies in the Oil and Gas Industry**

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The paper discusses private sector development based on a survey among companies with 50% Ghanaian ownership or more, registered as suppliers to the emerging oil and gas industry in Ghana. The objective of the survey was to gain more knowledge about the companies and their relations to the institutional framework they are operating in, to identify key challenges and opportunities facing the stakeholders in Ghana's local content development.

In Ghana, as in many other African countries, the private sector has a relatively weak voice, and there are few well-documented studies on the perceptions, preferences and priorities that prevail at the company level. This paper presents detailed information about the studied companies and discusses their relations to the institutional environment when it comes to a) state-business cooperation, b) capital market, c) skills and knowledge development, and d) sociocultural conventions. We found a certain lack of information and skepticism towards relevant public offices. Access to capital was another major challenge, and most respondents rated savings as their main source of funding. We also saw a pronounced tendency towards diversification, rather than concentrating on one business area. Though the vast majority of owners/managers were highly educated many seemed to lack experience with the oil and gas industry, and it was not clear whether they had a realistic picture of the standards in the business and the challenges these impose when it comes to skills development. While international contacts were considered important there were mixed feelings about local cooperation. Entrepreneurship appeared as an individual rather than a collective venture, and there were indications of limited trust between Ghanaian businessmen.

The paper focuses on policy implications, considering the findings in the context of the present policy environment in Ghana. To meet the challenges identified, it is important to involve all stakeholders in a so-called "multi-faceted approach". At present, neither the authorities nor the private sector in Ghana seem to have the capacity to handle this on their own. The paper therefore proposes a tripartite cooperation where applied research in industry comes in, to throw light on rationalities and needs at the company level whilst facilitating institutional alignment for increased local content.