

Actor Network Theory, globalised assemblages and the impact of oil on agriculture and industry in Ghana

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ABSTRACT

This article draws on Actor Network Theory (ANT) to analyse the impact of oil on three areas of Ghana's economy: agriculture, industry and employment. Documents, descriptive statistics and interview data are used to analyse the ways in which oil has affected each of the sectors. Drawing on network geographies, this paper argues that the impact of oil on Ghana's agriculture, industry and employment creation is conditioned and shaped by a 'globalised assemblage': interactions between and among the state, institutions, local politics, and transnational actors and structures. The findings reveal that oil has only diversified Ghana's dependency on natural resources without structurally changing the national economy. The fact that the exploitation of oil merely reinforces and reconstructs a deep-seated structural dependency has profound consequences for national and local politics and for the country's prospects of economic development.

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1. Introduction and context

The tendency for natural resource-rich economies, especially in the developing countries, to underperform economically is referred to as the resource curse (Corden and Neary, 1982; Gelb, 1988; Auty, 1990, 1993, 1997, 1998, 2001; Karl, 1997; Sachs and Warner, 1995, 1997, 1999, 2001; Boyce and Emery, 2011; Stevens, 2003, 2015). Dimensions of the curse which are critical to this paper pertain to how natural resource windfalls can negatively impact a country's agriculture, industry and employment prospects. Natural resource-rich countries tend to be high-priced economies, where imports are cheaper because of appreciated currency (Dutch Disease), limiting opportunities to promote export-led growth (Sachs and Warner, 2001). As Corden and Neary (1982), Ross (2012) and others have explained, the Dutch Disease adversely affects agriculture and manufacturing via 'resource movement effects' and 'spending effects'. The former relates to increases in the cost of producing manufactured and agricultural products due to drawing of capital and labour from these sectors into a booming natural resource sector. The latter describes the process whereby agricultural products become too expensive to produce locally. Resource booms can halt industrialisation or stimulate de-industrialisation because high returns on (non-tradable) natural resources pull capital into this sector, negatively affecting growth in tradable sectors such as manufacturing, agriculture and services (Sachs and Warner, 1999; Mancini and Paz, 2016). A country's agricultural sector can be neglected, as in the case of Equatorial Guinea, where an oil boom has negatively impacted cocoa, coffee and food crop production (Oliveira, 2010, Oliveira, 2007). Food imports can drain a country's foreign exchange, and negatively impact employment as the resources sector is capital intensive (Maass, 2009).

This paper contributes to a relatively small body of literature that examines how external politico-economic environments interact with national political economies as part of an 'assemblage' that conditions and shapes the specific impacts of natural

resources (Nwoke, 1988, 2013; Fine, 1992, 2006, 2008; Obi and Rustad, 2011; Ayelazuno, 2013, 2014; Obi, 2014). Specifically, it examines how external actors and structures interact with national economies, referred to here as a 'globalised assemblage', in the context of Ghana. It builds on the work of Ayelazuno (2013, 2014), Obi (2014) and others who illustrate how national political economies interact with foreign actors to shape the impact of oil in West Africa. As Carmody (2009) argued, economies rich in natural resources are sometimes governed by a transnational contract of extraversion, which means that they are conditioned outwardly via natural resource exports under the influence of transnational companies.

Since the discovery of oil in Ghana in 2007, there have been several views shared about its potential impact on national development. Obeng-Odoom (2015a) argued that oil revenue has had positive impacts on social services such as education, as the government channelled some of the revenues into these sectors. Obeng-Odoom (2015b) further argued that to ask whether oil is a curse or a blessing is to ask the wrong question. Instead, it is more prudent to ask in what ways the oil industry, shaped by a fear of a curse, moulds and is moulded by Ghana's institutions and aspirations. Additionally, there are some gaps in knowledge on Ghana regarding the theorisation of oil as part of the energy complex and how this complex is merged into the local/global capitalist mode of production (Obeng-Odoom, 2015b). Analytically, there is a need to avoid blessing/curse binaries because they can co-exist, with transnational actors interacting with national politics to shape oil impacts differently at national, local, urban, rural and sectoral scales (Obeng-Odoom, 2015b).

Ablo (2015) draws on Bourdieu's analysis of differences and interconnections among social, cultural, economic and symbolic capital to attest how the Enterprise Development Centre (EDC) can enhance and expand opportunities for local businesses in the oil and gas sector in Ghana (see Obeng-Odoom, 2015a, p. 46). However, Ghana's the local content law, the *Ghana Local Content and Local Participation Bill 2013*, which sought to promote indigenous industries' participation in the oil sector through the EDC, has been problematic. Only a few well-established medium- to large-scale enterprises in Ghana can take advantage of the EDC

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programmes, with most of the new small businesses facing entry challenges into the oil sector (Ablo, 2015). Ghana's Local Content Law, its philosophy and implementation have also been criticised (Ablo, 2015; Obeng-Odoom, 2016). Obeng-Odoom (2016) posited that the 'new paternalism' in Ghana's oil and gas industry where local policies are strongly focused on the supply rather than on the demand side is problematic. This 'choice architecture' has only succeeded in pushing local businesses into the provision and supply of goods and services for the petroleum sector, thereby re-enforcing systemic inequality and labour exploitation (Obeng-Odoom, 2016). These problems can be addressed via redistribution, structural transformation of the economy and deliberate interventions such as a praxis of democratic paternalism (Obeng-Odoom, 2016).

Locally, Ackah-Baidoo (2013) explored the impact of oil exploration on fishing and women in the coastal communities along the western coast of Ghana. It is argued that sea weeds that developed partly because of the oil industry negatively affected the volume of fish catch and local livelihoods. Ackah-Baidoo (2012) also analysed Ghana's oil industry within the framework of enclave and limited linkages. High growth rate associated with the industry has not directly translated into substantial poverty reduction, while economic over-dependence on windfalls had some adverse impacts on socioeconomic development, generating limited employment for youth (Ackah-Baidoo, 2016). Drawing on dependency theory, the study revealed that the impact of oil is concentrated, with limited inter-linking with other sectors of the national economy (Ackah-Baidoo, 2012; Hilson, 2012). This paper contributes to the existing relatively small literature on oil and development in Ghana by examining how national polity, interacting with external actors and structures in the form of a globalised assemblage, shapes the impact of oil on three sectors of Ghana's economy: agriculture, industry and employment creation. It argues that the impact of oil on these sectors in Ghana is conditioned by, and is a product of, the globalised assemblage.

Ghana is situated in West Africa, and it is endowed with gold, diamond and timber. The Ghana Deepwater Tano oil field [Jubilee Field], located near Cape Three Points, is operated by a consortium of transnational oil companies (TOCs), namely Tullow, Kosmos and Ghana National Petroleum Corporation (GNPC) (Boateng, 2008; Edjekumhene et al., 2010; EPA, 2011; Asamoah, 2013a,b). It is worth nearly 3 billion barrels of recoverable oil. Ghana is expected to produce more oil from the Tweneboa, Enyenra and Ntomme [TEN] fields beginning in 2017. Although Ghana attained a lower middle income in 2010 because of economic rebasing, its growth rate has been spatially uneven across regions and inequalities persist between north–south and urban–rural. This analysis on the impact of oil on agriculture and industry will help appreciate how natural resource windfalls interact with existing factors and structures to shape development. The remaining paper is organised into five sections. Section 2 discusses Actor Network Theory (ANT) and globalised assemblages. Section 3 discusses methods for data collection. The fourth section analyses the impact of oil on agriculture, industry and employment. Finally, the conclusion argues that the impact of oil in Ghana can be analysed as conditioned by globalised actors and their interaction with the national economy. ANT provides a suitable analytical framework because it illustrates how deep-seated extant political and economic structures interact with the national economy to shape the impact of oil in Ghana.

2. Actor Network Theory and globalised assemblages

This segment examines ANT as a fertile analytical framework for analysing the impact of oil as it helps understand how globalised actors interact with national economies to shape

development. Though principles of ANT like the role of non-human actors are informative in conceptualising development, this paper is focused on networks and assemblages.

2.1. Actor Network Theory: networks and assemblages

Actor Network Theory recognises human and non-human actors in explaining socio-economic and political issues (Callon, 1986; Law, 1986, 2011; Latour, 1988; Bodin and Crona, 2009; Holifield, 2009; Lorimer, 2009; Alcadipani and Hassard, 2010). ANT explains phenomena in their networks, relations and associations. Doolin and Lowe (2002, p. 72) argued that societies should be explained 'as constituted by heterogeneous collectivities of people . . . together with technology, machines and objects'. Development should be analysed as performed and shaped by a contingent and dynamic assemblage of actors and structures (Simandan, 2010, 2012).

Law (1999) postulated that when we analyse reality through an ANT lens, social divisions such as local–global, agency–structure, and materiality–sociality become problematic because these categories are intrinsically linked (Cressman, 2009; Johannesson and Bærenholdt, 2009). Within the ANT framework, the global and the local are mutually constitutive. Rigid, reified categories limit our understanding of the world, and hence the need to focus on dynamic, ever-shifting networks and associations that connect events across space and time (Simandan, 2011a,b). Phenomena are often caught up in webs (Law, 2009). Social realities are not out there to be discovered by either social actors or scientific endeavours; they are performed by multiple actors (Mol, 1999). Agency is distributed across humans and non-humans (Latour, 1999). However, things do not act by themselves, in a self-contained manner (Law, 1994); instead, the capacity for agency is a relational feature that emerges through interactions.

ANT is premised on how things are formed and shaped through networks, associations and assemblages (Latour, 2005). Networks are made up of heterogeneous actors and their relationships (Johannesson and Bærenholdt, 2009). The relative heterogeneity of the networked actors ensures their resilience and durability (Latour, 1991, 1988; Doolin and Lowe, 2002). Association illustrates 'how networks come to be larger and more influential than others, how they come to be more durable through enrolling both social and material actors, and where power comes from and how it is exerted' (Cressman, 2009, p. 4). ANT is also known as an enrolment theory, a process through which varied actors are recruited to form a network depending on their interests or a shared, emerging problem (Crawford, 2005). Translation, on the other hand, is a process through which an actor recruits other actors into the network so that whatever the recruited actors do will help strengthen and further the interests of the actor who recruited them (Callon, 1981). The translation process encompasses creating connections and alliances and establishing communication among varied actors (Brown, 2002). It is the stronghold (or 'centre of calculation') position that enables an actor to control and utilise other actors' activities to further his/her interest (Latour, 1988).

In geography, ANT has been deployed to analyse global cities (Smith, 2003), urban assemblages (Prytherch, 2011), regional energy policy (Calvert and Simandan, 2010, 2015), and social relations in economic geography (Jones, 2008). Sheppard (2011) argued that we need to understand development from a relational perspective whereby economies are explained based on connectivity to other spaces. From the arguments of Siakwah (2016, 2017), Sheppard (2011), and Latour (2005), network and assemblage concepts are critical in analysing the impact of oil. Such network perspectives enable us to appreciate how states, TOCs, global energy discourse and localised polity form a globalised assemblage that conditions the impact of oil. Thinking socio-economic

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