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The politics of local content legislation in Ghana

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Abstract

The resurgence in local content reforms in most oil-rich Africa countries is broadly understood within the elite-political projects of creating opportunities for domestic capitalists to accumulate rents. New insights from an extended political settlements framework (incorporating ideas) help offer a more explicit understanding of this drive and go further to situate the current local content commitments in Ghana within deeper forms of politics and power relations. The paper asserts the critical role of not only the rents accumulation interests of politicians and domestic capitalists in driving the surge in local content, but also key political settlement tendencies (partisan policy making, coalition building and clientelist politics), underpinned by a linked array of elite interests and ideas. This paper offers deeper political economy insights into the drivers of elite commitment to governing oil in the national interest and argues that current debates concerning the factors driving local content reform in oil-rich African countries could be stronger with a focus on the entwining of interests and ideas generated by the configuration of power within political settlements.

Keywords: political settlement, competitive clientelism, oil and gas, local content, elite commitment, Ghana

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1. Introduction

In most oil-rich African counties, local content is increasingly emerging as a promising strategy to secure greater rents from petroleum resources. This commitment is nonetheless closely associated with politics, underpinned by foreign investment calculations and changing domestic contexts (see Buur 2014, Hansen et al. 2015, Ovadia 2016). The latter condition emerges as particularly strong in shaping local content, with many African producers adopting more locally responsive approaches to maximise the contribution of oil to their development efforts through tax instruments, employment and local participation (Ovadia 2016).

The same tendency emerged with Ghana's post-2007 oil discoveries, where strategies to secure greater oil rents were underlain by debates as to whether the country should promote a liberal or statist approach to local content. These debates closely shaped the different strategies adopted by the two main political parties in Ghana (New Patriotic Party [NPP] and National Democratic Congress [NDC]) to promote local content. The development prospects of oil for the NPP (in power at the time of oil discoveries) hinged on promoting policy approaches that could attract foreign investments, with the party developing stronger *secondary* local content initiatives under a new Ghana Petroleum Regulatory Authority Bill (GPRAB) (Table 1) to replace those under PNDCL 84.¹ This desire by the NPP to attract foreign investments, however, counteracted the 'interests' of pro-local content civil society and private sector organisations, generating strong resistance by the latter – a move the opposition NDC capitalised on to expand its electoral coalition by promoting initiatives that appealed to local interests (Table 2).² Apart from the NDC adopting a *primary* local content regulation, the party developed ambitious targets (see Amoako-Tuffour et al. 2015), arguably higher than that of other African countries (e.g. Nigeria, Uganda and Zambia (Table 3)).³ The law mandates both oil and service companies to incorporate local partners in exploration and production (E&P) and services activities, respectively, and reinforces these with specific targets and timelines for achieving high levels of local employment and participation (Table 4).

¹ The NPP saw the local content initiatives under PNDCL 84 as weak in driving local employment and participation in oil, largely because the provisions contained in sections 2.2. b, c and d of the law aimed at increasing local employment, participation and training only if this was possible.

² After the NPP lost power in the 2008 elections, the new NDC government truncated the process of ratifying the GPRAB and developed the prevailing Local Content and Participation Policy in 2010 and a primary Petroleum Local Content and Local Participation Regulation (PLCLPR) in 2013.

³ These three countries recently embarked on local content reforms in their respective oil and gas sectors, and in many ways exemplify the political dynamics around catalysing local content for oil-led development (see Hansen et al, 2015, Ovadia, 2016).

Table 1: Key local content provisions under the NPP

Ghanaian Interests	Provision
Exploration and Production	<ul style="list-style-type: none"> No requirements except for the participation of the Ghana National Petroleum Company
Employment and Training	<ul style="list-style-type: none"> A Licensee must develop a clearly defined training programme for local employees which may be carried out in or outside the country A Licensee shall where practicable, commit to maximising knowledge transfer to Ghanaians and establish any necessary facility for technical work in the country
Provision of goods and Services	<ul style="list-style-type: none"> Ghanaian participation shall be at least ten percent by value in the provision of goods and services in the first year of the Act and increase to at least twenty percent in the second year and shall increase by at least ten percent each year after that Where Ghanaians are competitive in terms of price and quality, they shall have priority in the purchase of local products and services

Source: Draft Ghana Petroleum Regulatory Authority Bill, 2008.

Table 2: Key local content provisions under the NDC

Areas	Provision
Ghanaian Interests	<ul style="list-style-type: none"> Ghanaian companies to be given first preference in Petroleum Agreements. Ghanaians to have a minimum 5% equity participation in a petroleum agreement (the Minister for Petroleum determines Ghanaians qualified)
Employment and Training	<ul style="list-style-type: none"> Licensees must develop and submit Employment and Training Plans for approval by the Petroleum Commission Where Ghanaians are not employed because of lack of expertise, the licensee must ensure effort is made to provide training to Ghanaians in that field locally or elsewhere. Licensees must employ only Ghanaians in junior level or middle level positions. (where junior or middle level positions include the position of foreman, supervisor or any corresponding position)
Procurement	<ul style="list-style-type: none"> Service companies must establish joint ventures (minimum 10%) with a Ghanaian company. Preference must be given to Ghanaian companies in bidding for contracts to provide goods and services. Contracts must not be awarded solely on the principle of the lowest bidder. Ghanaian companies with capacity to execute a job must not be disqualified exclusively on not being lowest financial bidder. Where the total value of the bid of a Ghanaian company does not exceed the lowest bid by more than ten percent, the contract must be awarded to the Ghanaian company.

Source: Local Content and Local Participation Regulation, 2013.

Table 3: Summary of Ghana’s local content expectations against that of other African countries

Item	Start	5 Years	10 years
Ghana			
Equity Participation			
Exploration and Production	Mandatory 5% Minimum equity		
Oil services	Mandatory 10% Minimum Equity		
Goods and Services	10%	50%	60%-90%
Recruitment and Training			
Management staff	30%	50% - 60%	70% - 80%
Technical core staff	20%	50% - 60%	70% - 80%
Other staff	80%	90%	100%
Nigeria			
Equity Participation No mandatory targets			
Exploration and Production	No mandatory requirement although the Act requires that Nigerian companies be given first consideration in the award of oil blocks		
Oil Services	Exclusive consideration to Nigerian Indigenous service companies which demonstrate capacity		
Goods and services	Minimum levels for each activity ranges from 45% to 100%		
Recruitment and Training	First consideration to Nigerians for employment and training A maximum 5% of management positions to be held by expatriates		
Uganda			
Equity Participation No mandatory targets			
Exploration and Production	No local equity participation requirement		
Oil Services	preference to “goods and services produced or available in Uganda		
Goods and Services	preference to goods and services which are produced or available in Uganda		
Recruitment and Training	Acts provide for training and employment in the sector during application for licences		
Zambia			
Equity Participation No mandatory targets			
Exploration and Production	No mandatory requirement. The Government may however veto this in favour of a local company.		
Oil Services			
Goods and Services	Maximum preference to goods and service available in Zambia		
Recruitment and Training	Acts provide for training and employment in the sector to the extent possible		

Source: Authors construct, based on the local content laws of the respective countries.

Table 4: Minimum local content in goods and services

	Goods and Services *There are various other subservices under each service category	Minimum Local Content Levels		
		Start	5 years	10 years
1	Feed, detailed engineering and other engineering services	10 - 20%	30 - 50%	60 - 80%
2	Fabrication and construction	10 - 20%	30 - 50%	50 -100%
3	Materials and procurement	20 - 60%	40 - 80%	60 -100%
4	Well drilling services	10 - 40%	20 - 70%	70 - 95%
5	Research and development relating to in-country services	20 - 40%	30 - 70%	60 -90%
6	Exploration, subsurface, petroleum engineering & seismic services	10 - 40%	30 - 70%	55 -90%
7	Transportation, supply and disposal services	30 - 80%	60 - 90%	80 - 100%
8	Health, safety and environment services	20 - 100%	30 -100%	45 - 100%
9	Information systems, information technology and communication Services	20 - 80%	50 - 90%	70 - 100%
10	Marine operations and logistics services	10 - 80%	30 - 90%	45 - 100%

Source: Local Content and Local Participation Regulation, 2013.

Ghana's post-2007 local content reform thus flowed from the 'alignment of interests' between politicians and local elites, with the former mobilising political support through establishing mechanisms that incorporated the rent accumulation interests of domestic capitalists. It closely reflects what (Ovadia 2016: 95) calls 'shifts in strategies of elite accumulation' in oil-rich African countries, where resurgent ambitions to retain greater rents catalyse strong elite support for ambitious initiatives and state control (also see Singh and Bourgoïn 2013). This move underlines a core critique of mainstream arguments that Ghana's local content reform emerged from renewed political commitments to 'effective' oil governance (e.g. Arthur and Arthur 2014, Amoako-Tuffour et al. 2015) and forms part of the wider analytical challenge to the institutionalist thinking around 'good extractives management'. Critically, however, this link between rent accumulation interests and Ghana's local content approach is rather too broad to untangle the meso-level conditions behind the levels of elite commitment to the country's ambitious policy choice. Emerging insights (e.g. Amoako-Tuffour et al. 2015, Ovadia 2015) into Ghana's local content drive focus on broad political economy readings of how foreign capital investments can generate incentives for politicians to create rent-seeking opportunities for domestic capitalists, rather than the deeper forms of politics and power relations in which such commitments are embedded. For critics (e.g. Hickey et al. 2015a, Mohan et al. 2018), these broad political economy analyses offer limited insights into the underlying factors behind why and how Ghana's local content framework emerged the way it did. For example, within the now general agreement that ideational dynamics strongly shape oil governance (see Bebbington 2013, Singh and Bourgoïn 2013), a sole focus on 'elite-political projects' around rents accumulation cannot account for the underlying meso-level political contexts within which Ghana's local content emerged. This suggests that the proper space for understanding Ghana's ambitious local content lies not with 'rent accumulation' interests alone, but also with how ideas, coalitions and policy networks interact with existing political arrangements to shape policy choices (e.g. Bebbington 2013).

In this paper, I offer deeper insights into the drivers of elite commitment to retaining greater oil rents, drawing on how the entwining of interests and ideas shaped Ghana's ambitious local content strategies. I follow recent research works that employ the political settlements approach to investigate the politics of extractives governance in Ghana (e.g. Hickey. 2015a, Mohan et al. 2018), arguing that the nascent local content reform emerged from the bargains of an alliance of certain civil society actors and domestic capitalists and their relationship with the ruling NDC coalition. This move flowed from the interplay between interests and ideas, underpinned by the configuration of power within the ruling NDC coalition, which in turn shaped the high levels of elite commitment to developing Ghana's ambitious local content targets.

The paper proceeds with a conceptual discussion of the political settlements framework, showing how interests and ideas shape elite commitments to policy choices, including setting out the key tendencies that underpin Ghana's political settlement. The next section explores the local content development processes, focusing on how the NDC used the local content policy processes to woo and build a winning coalition with pro-local content civil society organisations (CSOs) and private sector organisations (PSOs). This leads to a conceptualisation of the levels of elite commitment that shaped the ambitious local content initiatives above, drawing on three indicators (locus of initiative, degree of analytical rigour and mobilisation of support) of Brinkerhoff's (2000) framework for analysing political will. The final section undertakes an analysis of two key features (politics around the protectionist local content framing and the strong ministerial control in aspects of the law) of Ghana's high local content commitments that underlines the interplay of elite incentives and ideas. The analytical narrative is based on a critical review of the politics of local content legislation in Ghana. It involved a qualitative research, with 55 semi-structured interviews with key informants (including senior staff of the Petroleum Ministry, Ghana National Petroleum Corporation, Petroleum Commission, oil and service companies, parliamentarians, civil society and private sector actors). Interviews were complemented with document analysis, involving a detailed examination of policies and legislative documents, Hansards and reports, policy-related speeches by state and non-state actors, journals, newspaper reports, political party manifestos and grey secondary literature.

2. Political settlements and elite commitments to institutional development

This section offers a conceptual discussion of the political settlements framework, but goes further, expanding on the analytical scope of this concept to include the ideational dimensions of politics. In doing so, it briefly underlines the key tendencies that underpin Ghana's political settlement and how these shape policy processes. This sets the stage for analysing the empirical data in the sections that follow. Political settlements here refer to 'the balance or distribution of power between contending social groups and social classes, on which any state is based' (Di John

and Putzel 2009: 4). The approach has become particularly important in explaining the conditions within which elites gain commitment to govern natural resources, not least because it provides deeper insights into the struggles (between elite groups) that lay the ground rules for policy choices (see Routley 2012). Elite commitment here is defined as the intent and willingness of actors to 'undertake actions to achieve a set of objectives ... and to sustain the costs of those actions over time' (Brinkerhoff 2000: 242). This definition is nonetheless grounded in a more meso-level analysis of elite commitment than offered by the political settlement approach, not least because of Khan's vague proposition that politicians largely commit to certain institutional types when the former perceive this as crucial for regime survival. Relevant to my ensuing analysis, Brinkerhoff's approach offers a stronger linkage between political settlements and elite commitment, as it situates key decisions that politicians take within their broader relationships with elite groups, particularly the rents retention and accumulation pacts that they are able to forge (see Bebbington 2013).

An important political settlements mechanism, which Khan (2010) suggests shapes elite commitment to resource governance, is the organisation of power within the ruling coalition. Political settlements analysis suggests that the level of elite commitment to developing certain policy types is largely determined by the character of coalitions, players and pacts made around the contending interests groups with differing levels of power. In this context, the 'rules-based' institutions so much cherished by neo-institutionalists might be displaced by politically motivated distribution of resource and personalised 'deals-making' aimed at courting electoral support (Di John and Putzel 2009). For Khan (2010: 64) these dynamics are 'important for understanding the likely time horizon of the ruling coalition' and its commitment to institutional reform: where 'excluded coalitions are weak, the ruling coalition is likely to feel secure and act with a longer time horizon' (2010: 65). This means that the interests of the ruling coalition can generate high levels of elite commitment to developmental policy choices (Hickey, et al. 2015a). However, where excluded coalitions are strong; their 'holding power' and resistance can reduce the time horizons of the ruling coalition, which can incentivise the latter to adopt short-term policy strategies to retain power (Khan 2010). The notion that elite struggles over rents lay the ground rules for institutions to emerge is particularly revealing in the struggles by governments of most oil-rich African countries to secure greater rents through developing local content policies that appeal to the interests of groups with 'holding power'. Hansen et al.'s (2015) recent work on local content reform in Nigeria and Angola provides some insights into how coalitional building approaches shaped the levels of elite commitment (in their respective country contexts) to develop protectionist regulations that could help promote local participation in the national interest. In both countries, the capacity to deepen local participation in oil required commitments from politicians to protect the interests of domestic capitalists aligned to the ruling coalition, within a move to consolidate the support of powerful business elites and reward politically connected firms (ibid).

Critically, nonetheless, the notion that 'elite struggles' over rents lay the ground rules for institutions to take shape is arguably more persuasive (within the resource governance debate) in underlining the key factors behind elite commitments than suggested by the political settlement approach. Although Khan's concept of 'holding power' emphasises the role of actors in institutional change, his rational choice approach tends to underplay other important dimensions of politics, particularly the role of ideas in shaping elite commitment (see Watts, 2004, 2012). For Bebbington (2013), deeper insights into the underlining factors behind resource governance reforms must be embedded not only in elite incentives, but within a 'comparative social institutionalist' theory that accounts for the role of ideas in defining the standards by which elites operate in extractives settings. This need to emphasise the role of ideas in institution-making struggles when natural resources are discovered, resonates with recent works that reveal the strong role of political ideologies in extractives governance, particularly the common tension between neoliberalism and resource nationalism in shaping policies (see Grugel and Singh 2013, Hickey, et al. 2015b). The important role of ideas here strongly suggests that what is required to understand the levels of elite commitment to securing the national interest (through local content) is an analysis that explores the interplay between interests and ideas within Ghana's political settlements.

Ghana settled into a consolidating competitive de-facto two-party political system after the 1992 elections, following the persistent political instability between 1957 and 1981, with interludes of civilian and military governments (Daddieh and Bob-Milliar 2014). The return to multiparty democracy saw the NDC and NPP dominate all elections, alternating in power with increasingly tightly fought elections. This period marked a return to competitive clientelism,⁴ characterised by intense inter-elite bargaining to agree to the 'rules of the game' for the exchange of political power. Within this context, ruling elites often prioritise initiatives that can help build a winning coalition, including delivering short-term visible benefits in order to win elections, with little programmatic reform capable of driving structural transformation (see Whitfield 2011). The prevailing political settlement is nonetheless overlain by ideological differences between the NPP and NDC, which have endured the post-independence period. The NPP, in line with its post-independence Danquah-Busia tradition, professes itself to be a liberal democratic party, oriented towards the promotion of private enterprise (Aryeetey and Owoo 2017). The NDC, on the other hand, espouses a statist and leftist political image, aligned to the social-democracy ideology of its forebear, the Provisional National Defence Council. This ideological variance between the two parties influenced their different approaches to governing oil more generally. Broadly, the NPP pursued a liberal approach to oil, seeking to attract more foreign investment against increasing national participation, whereas the NDC followed a statist approach, aiming to garner high stakes for the state (see Hickey et al. 2015a, Mohan et al. 2018). Ghana's political landscape thus reflects a

⁴ This is a condition where contending elites negotiate with one another, and with each elite actor, implicitly threatening that in the event that the arrangements are not to their liking, they could 'defect' from the deal, and potentially disrupt the game as a whole (see Levy 2014).

conflict between ideas and more instrumental interests, not least that although both the NDC and NPP continuously seek to distinguish themselves in ideological terms, the incentive of political survival strongly influences the levels of elite commitment to policy choices.

The tendencies (electoral calculations, coalitional building, clientelism and ideas) associated with the political settlement strongly influence the decisions that ruling elites make and which in turn shape development outcomes in Ghana (Oduro et al. 2014). Elite relations determine how policies are negotiated between the state and organised groups (e.g. civil society, private sector, trade unions, etc.) such that, although the incentives of those in positions of power may be at variance with the national interest, powerful elites resist changes that might not be in line with their interests (DFID 2010). For example, mineral resources have served as an important economic development bedrock of Ghana (see Awudi 2002, Aryee and Aboagye 2008). By 2010, the mineral sector alone constituted about 8 percent of Ghana's gross domestic product (GDP) and 25 percent of government revenue. This promise has, however, not matched the country's development record, not least with the widening poverty gaps (see Debrah 2013), and growing budget deficit (see Tuffour 2013). This is partly explained by the fact that mining operations are fragmented towards party lines, with policies often designed to serve the interests of ruling coalitions and their factions, including political and business elites owning lucrative mining concessions and chiefs gaining through royalties in exchange for land (Abdulai 2017).

3. Ghana's political settlements and governing oil in the national interest

In this section, I discuss the political processes that shaped Ghana's local content framework, focusing on how power relations within the political settlement shaped the policy and legislative outcomes above. I examine the maiden policy processes of both the NPP and NDC, focusing on the nature of elite bargaining between politicians, civil society organisations (CSOs) and private sector organisations (PSOs) in relation to the types of initiatives these groups deemed relevant for retaining greater oil rents. This helps map the key actors that were involved in the local content policy and legislation development process and how their interests and ideas shaped the ambitious local content initiatives.

3.1 Local content policy and legislative processes

Ghana's political settlements tendencies (partisan policy-making, inter- and intra-elite bargaining, clientelist politics and ideas) deepened with oil discovery. As Whitfield (2017) argues, oil intensified existing tendencies and reinforced previous patterns of the political settlement. The historical dominance of the NDC and NPP within Ghana's competitive clientelist political settlement and the attendant short-termism and partisan policy-making generated by the high tendency of change in elections (Killick 2008) persisted after oil discoveries. As a common feature of Ghana's 'winner takes all' democratic practice (Gyimah-Boadi 2004), the NPP's National Forum on

Oil and Gas Development⁵ in February 2008 was highly politicised, inviting few civil-society representatives and excluding the main opposition NDC (Van Gyampo 2011). The forum culminated in a 'one stop' regulatory framework – the GPRAB – under which the NPP set requirements for local employment and sourcing of goods and services (Gary et al. 2009). The party's strategy partly flowed from its 'pro-market' ideology, as it sought to attract greater foreign investment in order to help address Ghana's macroeconomic problems at the time, particularly the prolonged real exchange rate depreciation and a weak Ghanaian currency vis-à-vis the major currencies.⁶ Justifying this approach, one NPP MP argued that:

'Local content can only be achieved through adequate local capacity....we needed to meticulously build local capacity over time.....enforcing ambitious and strict regulations like what the NDC has done is only a side-track to the needed foreign investments to create forward and backward linkages and help restore our ailing economy.'⁷

The NPP decided to develop local content gradually, aiming to achieve a 'modest degree of local participation' and 'greater foreign investment'. These initiatives did not, however, meet the expectations of some civil society and private sector actors, who were rooting for stronger local content targets that could help secure greater rents from oil than the NPP offered.⁸ The NPP's closed policy approach reinforced what Brinkerhoff (2000: 242) suggests indicates a lack of political commitment to 'a credible vision of success and strategy' that is participative and incorporates the interests of important stakeholders (also see Van Gyampo 2011).

The partisan approach in the initial policy process increased inter/intra-political competition and fragmentation between the NPP and NDC (Gyimah-Boadi and Prempeh 2012). Oil stakes manifested in the closely fought elections in 2008 and 2012 between the NPP and NDC, with both parties pandering to populist rhetoric of using oil revenues to implement major development projects, in the hope of swinging votes in their favour (see Gyimah-Boadi and Prempeh 2012, Graham et al. 2016). Khan (2010) suggests that in competitive clientelist settings such as Ghana, the imperative of political power will lead politicians to adopt policy initiatives that distribute rents to influential factions that either threaten or help sustain their authority. Within this context, the central–local dynamics of Ghana's political settlement are significant, in that in managing these relationships, politicians mobilise votes to win elections. Consequently, political elites take these dynamics seriously when constructing their coalitions. In order to secure the electoral prize, the NDC capitalised on the 'poor' policy record of the NPP to promise greater consultations

⁵ The Forum, held in Accra, between 25 and 26 February 2008, was the NPP's maiden policy process to solicit stakeholder inputs in developing the institutional framework for the oil and gas sector.

⁶<http://www.africanelections.org/Userfile/file/NPP%20MANIFESTO%202008%20ELECTIONS.pdf>

⁷ Interview, 10 June 2016.

⁸ Interview, AGI official, 1 April, 2016.

around developing institutions to govern oil and gas. The NDC, operating within the high electoral stakes generated by oil, used petroleum management concerns, particularly around deepening national participation, to woo and build an electoral coalition with pro-local content CSOs and private sector elites. The NDC, with its espoused resource-nationalist character, promised to deepen state control with increased local employment and participation. For one NDC MP, the party's commitment to deepening local participation exemplified its longstanding resource-nationalist ideology, where 'the state's interest comes before foreign investment considerations'.⁹ This commitment involved promises in the NDC's 2008 manifesto¹⁰ and political engagements with CSOs and PSOs in various symposia – a key one being the Elections, Democracy and Development (EDD) colloquium organised by the Institute of African Studies (IAS) in May 2008, where the party promised a more resource-nationalist approach to governing oil – a move that also flowed from the NPP's decision under the GPRAB to limit opportunities for local participation. In what appears to have been an endorsement of the NDC's promises around local participation, the dean of the IAS is reported to have argued in the same conference that 'if the NPP wins the 2008 election, there will not be any substantial change in policies and programmes ... on the other hand, an NDC win is likely to result in significant change and direction in the content of some policies'.¹¹ The NDC's positioning as the party with high levels of commitment to governing oil in the national interest drove much of its relationship with pro-local content CSOs and private sector elites and was instrumental to the NDC expanding its coalition and subsequently winning the 2008. One senior official at ISODEC argued, for example, that the NDC's victories in both the 2008 and 2012 elections were 'significantly' decided by 'the silent but influential minority', who thought that the NDC was a better alternative to govern oil in the national interest.¹²

The NDC's 2008 elections victory fostered considerable elite support and expectations by pro-local content CSOs and PSOs, further presenting the party with the opportunity to expand its coalition. The party forged a broad-based ruling coalition with CSOs around oil governance more broadly.¹³ Specific to local content, the party's coalitional building strategy included incorporating representatives of the Civil Society Platform on Oil and Gas (CSPOG)¹⁴ in closed door meetings (at the Energy Ministry) around oil governance – moves that pushed the minister to employ the Integrated Social Development Centre (ISODEC, also the headquarters of the CSPOG), as consultants to augment the capacity of the newly created Local Content Directorate in developing the local content policy and law. The NDC sought to

⁹ Interview, 3 May 2016.

¹⁰ The NDC promised to leverage GNPC's technical expertise to ensure Ghana benefits greatly from its oil and gas resources by enforcing local participant provisions in petroleum laws and agreements (NDC Manifesto, 2008: 8).

¹¹ Daily Guide Newspaper, 27 May 2008.

¹² Interview, 13 April 2016.

¹³ See Ghana News Agency, 24 June 2010, Daily Guide Newspaper, 22 October 2010.

¹⁴ A group of CSOs created the CSPOG in 2009, comprising various CSOs, PSOs, NGOs etc. with strong interest in local content and which became the principal focus of the public's engagement within the oil and gas institutional development process.

expand its coalition further through engaging with private sector elites under various symposiums – a major one being the bi-annual Domestic Content and Matchmaking Exhibition Conference (DCMEC) in oil, which started in 2010, including the Institute of Economic Affairs presidential debate prior to the 2012 elections, where it reiterated its commitments to create increased opportunities for local participation in oil (also see GNA 2009, Modern Ghana 2012). As with its 2008 manifesto, the NDC consolidated these promises in its 2012 manifesto, pledging to develop a primary local content law and build the capacity of Ghanaians to participate in oil, including promoting Ghanaian ownership stakes in the oil and gas sector.¹⁵ The NDC's ideological positioning placed it as the party with greater commitments to addressing the interests of pro-local content CSOs and business elites that were marginalised in the NPP's maiden policy process – an approach the party also employed to consolidate its electoral interest in the 2012 polls.

Two main explanations underpin the NDC's incentive to incorporate CSOs and private sector elites into its pre-2008 and 2012 elections coalition: First, and as Gyimah-Boadi et al, (2000) argue, CSOs have become electorally important in Ghana since the promulgation of the 1992 constitution, and draw their power and influence from their relationship with the broader constituency they represent. Debrah (2014) argues that the ability of CSOs to influence their constituencies has historically increased the efficacy of their bargaining and offered them leverage to initiate certain bills and advocate for policy change (also see Oppong et al. 2013). Given this electoral importance of CSOs, politicians become vulnerable to their pressures and demands, especially during elections, for fear of losing votes. It was within this context that the NDC aligned itself with CSO activism as a source of electoral security. Second, the private sector plays an increasingly important role in Ghanaian politics, by virtue of its funding of political elites, who rely on such funds to provide public services and economic development and to fund political activities (Whitfield 2011). As a result, and especially in relation to the NPP's 'business friendly' character (Hutchful 2002: 247), the NDC had an electoral interest to align with private sector elites, in order to counter the business-friendly positioning of the NPP, and undermine their coalition whilst directly strengthening its own.

3.2 Elite bargains and local content development

Ideas and interests in the local content policy and legislative processes became more entwined within negotiations around the breadth of initiatives and control of policy implementation. Here, I detail how the expanded NDC coalition offered considerable power to CSOs and private sector elites to push political elites in fulfilling the party's local content promises. As part of its ideological commitment, the NDC established a dedicated Local Content Directorate (LCD) based at the Ministry of Energy (MoEn) in 2009, to give greater focus to deepening local participation in oil. The newly created LCD nonetheless suffered from capacity challenges. This partly emerged from the strong presidential control over policy processes in Ghana, which underpinned the NPP's closed-door approach, as outlined above – a condition which, according to

¹⁵ See: <http://www.codeoghana.org/assets/downloadables/NDC-2012-Manifesto.pdf>

Van Gyampo (2011: 8), led to 'little or no retention of institutional memory'. As part of the strategy to address this capacity challenge, the Energy Minister employed ISODEC to augment MoEn and the LCD's capacity in undertaking countrywide consultations around oil governance more broadly, but with a keen focus on local content development.¹⁶ The decision to employ ISODEC largely flowed from its prior capacity in mobilising around the Extractive Industries Transparency Initiative and also through the CSPOG, which helped it galvanise a strong civil society/private sector network to leverage the ruling NDC for inclusion in the policy processes.

It is not clear why ISODEC did not participate in the planned stakeholder consultations, as MoEn and the LCD unilaterally conducted the national consultations, consisting of a series of nationwide forums in all the ten regions of Ghana. Although revealing some political commitment to policy development (e.g. Brinkerhoff 2000), ISODEC and the CSPOG criticised the national consultations as ending with 'little information to assess the wider thinking of Ghanaians in relation to local content'.¹⁷ Alarmed by this turn, ISODEC decided to collaborate with some CSOs within the CSPOG to organise a series of parallel consultative processes, with one source noting that 'our version of consultations on local content was very useful, although it was not national in character'.^{18,19} The ISODEC/CSO move flowed from leaks within MoEn that representatives of foreign oil companies were engaged in closed-door negotiations with the energy minister, in an apparent ploy to influence an 'investor friendly' local content policy,²⁰ and, as detailed below, also became manifest in the legislative development stage.

A leaked version of the NDC's maiden local content draft policy in 2009 exemplified evidence of this ostensible foreign manoeuvre, as policy percentages and timelines were not significantly different from those contained in the NPP's GPRAB²¹ – signalling an apparent interest by the Energy Minister to grant some concessions to international oil companies (IOCs) in recognition of their motivations (I discuss this further below). Combined with insights from the parallel consultative process, details of this leak triggered a resistance by the ISODEC-led CSO and private sector alliance against the draft policy. ISODEC by virtue of the 'holding power' of CSOs within the NDC coalition, engaged (through meetings) directly with the energy ministry, pushing the latter to publish the draft policy and demanding a closer collaboration between MoEn, CSOs and PSOs in developing the local content policy.²² This negotiation paid off, as MoEn officially incorporated ISODEC to help develop the local content policy – helping to strengthen local content targets with

¹⁶ Interview, Ministry of Petroleum (MoPet) Senior Official, 31 March 2016.

¹⁷ Interview, ACET official, 23 July 2015.

¹⁸ Interview, ISODEC official, 20 April 2016.

¹⁹ The consultative processes engaged the private sector, educational institutions, labour unions, the media, traditional leaders and ordinary citizens to collate their views on local content issues.

²⁰ Interview, CSPOG member, 13 July 2015.

²¹ One ISODEC official revealed that the NDC's initiatives were marginally stronger than those under the GPRAB and lacked specific percentages and timelines.

²² Interview, ISODEC official, 19 April 2016.

specific percentages and timelines, including extracting commitments from politicians to establish an independent agency (i.e. Petroleum Commission (PC)) and Local Content Committee (LCC) to enforce local content.²³

After the promulgation of the local content policy in 2010, however, processes to develop the primary local content regulation promised by the NDC were slow, with some CSOs alleging a 'lack of political will on the part of our Government as industry and diplomatic lobbyist have pressurized the Government into a withdrawal syndrome' (Amin-Adam 2013: 1). The pro-local content CSO/PSO coalition believed that powerful foreign interests, using capacity-building and budget support grants as leverage, were keen on watering-down Ghana's local content ambitions.²⁴ This partly flowed from a statement the United States ambassador to Ghana is reported to have made – 'Ghana's local content law ... would make it difficult for the country to attract the needed foreign capital, technology and expertise' (see GBN 2013). The suspicion of foreign brokering became more manifest when the NDC, for apparent political reasons, decided to backtrack on its electoral promise to develop a primary local content law. The party rather sought to develop strong local content protocols under a new Exploration and Production Law (E&PL) to replace PNDCL 84, sighting potential conflict between a primary local content regulation and the main E&P Law.²⁵

However, the evidence suggests the NDC's sudden change of mind partly emerged from the party fearing it would lose control over local content implementation. In retrospect, developing a primary law meant limiting the powers of the Petroleum Minister (who had greater authority under the E&PL), since the proposed PC and the LCC would have had greater control over local content under the new law. Fears that foreign and political interests would undermine commitments to secure greater oil rents generated resistance by powerful insiders from the petroleum ministry and the attorney general's department, who intervened and subsequently pushed the Minister to revert to the NDC's initial decision for a primary local content law.²⁶ These 'powerful insiders' were once members of an ISODEC-led caucus with interests in oil governance, who later got political appointments under the Atta Mills administration. They deployed their power within the ruling coalition to 'broker a deal' with top NDC elites for some form of executive control in policy implementation (i.e. determining local partners in E&P equities), paving the way for the development of the Local Content and Local Participation Regulation (LCLPR) in 2013. Ghana's local content framework thus reveals high levels of elite commitment shaped not only by politicians creating opportunities for business elites to accumulate oil rents, but also by the tendencies within its political settlement, namely partisan policy making, coalition building and ideas.

The claim around high elite commitment to local content, however, begs the question – how can the relationship between elite commitment and Ghana's high local content

²³ Interview, ISODEC official, 20 April 2016.

²⁴ Interview, CSPOG member, 13 July 2015.

²⁵ Interview, MoPet Director, 1 April 2016.

²⁶ Interview, PC official, 26 April 2016.

targets be identified, assessed and conceptualised? This question is explored in the next section.

4. Conceptualising political commitment to local content development

Drawing from three (locus of initiative, degree of analytical rigour and mobilisation of support)²⁷ of Brinkerhoff's (2000) analysis of political commitments above, this section conceptualises the levels of elite commitment and how these shaped Ghana's ambitious local content targets. This helps offer an empirical grounding on the important role of power relations in shaping the commitments of political elites to develop and adopt strict and protectionist strategies to promote local content.

Starting with locus of initiative – where the impetus for policy reform resides – Brinkerhoff (2000) suggests that if the initiative for reform comes from the actor spearheading the change, it indicates high political commitment. Hence, was the need for developing a new local content framework foisted on political elites, and/or did politicians themselves see this as an important issue to address? Brinkerhoff's framework suggests that if political elites advocated for new policy approaches to promote local content, it signalled high commitment to policy reform and vice-versa. Operationalising part of this framework in the context of Ghana's local content policy processes indicates high levels of commitment across both the NPP and NDC. After oil discovery in 2007, both parties demonstrated commitment to reviewing Ghana's past local content approaches under PNDCL 84. The NPP developed stronger initiatives under the draft GPRAB to replace the rudimentary provisions in PNDCL 84 (also see Gary et al. 2009) in line with its 2008 manifesto pledge of 'ensuring maximum local content and local participation'. This commitment to developing new local content initiatives continued after the NPP lost power in 2008. Apart from the NDC establishing the LCD that paved the way for consultations leading up to both the policy and regulation, the then energy minister reiterated, on the occasion of the first Domestic Content and Matchmaking Exhibition Conference in 2010, the commitment to develop '... a new local content regulation to give effect to the local content policy ... the regulations will prioritise Ghanaians in the maximisation of value addition and job creation through the use of local expertise, goods and services'(Business & Finance, 2010).

Political commitment can also be conceptualised and evaluated, in part, in terms of 'analytical rigour' (Brinkerhoff 2000). That is, the extent to which political elites undertake in-depth assessments of an issue, and effectively generate and use such analysis to devise technically applicable and politically feasible policy interventions (Brinkerhoff 2000). In Ghana's local content development context, key questions to explore are whether political elites took steps to understand the complexities associated with promoting national participation in oil (e.g. Tordo 2011) and how this knowledge informed an adequate framing of policy initiatives. For, if political elites did not advocate and develop mechanisms to adequately address these complexities, it

²⁷ I focus on these 'three' indicators of commitment because they best explain the commitments of political elites in the policy and legislative processes.

would demonstrate low commitment to pursue change, whereas if they did, it would indicate high commitment (Brinkerhoff 2000). Drawing on an aspect of Tordo et al.'s (2011) indicators of commitment to local content,²⁸ there is some evidence to attribute Ghana's high local content targets to the short-termist incentives of political elites, rather than 'setting measurable targets'. As Amoako-Tuffour et al. (2015) argue, the fact that Ghana's local content drive is inconsistent with its local capacity challenges suggests that strong mutual interest between politicians and business elites shaped the ambitious policy initiatives. This argument has strong links with some misgivings by industry pundits that the NDC's resource-nationalist position around local content merely served as a conduit for politicians to grant rent-seeking opportunities to party cronies in exchange for political power (e.g. Amin-Adam 2015, Amoako-Tuffour et al. 2015).

However this proposition that high local content mimicked a 'quick policy fix' to appease party cronies not only overlooks how strong local content framings elsewhere (e.g. Esteves et al. 2013) have supported economic diversification and strong linkages, but also obstructs the strategic challenges and opportunities that politicians face while 'institutionalising cooperation' around how resource rents should be retained and distributed (Poteete 2009: 548). The evidence suggests that the NDC developed 'high and strict' initiatives in order to shelter business elites from the domination of foreign investments. One MoPet director disclosed the need to push for ambitious targets to ensure Ghana's infant status in oil production does not undermine local participation in the oil sector.²⁹ For Tordo et al. (2011), however, this strategy demonstrates low political commitment to developing targets that are consistent with the country's underlying technical and financial capacities. Arguably, nonetheless, the protectionist framing of Ghana's local content targets could also reveal a high degree of commitment to getting high oil deals for Ghanaians. Creating the enabling environment for high local participation in oil was implicit in the stability and breadth of the political support that pro-local content elites gave to both the policy and law. The NDC in April 2010 included local content in a five-day policy fair at the Accra International Conference Centre to engage public views on various policies. This exercise helped scrutinise the NDC's local content proposals and generated wide support for the policy, with the Chairman of the National Development Planning Commission noting that the exercise was key to the 'development planning programme of the country'.³⁰

A further indicator of commitment is whether political elites actively 'mobilised support' to build consensus and thereby enhancing their legitimacy in the policy reform process (Brinkerhoff 2000). This includes whether politicians developed a participatory policy strategy that incorporated the interests of important stakeholders, which is crucial for diffusing possible disagreements from those threatened by the local content reform. Ovadia (2015) argues that local content policies are known to

²⁸ Tordo (2011) argues that an 'effective' local content framework needs to be clearly defined and within the reach and capabilities of the producing country.

²⁹ Interview, 28 August 2015.

³⁰ Daily Graphic, 29 April 2010.

attract strong elite interests because of the opportunities to accumulate rent. Consequently, an important component of commitment includes examining whether political elites mobilised support through establishing mechanisms to incorporate the divergent interests in local content. As noted above, and in line with Brinkerhoff's (2000: 4) notion of developing a 'credible vision of success', the NDC, establishing the LCD, created an institutionalised platform for policy deliberations between the petroleum ministry and the pro-local content CSO/PSO coalition. This offered CSOs such as ISODEC, including private sector elites, the opportunity to engage politicians within the policy development process, with one CSPOG member noting that: 'the creation of the Local Content Directorate was a promising indicator of the government's commitment to open up the policy development space for wider consultations'.³¹ Although, as noted above, the intention to develop a new local content law was initially threatened by political interference, the subsequent agreement by the Petroleum Minister to develop a primary regulation underscored the recognition that political elites gave to the interests of the CSO/PSO coalition. This recognition was even more evident in the institutionalisation of the local content committee³² with the mandate to 'oversee and ensure the full implementation of the local content and local participation policy'.

Through applying Brinkerhoff's framework to local content development, this section has offered an empirical understanding of the levels of elite commitment (Table 4) within the key stages of the policy and legislative development processes, and of how these shaped Ghana's ambitious local content targets.

Table 4: Ranking of elite commitment

Characteristic of Commitment	Indicators of Commitment	Ranking
Locus of Initiative	Recognition of weak local content initiatives in previous laws	High
	Development of new local content policy and legislative framework	High
Degree of analytical rigour	Setting measurable targets	Moderate
	Creating an enabling environment	High
Mobilisation of support	Opportunity for participation in policy development	High
	Incorporation of proposals of non-government actors	High
	Inclusion in policy implementation framework	High
	Endorsement of both local content policy and regulation	High

Source: Author's construction, based on analysis above.

³¹ Interview, 13 July 2015.

³² Members of the local content committee include both government and non-government actors.

5. Getting good oil deals: the political settlement and local content negotiations

The discussion so far underscores strong evidence that Ghana's high local content commitments above reflect the tendencies within its political settlement. This section undertakes an analysis of two key features (politics around the protectionist local content framing, and the strong ministerial control in aspects of the law) of Ghana's high local content commitments. The analysis further underlines the interplay of elite incentives and ideas.

5.1 Ambitious local content commitments, the interplay of interest and ideas

The elite-led nature of Ghana's local content development and the very conscious and traceable efforts made by the CSO/PSO coalition in negotiating policy and legislative outcomes that reflected their interests are important in understanding the high local content commitments. With the NDC's resource-nationalist posture serving as a more inclusive (than the NPP) policy platform, pro-local content PSOs decided against their alienation from the initial NPP policy process, to collaborate with the ISODEC-led CSPOG coalition in pushing for greater Ghanaian participation in oil. The objective was to present a 'strong collective front' to lobby the Petroleum Minister in adopting provisions that not only gave Ghanaian business elites greater participation opportunities, but developed a 'protectionist framework' that insulated the latter from the inherent dominant foreign interests in the oil sector.³³ This decision flowed from the initial leverage that the ISODEC-led coalition secured during the policy process under the NDC – a move that another AGI member noted was 'instrumental to getting private sector representatives on the same table with the Petroleum Minister and GNPC officials to discuss ways to promote local content'.³⁴ The negotiations involved the CSO/PSO coalition advocating for strong regulations – strengthening local content initiatives with specific percentages to be achieved by oil and service companies, incorporating a 'protectionist framework' that guaranteed local participation in all oil activities, reserving key capital intensive services (e.g. fabrication) for Ghanaians, and pegging the minimum start for the provisioning of goods and services over which Ghanaians had a competitive advantage at 50 percent.³⁵ Although consistent with the NDC's idea of increased national control, the Petroleum Minister, according to the same source, rejected the proposals for the minimum 50 percent start and reserving key capital-intensive services for Ghanaians, citing capacity challenges to justify this.

The Minister's decision mirrored a clear compromise of the NDC's ideological position on local content, largely hinged on the need to balance local participation interests with attracting foreign investors, particularly as the latter persistently opposed Ghana's high and strict local content initiatives. In 2012, when the Petroleum Ministry, in collaboration with the Parliamentary Committee for Subsidiary Legislation (PCSL), decided to create a 'feedback loop' by publishing the draft

³³ Interview, AGI official, 2 September 2015.

³⁴ Interview, 12 April 2016.

³⁵ Interview, member CSPOG, 21 April 2016.

PLCLPR, the Exploration and Production Forum (E&PF)³⁶ used this opportunity to criticise the maiden draft bill as upholding 'strict, ambitious and unrealistic requirements'. The Forum dwelt on local capacity challenges (e.g. shortage of skilled workers and qualified local suppliers) to lobby for a relaxation of the 'strict requirements' (see E&PF Feedback report to the PCSL, November 2012). In part, this appeal by E&PF influenced the Minister's decision against the 50 percent minimum start and protectionist proposal by the CSO/PSO coalition. The Minister's decision was in an apparent recognition of the various sector support programmes funded by foreign oil companies, including ongoing negotiations (at the time) for the Jubilee Partners³⁷ to fund a five-year capacity-building programme in the oil and gas sector. As disclosed by one reliable MoPet source, 'as resilient as the Minister was to develop provisions that guaranteed increased local participation, Ghana's infant oil sector needed foreign investments and support to make it work in the first place,' and so, as he noted, 'we had to agree to some of their proposals, which for me made sense, especially within our capacity constraint'.³⁸ This disclosure also underscores Ovidia's (2015: 40) argument that strong foreign interests played a role in 'watering down' Ghana's local content framework.

However, in line with Khan's (2010: 54) argument about how the holding power of 'intermediate class' elites in developing countries can often mobilise clients to influence policy outcomes, the strong interests of business elites for greater participation and the imperative of political survival combined to put pressure on the ruling NDC to fulfil a great deal of its ideological promise of increased national participation against the 'unreceptive-investor concerns' of foreign oil companies. As one Ghanaian joint venture partner confided:

'.... my point is that whether we participate legitimately or not, in the end we achieve something for Ghana ... this is why we had to force the government to keep its promises...so that as many Ghanaians as possible could benefit from the sector ... rather than folding our arms under the pretext that we have not got the capacity to participate effectively'.³⁹

In hindsight, the NDC's resource-nationalist ideology served as a conduit for adopting high local content targets. The foregoing analyses, however, suggest that this idea of increased national participation provided a smokescreen for politicians to generate rents for private sector elites (regardless of their capacity challenges), as well as to satisfy the parallel resource-nationalist ideas of certain CSOs. The question remains whether Ghana's 'ambitious' local content drive would not entrench the existing elite struggles over oil rents and further make ruling elites vulnerable to clientelist interests (e.g. Oduro et al. 2014).

³⁶ The E&P Forum is an association of upstream oil and gas companies operating in Ghana.

³⁷ Equity partners of the Deepwater Tano block (Tullow, Kosmos, Anadarko, Sabre Oil & Gas and GNPC).

³⁸ Interview, 1 April 2016.

³⁹ Interview, 27 April 2016.

5.2 Political control over local content implementation.

Aspects of Ghana's local content regulation reflect the strong formal executive control that characterises its political settlement, particularly the Petroleum Minister's control over which local persons qualify to partner IOCs in the acquisition of exploration licences. As noted above, the push by CSOs for the petroleum ministry to speedily establish the Petroleum Commission and Local Content Committee was, among other reasons, to ensure an independent mandate in local content implementation. However, ruling elites diluted this ostensibly 'good governance' goal, favouring a more 'incentive-driven' arrangement, whereby the Petroleum Minister has strong control over E&P equity enforcement (see section 4 (4) of LCLPR). Although this arrangement partly paved the way for the local content regulation to emerge, it underpinned predictions that oil would significantly entrench the patron–client relations that characterise Ghana's political settlement (e.g. Van Gyampo 2011, Gyimah-Boadi and Prempeh 2012). It also revealed that the neo-institutionalist focus on best-practice-type policies had little influence on initiatives to promote local content. Rather, the ministerial discretion in local content broadly underscores the elite interest (within the political settlement) in controlling sectors with substantial rents (see Dartey-Baah et al. 2014, Oduro al. 2014). For some observers, although incorporating executive control can help enforce the NDC's increased local participation idea, it remains 'one of the loopholes politicians could exploit for their selfish political interests'.⁴⁰

Contrary to expectations that NPP MPs would contest the discretionary powers assigned to the Minister under the PLCLPR, especially within their 'checks and balance' role, the opposition supported the prevailing rendition of regulation 4 (4). During the third meeting of Ghana's parliament on 19 November 2013, a majority of NPP MPs joined their NDC counterparts to dismiss a petition by the E&PF,⁴¹ with the support of some CSOs, for a review of regulation 4 (4) of the PLCLPR that offered excessive discretionary powers to the petroleum minister in local content implementation (see Hansard, fourth Series, Vol. 8419, 2013). One NPP MP argued that although the Minister's power in local content created some concerns, Ghana stood to benefit if: 'the discretionary powers of the Minister are exercised with the view to ensuring that the people of this country benefit from the regulations that are being passed' (ibid). Clearly, both the NDC and NPP saw the advantages of political control over local content, particularly when they got into power. The consensus by both parties to uphold 'executive' discretion over local content implementation reflected a wider move to maintain the current political status quo (strong ministerial control over oil), regardless of how this had the potential to deepen the patron–client based politics within Ghana's political settlement (also see Amin-Adam 2015, now deputy petroleum minister). The prospect of leveraging this executive control over local content for development may be difficult within Ghana's competitive clientelist political settlement context, as Kelsall (2013) suggests, not least because the competitive nature of elections and the high possibility of losing power may

⁴⁰ Interview, senior official CDD Ghana, 14 April 2016.

⁴¹ The Forum took advantage of the 'feedback loop' on the draft PLCLPR in 2012.

incentivise politicians to discretionary use of oil rents as a means of maintaining their coalition in power, rather invest in long-term projects (also see Gyimah-Boadi and Prempeh 2012, Oduro al. 2014).

Critically, nonetheless, the ministerial control over local content also underlines Kelsall's (2013) argument that centralising oil rents can be developmental, as long as it is tied to the long-term idea of securing the national interest. This argument has strong links with the experiences of various African producers, where resurgent ambitions to achieve national development through oil catalyse strong elite support for more statist-driven policy agendas (e.g. Hickey et al. 2015b), as with Ghana's case. In line with Watts (2004), the advent of oil reignited the NDC's resource-nationalist character, which had been apparent in the early years of oil exploration (also see Hickey et al. 2015a), with the party promoting stronger (than the NPP) local content reforms alongside the neoliberal policies that have largely prevailed in the natural resource sector since the early 1980s. As noted above, the NDC's strategy may have been a tactical political element; in that the party's ideological promises to deepen local participation in oil helped it to build a broad electoral coalition (with pro-local content CSOs and PSOs) that helped it win the 2008 and 2012 elections. However, the fact that the NDC was willing to sacrifice (through negotiating tougher local content deals) much needed foreign capital to help address the macroeconomic challenges that plagued the country at the time of oil discovery reveals the party's ideological position vis-à-vis the NPP. This could be read as an ideological rather than a purely instrumental strategy, in that it involved the NDC returning to its long-standing ideological commitment, distinguishing itself from the NPP's more market-driven approach.

6. Conclusion

The paper underlines emerging critical insights (e.g. Hansen et al. 2015, Ovadia 2016) that move beyond institutionalist arguments of 'good oil governance' to locate the recent surge in local content reforms in most oil-producing African countries within elite-political projects around rent accumulation. However, grounding such insights within an extended political settlements analysis helps situate these rather broad political economy contexts within a more thoroughgoing understanding of how deeper forms of politics and power relations shape levels of elite commitment concerning local content policy choices. Ghana's case reveals the critical role of politics in shaping local content, not only through politicians creating opportunities for business elites to accumulate oil rents, but also through the tendencies within its competitive clientelist political settlement, namely partisan policy making, coalition building, clientelism and ideas. In line with Khan (2010), local content development reflected the intense inter-elite bargaining and partisan deal-making within Ghana's competitive clientelist political settlement, characterised by elite interests to generate increased political loyalty through adopting reforms that guaranteed greater local participation. Ruling NDC elites, operating within an increasingly competitive political settlement context, used the local content policy development process to woo and build an electoral coalition with certain civil society and private sector groups, who in

turn deployed their 'holding power' to deepen the party's commitment around developing ambitious initiatives. The paper finds compelling evidence that the resource-nationalist character of the ruling NDC also strongly shaped the high levels of elite commitment to deepen local participation in the national interest. The shape of Ghana's local content policy and law thus reflects a strong entwining of ideas and interests, particularly the NDC's resource-nationalist character serving as a conduit through which pro-local content elites lobbied for strict targets that guaranteed high Ghanaian participation. It is nonetheless important not to overstate these positive findings around ideas and high local content, which were more explicit in the policy adoption stage.

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