

Heterodox Economics Newsletter

OILING THE URBAN ECONOMY: LAND, LABOUR, CAPITAL, AND THE STATE IN SEKONDI-TAKORADI, GHANA, by Franklin Obeng-Odoom, New York, NY: Routledge, 2014; ISBN: 978-0-415-74409-6, 192 pages.

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In *Oiling the Urban Economy*, Franklin Obeng-Odoom uses data, historical occurrences, personal observations and images to examine the oil city of Sekondi-Takoradi in Ghana, West Africa. Obeng-Odoom problematizes the myth of the resource curse and critically assesses the impacts oil has on economic, environmental, and social development. He discusses issues in the oil sector, such as the lack of decentralization and the overreliance on foreign companies in extracting oil. He also makes historical references to colonialism, and the part it plays in the current system. Obeng-Odoom emphasizes the need for research on urban economic development in African nations, particularly because of the several rapidly growing cities in African nations that lack comprehensive research.

Obeng-Odoom writes for individuals with a basic economics background. Even though the author refers to economic terms such as “economic surplus” (p. 18) and makes many references to the Neoclassical theory, he thoroughly explains these terms for the reader. Additional images inserted throughout the book help readers visualize the growing city, while observing clear disparities in different neighborhoods. Obeng-Odoom is effective in examining several aspects of economic, environmental and social development in Sekondi-Takoradi through his use of data and historical references. He, however, uses personal observations in some of his arguments, which serve as a primary source, but could also be viewed as unreliable.

Obeng-Odoom successfully problematizes the assumption that African countries experience an “inverse relationship between resource wealth and the health of an economy”(p. 6). This stems from the idea that “most oil and gas endowed countries” (p. 5) are not able to use the revenues to “enhance human development” (p. 5) but rather makes “governments repressive” (p. 5). Obeng-Odoom challenges this myth by using several oil exporting African countries as examples. Angola, Botswana, Chad and Nigeria are used to corroborate his claim that the experiences of wealth in African nations differ widely. Although some countries such as Angola struggle with violence and corruption, despite its large oil revenues, other countries such as Botswana show substantial improvements in human development reports after the discovery of diamonds. Obeng-Odoom also makes a vital point that “blessings and curses can co-exist, co-relate and co-evolve” (p. 133). This challenges the conventional assumption that blessings and curses do not co-exist. He uses data on oil revenue, GDP growth rates, and the Human Development Report to verify the variety of impacts resource wealth has had on African countries in the past.

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After establishing how a wealth of oil may impact nations differently, Obeng-Odoom effectively examines the different areas that Sekondi-Takoradi may be impacted on. These areas include employment, real estate development, nightlife and specifically fishers and farmers. While discussing oil impacts on nightlife, Obeng-Odoom uses three personal stories and personal observations to corroborate his report. By visiting the city area regularly, and taking notes, he was able to make the observation of the increase in nightlife, which he connects with the increase in young people migrating into the city, and perhaps the increase in the number of high-profile individuals. The author could have included data and more sources to support his claim and make this section more convincing. He does, however, acknowledge the possibility of variance in his method of observation, and the lack of already existing research, which led him to conduct his own inquiry.

Obeng-Odoom makes a particularly important observation on the environmental and social impacts that the oil industry may have, and does not only focus on the economic impacts. With the lack of official reports provided on this issue, Obeng-Odoom is successful in collecting data on related topics in order to make informed predictions on issues that may arise as the result of the oil business. He highlights the environmental impacts that oil has on the Niger Delta area in Nigeria, and uses them to predict environmental issues in Sekondi-Takoradi. He acknowledges that while environmental “dilemmas about oil in Ghana are similar to those in other countries in Africa” (p. 133), they are not identical.

Obeng-Odoom successfully references other negative impacts of the presence of oil. He discusses the need for decentralization in the oil sector and goes even further to discuss how an oil-based economy is destabilizing. He also considers Ghana’s historical influence on its present day systems, and provides a detailed analysis of Ghana’s economic history. By providing such historical background information, the reader is well informed about the author’s discussions.

Obeng-Odoom is successful in disclaiming the resource curse and establishing the uniqueness of impacts in every oil city. The author effectively analyzes economic, social and environmental impacts, which provides the reader with a better understanding of how oil can impact different aspects of the city. He uses data, images and historical events to support his claims. The author stresses the importance of research in emerging African oil cities, and its potential result of refuting myths. This book is recommended for advanced undergraduate courses and graduate courses in economic development, globalization, and urban economics. Heterodox economists would be interested in the author’s institutional analysis as well as his emphasis on class and income distribution.