



TRANSFORMING GUYANA OCT.-NOV., 2022

National Transformation via Local Content Requires Diaspora Engagement, Education, Trust, & Capital

By Dr. Terrence Blackman
& Dr. Carolyn Walcott

Guyana's oil fortunes are a gold mine with numerous opportunities for citizens to develop and deliver local content, essential goods, and services to support the oil and gas sector. However, the degree to which Guyanese at home fully understand and explore the extent of local content in the burgeoning Guyanese oil economy will largely determine their prospects.

Irrefutably, the small South American oil giant sits in an enviable position as an oasis of economic possibility in the western hemisphere even as the world's most powerful country, the United States, grapples with a financial crisis exacerbated by the global pandemic and unstable gas prices. Economic forecasts appear bright for Guyana and its less than 1 million citizens. Still, an ominous cloud of mistrust hovers over the country and amongst some citizens who view oil investors with skepticism over the nation's patrimony. In recent years, some citizens also perceive the influx of foreigners into Guyana as a "threat" to their socioeconomic livelihood. They have deemed the state oblivious to Guyana's seemingly open borders.

In this essay, we argue that Guyana must embrace "foreigners" and their competencies as critical variables for facilitating entrepreneurial activities to unlock the local content legislation's full potential while protecting Guyanese citizens'



interests. The panelists on GBJ's Transforming Guyana Episode V: Implementing Guyana's Local Content Policy: Challenges & Opportunities serve to inform our reflections.

In 2021, Guyana's National Assembly passed Local Content Legislation (LCL) to maximize available opportunities for local service providers in several sectors. While we are not privy to the level of national information and awareness activities that have preceded the Act, there is undoubtedly an apparent knowledge gap among citizens who anecdotally feel that local content is an abstract concept associated with oil production. The Guyanese layman often opines that oil proceeds are the preserve of overseas oil investors and state officials, leaving citizens languishing. This feeling is a function of Guyana's colonial past and a history of resource exploitation that has failed to provide significant benefits to ordinary Guyanese

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citizens. State actors have vowed to reverse this trend with the discovery of oil.

The 2021 legislation mandates oil companies and their subcontractors to procure services, including office spaces, hospitality, and insurance, mainly from Guyanese companies. The Act also secures janitorial service providers, accounting services, and food establishments, with some scope for overseas food suppliers to absorb the remaining local content needs of oil companies. However, technically it requires levels of local participation in **all** aspects of production—from catering to mechanical engineering and management. The levels of involvement needed vary considerably based on what is feasible. For example, no major offshore helicopter service companies in Guyana exist, so that an international one can receive a contract. Still, they, too, are obligated to maintain a high level of Guyanese participation and training for locals and work quickly toward local management. Full details of the LCL can be found at the [Local Content Secretariat](#),



which was established to guide local involvement and participation and to ensure that a level playing field obtains.

In addition to local interests in local content, Guyana has become an appealing destination in recent years, particularly for foreign investors, including European, North American, and African and Caribbean nationals. The influx of overseas interests has created a degree of unease among locals, who even view their Guyanese and Caribbean counterparts with suspicion.



Some foreign entrepreneurs view the Local Content law as highly protectionist, and Guyanese stakeholders know that the country cannot implement the LCL ideals fully. The LCL ultimately intends a workforce with a complement of 90 percent Guyanese, with 75 percent of senior management posts to eventually be occupied by Guyanese. According to Executive Director of the Georgetown Chamber of Commerce and Industry (GCCCI), Richard Rambarran, the existing database of skilled Guyanese places the country at a low threshold, which requires the deliberate engagement of Guyanese in the Diaspora and a modernized immigration policy alongside local content policy. He contends that *there is sufficient room around the table for both Guyanese nationals and non-nationals* but also believes that access to capital by small business developers is essential for that segment of the population to seize local content opportunities.

Dean of the University of Guyana's [School of Entrepreneurship and Business Innovation \(SEBI\)](#), Professor Leyland Lucas, also concurs with the need for diaspora engagement, particularly where expertise and capital may be leveraged. Lucas has been at the helm of SEBI, established in 2017 as a local capacity-building initiative- a business incubator- with several philosophical ideals, including professionalism, academics, and services while facilitating interdisciplinary collaboration in areas such as agro-processing and environmental management.

Notwithstanding its role, SEBI's Dean also believes that developing a business ethos

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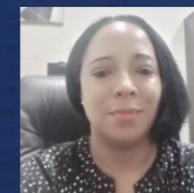
locally to support the oil and gas sector effectively will require time and effort and recognition of the value of international partnerships to enable incremental transitions to occur in the transfer of local ownership. In addition, Dean Lucas acknowledges that not all Guyanese have received the education and training necessary to participate in the local content process; he poignantly noted: "we have to help the shopkeepers and market vendors to understand the importance of timeliness to ensure that the basic local content opportunities can be effectively taken advantage of." The UG Dean envisioned a reexamination of Guyana's immigration policy to account for its low population while embracing the "economic migrants" who are drawn to Guyana, including Caribbean citizens.

Trust-building emerged as a recurring sentiment among the GBJ's Transforming Guyana Episode V panelists. Andrew Schnitzer da Silva, COO of Ascending Ltd., offered expert practical guidance based on his work in Angola and Mozambique. These views were also echoed by Dr. David Lewis, a Fellow of the Caribbean Policy Consortium.

In our previous writings, we have acknowledged the broader arguments that have been made for and against Guyana's "oil" transformation in a world increasingly affected by climate change, primarily caused by carbon emissions. We argue that a balance between oil production and providing goods and services is necessary and possible to provide a pathway for wealth transfer to Guyanese. We believe that a shift in the nation's fortunes must redound to socioeconomic transformation for all citizens from a place of competence, trust, and willingness by Guyanese at



home and abroad to partner with foreign expertise for the common cause of securing the nation's patrimony, sustainably, for generations to come. Trust in each other and, in the process, can make or break our future.



Dr. Carolyn Walcott is a media and communications educator and scholar with a diverse background in journalism education, international communication, and media development. Her research agenda includes media pedagogy, political rhetoric, and social change. She is an assistant professor of Communication and Media Studies at [Clayton State University](#) and teaches both undergraduate and graduate courses remotely for the [University of Guyana](#). She previously served as [Director at the U.G. Centre for Communication Studies \(UGCCS\)](#), where she coordinated international capacity-building seminars to enhance journalism practice in Guyana. Her professional media and development consultancies include strategic mapping and intervention designs for agencies such as [UNDP](#), [UNICEF](#), and [WWF](#).



Dr. Terrence Richard Blackman is a member of the [Guyanese diaspora](#). He is an associate professor of mathematics and a founding member of the Undergraduate Program in Mathematics at [Medgar Evers College](#). He is a former [Dr. Martin Luther King Jr. Visiting Professor at MIT](#) and a [Member of The School of Mathematics at The Institute for Advanced Study](#). He previously served as Chair of the Mathematics Department and Dean of the School of Science Health and Technology at [Medgar Evers College](#), where he has worked for more than twenty-five years. He graduated from [Queen's College, Guyana](#), [Brooklyn College, CUNY](#), and the [City University of New York Graduate School](#).

GROWTH & CLIMATE CHANGE

Guyana has unique challenges & opportunities
- **Dr. Lorraine Sobers**



Speaking during the GBJ webinar series, “Transforming Guyana”- Episode II, Dr. Lorraine Sobers alluded that Guyana has very unique challenges and opportunities, while highlighting that the country is susceptible to the current effects of climate change. She pointed to the need for resilience, with the rising sea levels which has severe impacts on agriculture, etc.

“Climate models show that the current seawall is no match for what is anticipated. One of the major challenges that we expect- climatic events, there’s a cost to this. Guyana, small islands...are already paying for that. It’s a challenge to our development when funds need to be channeled towards recovery...”

“Guyana is set to produce over a million barrels per day before the end of the decade, and that is just astonishing growth. The intention that is laid out in the Low Carbon Development Strategy for

the country speaks to using renewable energy so the revenues from the oil production to develop renewable energy, hydropower in particular, and of course solar. CARICOM is supporting Guyana’s right to produce and so are the African countries”.

Dr. Sobers is a Fulbright Scholar and a Lecturer attached to the Department of Chemical Engineering Petroleum Studies Unit, at the University of the West Indies, St. Augustine. She has a BS in Chemical Engineering and postgraduate degrees; MS and Ph.D. in Petroleum Engineering. Dr. Sobers has 18 years of experience in the energy sector and specializes in geologic CO2 storage. She is also the Project Coordinator for the CO2 Emission Reduction Mobilisation (CERM) Project and a Fellow with the Caribbean Policy Consortium (CPC).

EP 2 LOOK BACK -

“ No one has the **MORAL AUTHORITY** to tell a country like **GUYANA** TO LEAVE ITS **OIL IN THE GROUND** ”
- **DR. DAX DRIVER**

In a previous episode (Transforming Guyana, Episode II) - **President and CEO of The Energy Chamber of Trinidad and Tobago Dr. Dax Driver** said no one has the moral authority to tell a country like Guyana to leave its oil in the ground.

“Nobody living in affluent London has the moral authority to tell anybody living in Georgetown, Paramaribo or in Port of Spain

that they need to leave their oil and gas in the ground to stop climate change. The affluence of this city has been created through the fossil fuels which have built the modern world...Stopping fossil fuels production in the Caribbean will have no impact upon global climate change. The problem is the consumption of fossil fuels... Electric cars are coming and the pace of change is accelerating...don’t miss that big change which

NO ONE HAS THE MORAL AUTHORITY...CONTINUED

is happening with electrification of transportation...For countries like Guyana and Suriname with these massive oil resources in place... the priority has to be to fast track that development of those resources. This is something that Guyana has done extremely well since its first discovery.”

Dr. Driver said the energy transition is here and Caribbean people need to take advantage of it, as he noted that the electrification of transport is what is going to drive the oil industry.

“The key is to get your resources to market as quickly as you possibly can...otherwise you’re going to be left with stranded assets”, he said.

He encouraged policymakers to invest heavily on the grid, noting that as the country’s GDP grows so will its demand for electricity. He said focus should also be placed on energy efficiency, as he warned against subsidies across the board, noting that it drives inefficiency.

COMING UP...

EPISODE VI

November 9, 2022 | 10:30am

Episode VI: Guyana's role in a world that still needs oil: Domestic and regional energy security, including linkage to USA CESI – Caribbean Energy Security Initiative and the Summit of the Americas 2022 (June 6-10) agreements on energy and environmental sustainability.

PANELISTS:

Roger Kranenburg, Vice President, Energy Strategy and Policy, Eversource;

Anthony Bryan, Senior Fellow, Institute of International Relations UWI, St.; Augustine, Trinidad and Tobago

Dax Driver, CEO & President, Energy Chamber of Trinidad & Tobago;

Lorraine Sobers, Lecturer, Department of Chemical Engineering Petroleum Studies Unit, University of the West Indies

Bobby Gossai Jr., Senior Petroleum Coordinator, Petroleum Management Programme, Ministry of Natural Resources, Guyana

MODERATORS:

Dr. David Lewis and Dr. Terrence Blackman.

This & past episodes are available on our **FACEBOOK & YOUTUBE** pages -

GUYANA BUSINESS JOURNAL & MAGAZINE