CHAPTER 1

Introduction: Oil discovery, expectations, and social impacts

Photo 1: The back view of some of the housing units built for those who opted to be resettled in Kyakaboga, Buseruka Sub County, Hoima district.
INTRODUCTION TO THE PHD THESIS

Uganda is one of the poorest countries in Sub Saharan Africa. It has a total population of over 35 million people. The life expectancy at birth is 54.5 years, and a population growth rate of 3.2%, one of the highest in the world (UN, 2012, Uganda Bureau of Statistics, 2013). The poverty level is high with 64.7 percent of the citizens living on less than $2 a day. Uganda is ranked 161 out of 187 on the Human Development Index by UNDP, with GNI per capita of US $510 (World Bank, 2011, Mosbacher, 2013). The discovery of commercially viable oil deposits in the Albertine Graben region (along the shores of Lake Albert) on the western border between Uganda and the Democratic Republic of the Congo (DRC) in 2006 was seen by many as a big opportunity to fight poverty and bring about social-economic development (International Alert, 2009). The discovery of oil resources has also raised hopes and expectations among the citizens (Bainemugisha et al., 2006; Ogwang et al, 2018; Ogwang & Vanclay, 2019; Langer et al., 2020). Since the discovery, the estimates of Uganda’s oil reserves have gone up to 3.5 billion barrels (Mosbacher, 2013). In 2013, Uganda’s oil reserves were estimated to be 3.5 billion barrels, and were expected to yield at least USD $2 billion per year for 30 years once oil production commences (Kuteesa, 2014). With the substantial revenues likely to be generated from the oil boom, oil could transform Uganda to help it escape the extreme poverty (Bainemugisha et al., 2006), especially if the anticipated revenues were not properly planned and, more importantly, equitably and transparently utilized (Masiko, 2006). The success of a country and the region in enjoying such a resource is dependent on a number of factors, but most notably the governance system (in terms of transparency and accountability), and how the revenues are utilized. If poorly managed, Uganda will join the list of ‘resource curse’ countries, which will erode the achievements made in the past and plunge the country into armed conflict and instability.

However, the discovery of oil has also caused anxiety about how citizens are going to share the benefits of the oil boom and fear that, if not well governed through an accountable, transparent and people-centred system that ensures equity in revenue sharing, the oil could become Uganda’s resource curse rather than a blessing (Bainomugisha et al., 2006), especially if the anticipated revenues were not properly planned and, more importantly, equitably and transparently utilized (Masiko, 2006). The success of a country and the region in enjoying such a resource is dependent on a number of factors, but most notably the governance system (in terms of transparency and accountability), and how the revenues are utilized. If poorly managed, Uganda will join the list of ‘resource curse’ countries, which will erode the achievements made in the past and plunge the country into armed conflict and instability.

Uganda has established an ambitious agenda for its future with its 2040 Vision envisaging a middle-income country with the majority of its citizens living in urban areas, having smaller families, and earning income from non-agricultural sectors (World Bank, 2016). I consider that, if the revenues from oil production are used properly and directed towards appropriate infrastructure and social development, it may be possible for Uganda to achieve its 2040 Vision. However, given the transformative potential of oil discoveries (de Kock & Sturman, 2012), Uganda faces some critical policy choices on which the welfare of local communities in the Albertine Graben region and in Uganda as a whole depend (Kuteesa, 2014). While Uganda is relying on the oil revenues to boost its economy and potentially make it achieve a middle-income economy status, the decline in the global market price of crude oil over the past few years is one of the many uncertainties that it has to be prepared to face. Other uncertainties are related to the source of funding of the much needed oil & gas facilities and infrastructure, most of which depend on the goodwill of the oil companies. Uganda as a country does not have the required funds to invest in these projects.

The discovery has had and will continue to have major impacts on the lives and livelihoods of people living in local communities in the region and beyond (NAPE, 2016; Holtermann, 2014; Uganda Land Alliance, 2011). Some of these include displacement, community disarticulation, land grabbing, fear, and annoyance, among others. In countries where corruption is prevalent and which lack the rule of law required to control both public and private sector actors (for
example South Sudan, Angola, Chad, among others), oil has historically been more likely to correlate with periods of endemic corruption, instability, and economic underperformance rather than positive and inclusive development (Oluka-Onyango, 2020). When an influx of natural resource wealth is introduced into a state with weak controls on elite behaviour and dominated by graft and patronage, ‘resource curse’ often occurs (Mosbacher, 2013; Brophy & Wandera, 2020). One of the biggest impacts from oil & gas developments in Uganda, and is a major concern is displacement and involuntary resettlement of project affected persons (Kuteesa, 2014; Ogwang et al., 2018; Ogwang et al., 2019; Ogwang & Vanclay, 2019). As is well documented, many projects cause displacement and, if not managed well, resettlement can have many negative consequences (IFC, 2012; Smyth & Vanclay, 2017; Vanclay, 2017; Ogwang & Vanclay, 2019).

The research question explored in this PhD is: To what extent, and under which conditions, does the exploitation of natural resources lead to a resource curse?

In order to answer this broad question, the emerging oil & gas industry in Uganda was examined by considering a number of subordinate questions like:

1) What is the ‘resource curse’ or ‘paradox of the plenty’?
2) What are the potential benefits of resource development (particularly oil) in Uganda?
3) What are the possible negative consequences of resource development?
4) How can the possible negative consequences, be better managed to reduce their likelihood of occurrence or their impact?
5) What can be done to ensure that the potential benefits of resource development are secured, and how can they be enhanced?
6) What are the significant socio-economic and political aspects (including potential for conflict) of the context (Uganda and the Great Lakes Region) and of resource development in general and oil in particular?

In this thesis, I have analysed how, if well managed, the emerging oil & gas industry in Uganda is potentially an opportunity, or if poorly managed, a ‘resource curse’ or ‘Nigerian Disease’. I also consider the overall implications of this for conflict and social development.

The different stakeholders in the oil & gas industry should avoid and mitigate situations where oil exploitation will lead to a resource curse, and its negative consequences. I also suggested that, in Uganda and other poor resource-rich countries, the government and oil companies should ensure that all negative consequences are fully addressed and that all opportunities for benefit sharing are properly considered and implemented where feasible. In this way, local communities and nations will prosper, and oil companies will gain a social license to operate and be more likely to experience the efficient and effective development of their projects (Jijelava & Vanclay, 2017).

THEORETICAL FRAMEWORK AND KEY CONCEPTS

In the field of political economy of natural resources, the theory of resource curse or paradox of the plenty are commonly used when referring to the misfortunes of having abundant natural resources which, leads to misery and poverty instead of improving the welfare and economic development of the citizens. According to Abiodun (2007:16) natural resources are “all non-artificial products situated on or beneath the soil that can be extracted, harvested, or used, and whose extraction, harvest, or usage generates income or serves other functional purposes in benefiting humankind”. These include the land itself, minerals, oil & gas, water resources, habitats, ecosystems and wildlife (Abiodun, 2007). Because they are, typically non-renewable, harnessing natural resources should lead to the economic, social and political transformation of the citizens and bring about the desired development (Collier & Laroche, 2015).
Development in its simplest definition is the process of improving people’s lives. Originally, the term focused on the goal of greater economic prosperity and opportunity. However, it now typically includes efforts at human development that take into account issues such as governance, education, the environment, and human rights (USIP, 2014). According to Sen (1999), development should be viewed in terms of the real ‘freedoms' that people can enjoy such as economic facilities and social opportunities rather than in terms of economic measures such as GDP growth, and average annual income. In this context, human freedom is at the center of development. In Sen’s view, human freedom is both the primary end objective and the principle means of development; economic measures are merely the means to this end. In brief, development is the realization of freedom and abolishment of ‘unfreedoms’ such as famine, poverty and lack of political rights (Sen, 1999).

In order to have a clear explanation on natural resource development and its impact on development in Africa and Uganda in particular, I used the ‘resource curse’ or ‘Paradox of the Plenty’ theory. This theory asserts that natural resources might be more of an economic curse than a blessing, at least if poorly managed. Richard Auty first used the term ‘resource curse thesis’ in 1993 to describe how countries rich in natural resources were unable to use that wealth to boost their economies and how these countries had lower economic growth than countries without an abundance of natural resources (Auty, 1993). Numerous studies have shown a link between natural resource abundance and poor economic growth (Sachs & Warner, 1995; Byamughisa et al., 2006; Collier; 2010; Ogwang et al., 2019).

Accordingly, this curse becomes an impediment to development leading to the “Dutch Disease”, which means the slump in other sectors of the economy that accompanies a major influx of revenues from exports of natural resources (notably oil and gas). In addition, the high dependence on natural resource revenues makes the national economy vulnerable to fluctuations in market prices. The oil dependence and the volatility of oil prices in international markets can lead to significant problems in fiscal planning, reduce the quality of public spending, and can lead to financial disaster when oil prices collapse. In other words, the ‘Dutch Disease’ refers to the impediments of oil revenue to economic growth and development of oil-dependent states. Consequently, the enormous influx of cash resulting from oil tends to foster wasteful, overzealous and imprudent expenditures. High oil revenue raises exchange rates, promote adverse balance of payment as the cost of imports rises. In short, it kills incentives to risk investment in non-oil sectors, the competitiveness of all non-oil sectors such as agriculture and manufacturing industries have been crowded out (Otaha, 2012). In some cases, the revenues from natural resources, especially oil & gas, also lead to the ‘Nigerian Disease’, a situation where resource revenues are wasted by governments lacking the institutional capacity to use windfall gains effectively (Sahoo et al., 2014).

Otaha (2012) contends that oil dependence leads to a skewing of political forces. It concentrates production into geographic enclaves and power into the hands of few elites, creating a “fisherman’s market for rent-seeking behaviour” (Otaha, 2012:83). Oil rich states, besides lacking transparency, freedom of the press, and accountability, are marked by stratified social classes with a huge poverty gap, what Abubakar (2004 as cited in Otaha 2012:83) calls rich countries with poor people. The mismanagement of natural resource abundance often produces weak states, with little to no growth, and eventually to conflict. Conflict is the pursuit of incompatible goals by different groups (Ramsbotham et al., 2005). Conflict could also be mean a situation in which two or more human beings desire goals which they perceive being obtainable by one or the other, but not both (Stagner, 1967). What is central in the concept of conflict is the element of incompatibility of goals, needs, interests, positions and desires.

Natural resources, such as oil, diamonds and copper, provide opportunities to drive growth and human development (Hailu et al., 2011). However, the extraction of these commodities can also
result in slow growth, poverty and conflict. Their paper entitled, *Conflict prevention in resource-rich economies*, focuses on three important questions, which are also relevant for this study: first, how does natural resource dependence impede economic and social progress? second, how does the lack of economic and social progress translate into violent conflict? third, which economic policies lessen the risk of conflict? By synthesizing country cases, their paper showed that resource-based countries face a higher risk of experiencing violent conflict because of increases in unemployment, inequalities and inadequate provision of social services, particularly education and health. Worsening economic and social conditions aggravate collective and private grievances and the breakdown in state society relations, these, in turn, fuel community protest and conflict (Vanclay & Hanna, 2019; Ogwang, 2020).

Prolonged violent conflict further increases dependence on resource extraction, as economic activities in other sectors are normally disrupted in such a situation. The resource sector often becomes the ‘default sector’, mainly because of its relative immobility or capital intensity. The overall outcome can be a negative cycle of resource dependence, low human development and conflict (Hailu et al., 2011). There are many challenges related to natural resource governance in Africa. According to Abiodun (2007:242), there is a lot of literature, which has shown that recent conflicts over natural resources in Africa have raised a number of questions, two of which are particularly important. First, why has there been a prevalence of resource-based conflicts in Africa compared with other continents of the world? Second, why are some natural resources linked to conflict in some countries but not in others? Put differently, what are the social and political circumstances that can predispose a particular natural resource to become an issue of conflict? In seeking to provide answers to these questions, one is inevitably drawn into matters relating to governance. Abiodun defined governance as “the socioeconomic and political management of state affairs, especially as this relates to the determination of who gets what, when, and through what process. It also involves the interplay of relationships among the different actors concerned with the politics of natural resource management” (Abiodun, 2007:242).

Most observers fear that Uganda’s oil discovery is more bad news than good. Mosbacher (2013), for example, observed that in countries that lack the rule of law required to control public and private sector actors; oil has historically been more likely to correlate with periods of endemic corruption, instability, and economic underperformance rather than with positive and inclusive development. He contends that “when an influx of natural resource wealth is introduced into a state with weak controls on elite behaviour and dominated by graft and patronage, ‘resource curse’ often occurs” (Mosbacher, 2013:1). He argued that, due to its long history of corruption and patronage-based governance, Uganda appears to be a perfect candidate for the resource curse. To make matters worse, Ugandan policymakers have created a regulatory framework for the oil sector that will facilitate further corruption, worsen governance, and all but guarantee long-term underdevelopment (Mosbacher, 2013).

**THE CONTRIBUTION OF THIS RESEARCH**

There have been many recent discoveries of natural resources in the Greater East and Central African region. Tanzania discovered vast amount of natural gas around Lake Tanganyika, Kenya discovered oil in the Turukana region and has moved fast with its development and has started begun exporting its crude oil, Democratic Republic of Congo is carrying out oil exploration. On the other hand, Uganda has increased its quest for more discoveries of oil & gas by giving out new exploration licences to new oil companies. All these activities have adverse impacts on the livelihoods of the people and the environment.

This thesis has contributed to the emerging discourse of extractive industries (oil & gas) in Uganda and the wider Eastern Africa in general. The major debates in the oil & gas industry from
the academia, multilateral institutions and policy cycles have focused on the resource curse and its impacts at national level. In addition, they have focused at institutional level, armed conflict, environmental degradation, pollution, grand scale corruption, the debt crises, price volatilities, and the Dutch disease and their impacts mainly on national but not local development. By examining the different projects with different land requirements, I have demonstrated how this research has contributed to the debates on what I called the “local resource curse”. I defined the local resource curse as vulnerability experienced by local communities resulting from the presence or discovery of a natural resource. My contribution details the manifestations of the local resource curse, by examining both the positive and negative impacts of the emerging oil & gas industry in Uganda and the East African region at large. The thesis proposes and recommends to the different stakeholders to consider mitigating the negative impacts; at an earlier stage to improve the outcomes of these resource developments to society (i.e. enhance wellbeing). This should be done by adopting the best internationally accepted industry practices and innovation in the governance of the extractive industries.

This thesis also contributed to in-depth analysis and understanding of China’s funding conditions towards infrastructure projects, through the Exim Bank of China, when dealing with poor resource rich countries in Africa. I examined the role of China in Uganda’s economy in the advent of oil & gas discovery by looking at four mega projects, which have been, and will be, funded and built by the Chinese government and companies respectively. I analysed the potential benefits and financial implications of each project. I also drew the focus on the importance of win-win engagements between the two governments since China is by far a major financer of the mega infrastructure projects in Uganda and its implications on the future development of the country.

PERSONAL INTEREST IN THE TOPIC

The Great Lakes Region of Africa is prone to recurring resource-based conflicts with grave consequences on local livelihoods, national and regional development. There is stiff competition over natural resource control and benefits among various stakeholders, which includes; the local people, multinational companies, criminal cartels, governments, and rebel groups. With the discovery of oil & gas in Uganda, I was interested in this area to examine whether Uganda can avoid falling in the trap of resource curse as other poor resource rich countries in Africa and elsewhere have experienced (Collier & Hoeffler, 2005).

My interest in this topic comes from my academic background and previous research activities. In 2002, I joined the Master’s programme in International Relations and Diplomatic Studies at Makerere University, Uganda. I majored in conflict, peace and security studies and wrote my Masters thesis on the regional conflict in Northern Uganda, which was linked to the conflict in Sudan, and which led to the birth of South Sudan in 2011. Around the same time, there was another ongoing conflict in the Democratic Republic of Congo. In 2014, I won a Coimbra Group Scholarship for young African researchers, and spent one month in the Department of Cultural Geography, University of Groningen, The Netherlands. I used this time to develop my PhD research ideas and eventually the draft research proposal. It is at this point that I decided to further my research interests in the political economy of natural resources in the Great Lakes Region. In my PhD research, I examined whether the discovery of oil is an opportunity or a looming curse and its implications for social development and conflict in Uganda.
METHODOLOGY

I adopted a case study of the emerging oil & gas industry in Uganda as the research design for this research and used qualitative data collection and analysis techniques. A case study seeks to describe a unit in detail, in context and holistically. It is a way of organizing data and looking at the object to be studied as a whole (Boot et al., 1995; Robson, 2002; Kotari, 2004; Sarantakos, 2005). It constitutes the blueprint for the collection, measurement and analysis of data (Mugenda & Mugenda, 1999; Orodho, 2003; Kumar, 2005). A very strong justification for employing qualitative research was premised on the fact that it provided me with the opportunity to talk and observe the oil fields, the different infrastructure, land displacement, and project affected persons. Berg (2001:6) observed, “Qualitative research properly seeks answers to questions by examining various social settings and the individuals who inhabit these settings. Qualitative researchers, then, are most interested in how humans arrange themselves and their settings and how inhabitants of these settings make sense of their surroundings through symbols, rituals, social structures, social roles, and so forth”.

I also found using qualitative approach as appropriate for this type of research because I was interested in observing and understanding the magnitude of the social-economic and environmental impacts of oil & gas developments and other associated facilities based on in-depth responses from the participants in their own words, experiences and interaction in their natural settings. Therefore, qualitative research refers to a range of techniques including participant observation, intensive interviewing, focused group discussions, and documentary analysis (Kumar, 2005). I employed these data collection techniques for three main reasons. Firstly, the study engaged informants in focused group discussions with the objective of obtaining the general overview of the impacts of oil & gas exploitation and development of infrastructure and associated facilities, and how these impacts potentiality link to the resource curse. Secondly, the nature of the research question required an in-depth understanding of the natural setting of the oil & gas industry, and the conditions under which its exploitation and development lead to resource curse. To achieve this, I carried out in-depth interviews, which favoured longer periods of interaction and sharing of insights and experiences with different stakeholders in the oil & gas industry. Thirdly, getting factual information beyond discussions with research participants necessitated accessing some of the relevant documents, which included the production sharing agreement; the Public Finance Act, 2015; Local Content Policies, Facts sheets, and reports providing period activities and progress. The document analyses generally complemented the other methods of data collection and analysis.

This thesis is based on primary data, which I collected between October 2016 and November 2019 and considers whether the discovery of oil is a blessing or a looming curse by analysing the implications of oil development for social conflict and development in the Albertine Graben in particular and Uganda in general. This research project took nine months of fieldwork in the Albertine Graben and Kampala city, which helped me to concretise the information, which I obtained over time. Because of the sensitivity and secrecy in the oil & gas industry in Uganda, I managed to build confidence, relationships, and trust with many informants and the different stakeholders, which proved significant.

The field research took place mainly in the Albertine Graben especially in the districts of Hoima, Buliisa, Nwoya, Kibaale, Kakumiro, Kyankwanzi, Mubende. These districts were selected because most of the oil activities are concentrated there. Hoima and Buliisa will host infrastructure like the pads, refinery, pipelines, and processing facilities. Hoima is the official seat and headquarters of the Bunyoro Kitara Kingdom, which has been putting many demands to the central government and the oil companies demanding for a “fair share” of revenue allocation and other opportunities. I also collected data in Kampala (the capital city) because it hosts the national parliament, oil companies, the Ministry of Energy and Mineral Development, as well as agencies like the Directorate of Petroleum, the National Environment Management Authority, the Ministry
of Water and Environment, the Petroleum Authority of Uganda, and the Uganda National Oil Company among others.

The study benefited from interactions with a total of 165 key informant interviews. These interviews were conducted at different times for different papers. On average, I interviewed 27 key informants per field round. It should be noted that some of these informants were interviewed a couple of times but for different papers. Some of the issues were also overlapping, and therefore, would be discussed during the same interviews. There were eighteen (18) focus groups discussions during the entire field research period, ranging between 5 to 7 participants. Research participants included local leaders at the village, parish, sub-county, and district levels, as well as with civil society organisations, oil companies, opinion leaders, and officials of the Bunyoro Kitara Kingdom. As much as possible, field observations were undertaken to corroborate claims made by research participants and stakeholders, for example claims relating to land acquisition and displacement, infrastructure development, such as schools, roads, and health centres.

In addition to the above data collection methods, I reviewed several secondary sources namely; official documents such as the 1995 Constitution of Uganda, the Land Act (Cap. 227), the Land Acquisition Act (Cap. 226), the strategic environmental assessment report for oil and gas activities (Uganda, 2013); Environmental and Social Impact Assessment (ESIA) reports; Resettlement Action Plans and Resettlement Policy Frameworks; strategic development plans; key legislation; parliamentary reports, and media statements. Of particular note is that I was able to access the project proposal documents of the Ugandan Parliament, which detailed the precise terms and conditions of each loan. I also consulted online sources especially newspapers from Uganda. The documents supplemented my primary data and provided important information on the status and activities of the oil projects in the region.

During this period, the Commission of Inquiry into Land Matters was underway. This Commission was initiated in December 2016 and commenced in May 2017, and was headed by Justice Catherine Bamugemereire. The Commission’s tasks were to inquire into the effectiveness of law, policies and processes of land acquisition, land administration, land management, and land registration in Uganda. My research benefited from the Commission’s public hearings and testimonies, especially relating to the ‘hot spot’ oil districts of Hoima, Kikuube, Nwoya, Buliisa, and Kibaale. During the Commission’s visit to Kibaale District, many dubious land transactions were identified, revealing the involvement of district technical officers (surveyors, planners, civil engineers, etc.) and a cabinet minister in inappropriate conduct.

During this same period, the regulatory bodies, the National Environment Management Authority and the Petroleum Authority of Uganda, conducted public hearings relating to the Tilenga project Environmental Social Impact Assessment (ESIA) in Buliisa and Nwoya districts, the Kingfisher project ESIA in Kikuube (which was curved out of Hoima district), and EACOP ESIA in October in 2019. I was among the group of experts who provided advisory expert opinion on the quality of these ESIA in addition to field visits to compare what was on the ground with what was written in these ESIA Reports. It also made it easy for me to get the first-hand account of the different social and environmental impacts of oil & gas developments on the ground. As such, I got the opportunities to appreciate these impacts and their likely future scenarios on the livelihoods of the people. I must admit that these activities enriched my practical knowledge and skills in conducting and reviewing ESIA. Of course, these activities enhanced my research tremendously.

Field responses like interviews, and observations were recorded using digital recorders, camera and field notes. Where permission was granted, some interviews were recorded and photographs taken, except in some cases where participants were uncomfortable, although for most interviews only notes were taken. Some of the reasons given by participants for not wanting to be recorded or photographed were that they occupied sensitive offices and wanted their involvement to remain
Completely anonymous. The most challenging aspect with the recorded interviews in urban centers or towns was that sometimes interviews were recorded in places near a main road/street amidst heavy traffic or in places with loud music, which was disruptive. To minimize this, the participants were requested to suggest a suitable place with less noise.

In the event that the participant did not have a place in mind, I would identify another place that is convenient, which worked out more often than not. Where interviews were recorded, transcripts were made. The transcripts and notes were read a number of times to identify key themes and issues. The data analysis process commenced with transcription of all recorded interviews. The processes of transcribing the data involved listening and writing out the data word for word to avoid missing out any important parts of the conversations. Then I did the reading and re-reading of the interviews and re-listening to the recordings as well. This was important to not only capture the story line but also in case I had missed out or had not clearly captured some phrases within the conversation. This process of re-reading and listening to the discussions also helped me to be able to acquaint myself with the data. In addition, generally I was able to make connections from different interviews on emerging themes from all the data, which I collected.

The themes were developed from the main research question, and broken down through sub research questions. In the next step, I identified the key issues that emerged from interviews with the participants regarding the different sub research questions/categories under discussion. For example, I inquired from the participants their perceptions on the impacts of the oil boom on the lives of the people in the Albertine Graben, and their responses indicated that there were many negative consequences than the positives ones for the local people in the area. Some of the negative issues identified were restriction to fishing, firewood and herb collection, little compensation, and displacement. In trying to determine the connections and patterns from these interviews, I used direct quotations that were relevant to the research questions and the different themes and concepts, which have been identified. I ensured that that the quotations captured represented the context in which the participants stated their responses. The overall goal was to ensure that presentation of participant’s contributions was made in a legitimate way within the overall discussion.

Generally, the data processing and analysis followed a back and forth movement to acclimatize with the data collected. Transcribing was done, (re)reading and listening to the recorded discussions. It is through this process that relevant themes and concepts were identified and captured, as well as drawing of similarities and differences that contributed to the different chapters developed as part of the thesis.

**RESEARCH ETHICS**

All interviews and other interactions with research participants were undertaken in a manner consistent with ethical social research and the principle of informed consent (Vanclay et al., 2013), although signed informed consent sheets were not widely used since this was inappropriate in the Ugandan context. Throughout the research period, I observed and abode by the three major areas of ethical concerns; ethics of data collection and analysis, treatment of human subjects, and the ethics of responsibility to society (Reese & Fremouw, 1984). I endeavoured to get informed consent of participants and all interviews were undertaken anonymously as much possible. I ensured that no harm accrued deliberately to individuals, groups of individuals, and or societies resulting from my research.

One of the main methodological challenges to this research was to get signed consents from participants. However, all participants gave verbal consent to be interviewed. In rural areas of Uganda, people are generally afraid of signing documents, especially when they are not familiar
with such procedures. They feared that signing a document might be used for other purposes to their detriment, for example, to take their land away from them. All the interviews were conducted in English, Luo, Luganda (a language widely spoken in Uganda), or Runyoro (the language of the Bunyoro people) at the choice of the participant. It is worth to note that as a native Ugandan scholar, I speak English, Luo, and Luganda (and a number of other East African languages). In the interviews, a multi-lingual research assistant assisted me.

**THESIS OUTLINE**

Since Uganda discovered commercial oil deposits in 2006, there have been many ongoing activities resulting into many social impacts, both positive and negative. This thesis contains seven chapters. In Chapter 2, I identified and analysed the management of social tensions and community grievances in the Albertine Region of Uganda. Some of these are related to land and resource conflicts, which have morphed in Uganda, as the Government’s and private sector’s drive to exploit the country’s natural resource wealth often conflicts with its human rights obligations, with long-lasting consequences for surrounding communities and the environment (de Kock and Sturman, 2012; Van der Ploeg and Vanclay, 2017). Many communities in the mid-western region of Uganda have been negatively affected by Uganda’s emerging oil industry (Ogwang et al., 2018; Ogwang and Vanclay, 2019; Ogwang et al., 2019; Olanya, 2015) and consequently many of them have lodged complaints with the central Government (Holterman, 2014; NAPE, 2016).

In Chapter 3, I examined the impacts of the oil boom on the livelihoods of the people living in the Albertine Graben region of Uganda (Ogwang et al., 2018; IFC, 2009). These impacts, are both positive and negative and include: employment opportunities; infrastructure development; project induced displacement and resettlement; in-migration and influx; inflation; reduction of food security; restrictions on access to fishing, firewood and herbs for cooking and medicinal purposes; inadequate compensation; land grabbing; prostitution; environmental degradation; annoyance and inconvenience; fear and anxiety; and changes to their communities, livelihoods and landscape, and their likely future consequences. In this chapter and throughout the thesis, I have analysed how the emerging oil industry in Uganda is potentially an opportunity if well managed on the one hand, and can potentially lead to a ‘resource curse’, ‘Dutch Disease’ or ‘Nigerian Disease’ if poorly managed, and the overall implications for conflict and the social development.

In Chapter 4, I examined rent-seeking practices, local resource curse, and social conflict in Uganda’s emerging oil economy. In this chapter, I considered the different types of rent-seeking practices, and discussed how they contribute to social conflict and a local resource curse in the Albertine Graben region of Uganda. The rent-seeking activities have contributed to speculative behavior, competition for limited social services, land grabbing, land scarcity, land fragmentation, food insecurity, corruption, and ethnic polarization. Local people have interpreted the experience of the consequent social impacts as a local resource curse. The impacts have led to social conflicts among the affected communities. I examined how rent-seeking practices lead to a local resource curse and social conflict at the community level. I analysed the manifestations of the local resource curse, and discussed its impacts on local communities, and how these practices undermine community benefits.

I argued that, instead of empowering the local community, the presence of natural resources is disempowering and makes people more vulnerable to the activities and manipulations of speculators, entrepreneurs and local leaders, which I considered to be rent-seeking practices, leading to a local resource curse. Rent-seeking practices encompass natural resource governance challenges, including but not limited to land grabbing, corruption, bribery, unfair compensation,
and speculation. I defined the ‘local resource curse’ as vulnerability experienced by local communities resulting from the presence or discovery of a natural resource.

My analysis focused primarily on three risks, and on how these led to social conflict: loss of property; economic displacement; and community disarticulation. Loss of property includes loss of land, both individual and community owned, as well as housing, crops, animals as well as other physical assets. By economic displacement, I mean not only the loss of livelihoods and other sources of income, but also loss of access to resources and markets, as well as discrepancies between opportunities provided and people’s skills and interests. Community disarticulation is where there is a breakdown in social ties and social organization. These three risks arose from my data as the key emerging themes.

In Chapter 5, I examined the social impacts of land acquisition for oil and gas development in the Albertine Graben region of Uganda. Uganda's oil and gas sector has transitioned from the exploration phase to the development phase in preparation for oil production (the operations phase). The extraction, processing, and distribution of oil require a great deal of infrastructure, which demands considerable acquisition of land from communities surrounding project sites. I specifically considered five major oil related projects that have or will displace people, and discussed the consequences of this actual or future displacement on the lives and livelihoods of local people. The projects are: Tilenga; Kingfisher; the East African Crude Oil Pipeline; the Kabaale Industrial Park; and the Hoima-Kampala Petroleum Products Pipeline. However, many people have been displaced, causing food insecurity, the disintegration of social and cultural cohesion, and reduced access to social services. The influx of immigrants has increased tensions because of increasing competition for jobs. Crime and social issues such as prostitution have also increased and are expected to increase further. I assessed the social impacts of land acquisition for five major projects associated with the oil & gas development in Uganda. I argued that land acquisition should adhere to international best practice. I suggested that opportunities for benefit sharing should be properly considered, and implemented by the oil companies and the government in a negotiated and coordinated way, which will enable the oil companies and the government to gain a social license to operate.

In Chapter 6, I investigated the governance challenges related to Resource Financed Infrastructure development in Sub-Saharan Africa, with interests in Chinese-funded megaprojects in Uganda.

The overarching research design for the research for this specific chapter is a multi-case study (Yin, 2009). I examined the role of China in Uganda’s economy in the advent of oil & gas discovery by looking at four mega projects, which have been, and will be, funded and built by the Chinese government and companies respectively. I analysed the potential benefits and financial implications of each the four mega projects, namely: the Kampala-Entebbe Expressway; the Karuma Hydroelectricity Dam; the Isimba Hydroelectricity Dam; and the section of the East Africa Standard Gauge Railway from Malaba on the border with Kenya to the Ugandan capital, Kampala. These megaprojects were at different stages of planning and implementation, but were all being funded by the China Exim Bank. They were selected because, at the time of the research, they were the largest R4I/RFI funded projects being undertaken in Uganda. In my results, for each case I briefly outlined the potential benefits and harms from the project, as well as described the financing arrangements. I then did a meta-analysis to consider whether the R4I/RFI arrangements in the four cases were effective from Uganda’s perspective.

In Chapter 7, I examined the social and livelihood impacts from the Uganda section of the proposed East African Crude Oil Pipeline (EACOP). While the actual construction of the pipeline and its associated facilities has not yet begun, and although the whole project is hanging in balance after the Joint Ventures (JV) suspended all operations in September 2019 due to tax disputes with the government, the social impacts of this mega project is evidently visible. I looked
at the different socio-economic activities of the Project Affected Persons, the dilemma and misinterpretation of the cut-off date, the impacts of the on-going developments like land acquisition, and Resettlement Action Plans processes, and other related activities on the livelihoods of the local communities along the pipeline routes; and how these developments have so far affected their livelihoods.

In Chapter 8, I concluded that as the country prepares to get the first oil, probably by 2025, Uganda and other poor resource-rich countries, should ensure that all negative consequences related to oil and gas, and other development projects, are fully addressed and that all opportunities for benefit sharing are properly considered and implemented to avoid a situation where oil exploitation and development will paradoxically lead to a resource curse. These countries should also advocate for a win-win situation where foreign countries, particularly China, are extending to them loans to undertake different infrastructure projects like roads, hospitals, power, and airports.

REFERENCES


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CHAPTER 2

The Management of Social Tensions and Community Grievances in the Albertine Region of Uganda

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