OIL MANAGEMENT AND THE RESOURCE CURSE IN UGANDA: A CASE STUDY OF HOIMA DISTRICT

 $\mathbf{B}\mathbf{y}$

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Administration of Oil Governance and Management of Uganda Technology and
Management University

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DECLARATION

I, Hillary Mangeni, hereby declare that, to the best of my knowledge and belief, I am the sole author of this dissertation. The work presented in this dissertation has never been submitted to any other University / Institution for any academic award. Thus, the work is original, a result of my own research, and where other people's research was used, the authors have been duly acknowledged.

Hillary Mangeni Signature.	• • • • • • • • • • • • • • • • • • • •
Date	

APPROVAL

This is to certify that this dissertation titled "Oil Management and the Resource Curse in Uganda: A Case Study of Hoima District" was submitted with my approval as the authorized and nominated supervisor of Uganda Technology and Management University

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DEDICATION

This research work is dedicated to my dear children who missed me whenever I was away attending lectures at Uganda Technology and Management University.

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LIST OF ABBREVIATIONS

AAA Analytical and Advisory Assistance

AC Anti-corruption

ACC Anti-Corruption Commission

BDS Business Development Services

BOD Board of Directors

BPS Budget Policy Statement

BROP Budget Review and Outlook Paper (BROP).

CPI Corruption Perception Index

CPIA Country Policy and Institutional Assessment

CSO Civil Society Organization

CVI Content Validity Index

EAC East African Community

GDP Gross Domestic Product

GoU Government of Uganda

IG Inspectorate of Government

IGG Inspector General of Government

MDGs Millennium Development Goals

MEMD Ministry of Energy and Mineral Development

NGOs Non-Governmental Organizations

OAG Office of the Auditor General

PAC Public Accounts Committee

WDR World Development Report

WGI Worldwide Governance Indicators

ABSTRACT

The study examined the relationship between oil management and the resource curse in Hoima District. The study was premised on three specific objectives: to analyze the relationship between planning for oil exploration/production and a resource curse in Hoima District, to examine the relationship between coordination of oil exploration/production and a resource curse in Hoima District and to assess the relationship between monitoring of oil exploration/production and a resource curse in Hoima District. The study adopted a descriptive cross sectional survey design where both quantitative and qualitative approaches were used. In this study, a total number of 140 respondents were expected. However, only 120 respondents returned the survey instruments, representing a response rate of 85%. The data was collected using questionnaires and interviews and analysis was done using Regression Analysis, Correlation Coefficients, One Way Analysis of Variance and Independent Sample Tests for the quantitative findings. Qualitative examination was done using Content and Thematic Analysis. The findings, where r = 0.421, p = 0.000 < 0.05, revealed that there is a positive relationship between planning for oil exploration/production and a resource curse in the oil producing areas in Uganda. The results for coordination for oil exploration/production and a resource curse in the oil producing areas in Uganda revealed that r = 0.378, p = 0.011 > 0.05, while the results for monitoring for oil exploration/production and a resource curse in the oil producing areas in Uganda revealed that r = 0.199, p = 0.006 < 0.05. The regression model was (F = 0.333, p = 0.000 < 0.05). All the independent variables including (= 0.401, p = 0.001) for planning, (= 0.378, p = 0.011) for coordination and (= 0.214, p = 0.006) for monitoring significantly positively influenced the resource curse. The magnitudes of the respective betas suggest that the oil management most significantly predicted the resource curse in oil producing areas like Hoima. In conclusion, the residents were not contented with government's failure to involve them in planning, coordination and monitoring process for the oil exploration and production. It was recommended that: the government should ensure that concrete strategies for planning, in line with international best practice on "combating the resource curse" are enshrined in the new legislative framework for oil. The government should also embark on developing a proactive information dissemination and coordination strategy that addresses the information needs of people at community level. There is also a need for sustained initiatives by the government in partnership with civil society, district taskforces and the private sector, to engage communities in dialogue on specific issues related to oil exploration and exploitation affecting local communities.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study focused on examining the relationship between oil management and the resource curse in Uganda, with specific focus on Hoima District. Oil management is conceived as the independent variable and the resource curse as the dependent variable.

Although, the UN General Assembly Resolutions have affirmed the sovereignty of the people over their natural wealth and resources, one of the most profound impacts of oil discovery that cuts across all districts is an apparent escalation of land conflicts associated with oil and gas in Uganda. Prior to the discovery, the majority of the community members in the oil refinery areas perceived oil refinery activities as an investment that would uplift their lives and the status of their region through among others provisions of employment opportunities and better standards of living; but is this true in the case of Hoima? This question created a puzzle that this study investigated and found mitigation measures to. This chapter therefore presents the background of the study, statement of the problem, purpose and specific objectives of the study, research questions, conceptual framework, significance of the study, justification, and scope of the study and operational definitions of the terms and concepts.

1.2 Background to the study

1.2.1 Historical background

The petroleum industry is not of recent origin, but petroleum's current status as the key component of politics, society, and technology has its roots in the early 20th century. The invention of the internal combustion engine was the major influence in the rise in the importance of petroleum (Andersen, 2008). The earliest known oil wells were drilled in China in 347 AD or earlier. They had depths of up to about 800 feet (240 m) and were drilled using bits attached to

bamboo poles. By the 10th century, extensive bamboo pipelines connected oil wells with salt springs. The ancient records of China and Japan are said to contain many allusions to the use of natural gas for lighting and heating. Petroleum was known as burning water in Japan in the 7th century (Graham, Amos and Pluptre, 2003).

The first streets of Baghdad were paved with tar, derived from petroleum that became accessible from natural fields in the region. In the 9th century, oil fields were exploited in the area around modern Baku, Azerbaijan. These fields were documented by the Arab geographer Abu al-Hasan in the 10th century, and by Marco Polo in the 13th century, who described the output of those wells as hundreds of shiploads. In 1745 under the Empress Elisabeth of Russia, the first oil well and refinery were built in Ukhta by Fiodor Priadunov (Global, 2010). Through the process of distillation of the "rock oil" (petroleum), he received a kerosene-like substance, which was used in oil lamps by Russian churches and monasteries (though households still relied on candles). In 1846, Baku (settlement Bibi-Heybat), the first ever well drilled with percussion tools to a depth of 21 meters for oil exploration (Kabanda, 2008).

In 1848, Young set up a small business refining the crude oil. The new oils were successful, but the supply of oil from the coal mine soon began to fail (eventually being exhausted in 1851). Young, noticing that the oil was dripping from the sandstone roof of the coal mine, theorized that it somehow originated from the action of heat on the coal seam and from this thought suggested that it might be produced artificially (Newig, 2007). By 1910, significant oil fields had been discovered in the Dutch East Indies (1885, in Sumatra), Persia (1908, in Masjed Soleiman), Peru (1863, in Zorritos District), Venezuela (1914, in Maracaibo Basin), and Mexico, and were being developed at an industrial level. Significant oil fields were exploited in Alberta (Canada) from 1947. First offshore oil drilling at Oil Rocks in the Caspian Sea off

Azerbaijan eventually resulted in a city built on pylons in 1949 (Kaba-M'baye, 2010). The top three oil producing countries are Saudi Arabia, Russia, and the United States (Newig, 2007). About 80% of the world's readily accessible reserves are located in the Middle East, with 62.5% coming from the Arab 5: Saudi Arabia (12.5%), UAE, Iraq, Qatar and Kuwait. However, with high oil prices, Venezuela has larger reserves than Saudi Arabia due to its crude reserves derived from bitumen (Newig, 2007).

Generally, there is a consensus in the literature that oil as a natural resource has become a kind of paradox for developing economies that engage in its production. This growing concern is due to the rising and persistent nature of violent conflicts experienced in most of such states. Thus, oil revenues have become a threat to the achievement of sustainable democracy, peace and development in some oil-rich developing economies like Nigeria, Angola, Gabon, Venezuela and Sudan (Andersen, 2008). This has resulted in claim that oil exploration activities institute poverty and economic inequalities, due to their impact on the environment. Thus, oil resources exploitation fuels environmental scarcity and competition, resulting in violent conflict, as other resources, such as land and water become scarce for other economic activities (Kaba-M'baye, 2010). De Silva and Ranjith (2011), for instance, contextualised such a situation as 'supply-induced scarcity'.

Uganda is among the few African countries that are putting in place mechanisms to extract the oil resource besides the oil giants Libya, Egypt, Angola. Uganda has been described by the oil industry press as Africa's 'hottest inland exploration frontier'. If current estimates of the country's oil potential from exploration to date are correct (around 1 to 1.5 billion barrels or bbl of recoverable reserves), this would put Uganda among the foremost African oil producers, or

'among the world's top 50 producers (Kakuba, 2013). By comparison, oil-rich Equatorial Guinea, dubbed the 'Kuwait of Africa', had proven reserves of 1.1 billion bbl in 2007. Given the recent volatility of oil prices, which fluctuated between a low of US\$40 a barrel and a high of US\$150 in 2008, it is difficult to estimate Uganda's likely revenues from oil with any certainty. Yet whatever the oil price, if production goes ahead without hitches, the country's budget looks likely to receive a major windfall, potentially doubling or even tripling Uganda's current export earnings that stand at US\$2 billion. (Kasimbazi, 2012).

Focusing on oil in Uganda, prospecting for oil in Uganda's Albertine Rift started in earnest in 2003–04, and the government has currently licensed five exploration areas (EAs) out of a total of nine, both onshore and offshore in Lake Albert. The key blocks licensed to date are EAs 1, 2 and 3A, respectively in the Pakwach, Northern Lake Albert and Southern Lake Albert/Semliki Basins (Kibuuka, 2010). Current reserves estimated from exploration to date in Uganda are at around 700 million bbl of recoverable oil, with Heritage estimating potential total recoverable reserves at 2 billion bbl and Tullow, more conservatively, at 1 to 1.5 billion. Tullow estimates an output of between 100,000–150,000 barrels per day (bpd) over a possible 25-year production period. However, the signs are that government remains set on refining in-country rather than exporting its crude (Kasimbazi n.d).

In order to effectively manage the oil, the government has enacted the National Oil and Gas Policy and the Petroleum (NOGP) Act (MEMD Report, 2010). In February 2008, Uganda's Ministry of Energy published the NOGP, which explicitly recognises many of the challenges of the industry and way forward. The NOGP outlines internationally-recognised mechanisms for managing such impacts and turning the finite resource into sustainable development outcomes. It

also highlights the need for a long-term national strategy to ensure optimal impacts from oil and gas exploitation, by maximising value along the value chain (Kivumbi, 2012). The overarching goal of the policy is that oil and gas development in Uganda will 'contribute to early achievement of poverty eradication and create lasting value to society. The NOGP is a very important document and sets a high standard for the future governance of oil in Uganda. It is, however, more a set of principles than a detailed governance guide, and is short on specifics such as, for example, the all-important question of how revenues will be distributed at a local level; or precisely how civil society's role in promoting transparency and accountability will be operationalised at both central and local levels (Kityo, 2011).

As a developing country, Uganda is keen on ensuring that it benefits from oil revenues to alleviate poverty. Article 244 of the the 1995 Uganda Constitution, states that, ownership and control of minerals and petroleum in, on or under any land or waters in the country is vested in the Government. One of the objectives of the National Oil and Gas Policy is "to ensure collection of the right revenues and use them to create lasting value for the entire nation (Kwesiga, 2009). The discovered lucrative oil and gas reserves in the Albertine region presents possibilities of having the government's revenue multiplied twofold within the period of about ten years, adding up to an estimation of 15 % of Gross Domestic Product (Kwesiga, 2009). Although discovery of oil in commercial quantities could be a blessing or a curse, there are associated severe environmental problems that may come with it.

Much as Uganda has discovered oil, there is "a resource attachment to this issue". In fact, most resource-rich developing countries are characterised by what is called in academic literature the

"paradox of plenty" or the "resource curse". Oil and mineral-dependent countries are exceptionally vulnerable to "boom and bust" cycles. Oil can cause what is commonly referred to as "Dutch Disease". Politically managing the resource curse is very difficult because there are a lot of pressures that mean that at best the assets are wasted, and at worst a fight for control of the honeypot destroys the country' (Lubwama, 2013). Developing countries with inadequate institutional frameworks that become reliant on oil and minerals can see a deepening of a range of political, economic and social challenges, including a higher likelihood of civil war and social instability. In part, this can be due to a disconnect between the high societal expectations that accompany oil wealth and subsequent poor economic performance, which can be "politically explosive" as citizens more often than not see a small elite become disproportionately rich, while the rest of society descends further into poverty. Petro-states are in addition often highly militarised and volatile as a result of governments' struggle to maintain control and compete with other groups for power. While conflict related to oil will often have its roots in pre-existing tensions in society, the influx of oil wealth will serve to raise the stakes and intensity, whether at the community or national level (Mamanga, 2012). It is against this background that the researcher sought to investigate the relationship between oil management and resource curse in Uganda.

1.2.2 Theoretical background

This study was underpinned by the principal agency theory. Agency theory, having its roots in economic theory, was exposited by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). Agency theory is defined as "the relationship between the principals, such as shareholders and agents such as the company executives and managers". In this case, oil in Uganda is managed on behalf of the Ugandans. In this theory, government who is

the principal hires the gents to perform work. Principals delegate the running of business to the directors or managers, who are the shareholder's agents (Rowe and Frewer, 2000). Indeed, Rowe and Frewer (2000) argued that two factors can influence the prominence of agency theory. First, the theory is conceptually simple, reducing the corporation to two participants of managers and shareholders. Second, agency theory suggests that employees or managers in organizations can be self-interested.

According to agency theory, shareholders expect the agents to act and make decisions in the principal's interest. On the contrary, the agent may not necessarily make decisions in the best interest of the principals (Rowe and Frewer, 2000). Such a problem was first highlighted by Adam Smith in the 18th century and subsequently explored by Ross, Barry, Mittinick (1935) and the first detailed description of agency theory was presented by Jensen and Meckling (1976). Indeed, the notion of problems arising from the separation of ownership and control in agency theory has been confirmed by Ross, Barry, Mittinick (1935). This theory prescribes that people or employees are held accountable in their tasks and responsibilities. Employees must constitute a good governance structure rather than just providing the need of shareholders, which maybe challenging the governance structure. Oil as a resource in Uganda is to be managed on behalf of the people by the Ministry of Energy and Mineral Development. The ministry enters into concessions and agreements and has to account to the general public about the resource and how it is being extracted.

1.2.3 Conceptual background

Various definitions have been put forward to the key concepts of this study. Oil exploration and production for purposes of this study, and herein after, refers to the process of extraction of the natural resource of oil. Oil management for purposes of this study, and here in after, refers to the

process of focusing on planning, control, coordination, organization, direction and monitoring so as to extract the natural resource of oil in Uganda. Resource curse means the violent conflicts, quarrels and evils that are arising from the exploration and production of the oil resource.

Mathews (1993) defines coordination as the process affected by an organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goals or objectives. Mbanga (2011) defines monitoring as a systematic process of objectively obtaining and evaluating evidence, regarding assertions about economic actions and events, to ascertain the degree of correspondence between these assertions and established criteria, and communicating the results to interested users.

1.2.4 Contextual background

Much as Uganda has discovered oil, there is "a resource attachment to this issue". In fact, most resource-rich developing countries are characterised by what is called, in academic literature, the "paradox of plenty" or the "resource curse". Oil and mineral-dependent countries are exceptionally vulnerable to "boom and bust" cycles. Oil can cause what is commonly referred to as "Dutch Disease". While conflict related to oil will often have its roots in preexisting tensions in society, the influx of oil wealth will serve to raise the stakes and intensity, whether at the community or national level (Kakuba, 2013). For local communities in Hoima, expectations of a better life are too often replaced by an overwhelming sense of injustice. They lose their lands, livelihoods, and witness pollution affecting their environment and health. Their women are disproportionately affected, and have little or no say in the processes that determine if and how their rich lands will be exploited. The residents of Hoima complain of the rampant evils that have befallen them as a result of the oil resource, such as land grabbing, fighting, property destruction, pollution, gas flaring etc (Kasimbazi, 2012). Therefore, this research draws on existing oil-resources induced conflict and resource curse, most of which focus purely on immediate causes

and single factors such as environmental issues, autocracy, corruption, grievance and/or greed, and lack of transparency.

1.3 Statement of the problem

For many governments, the development of natural resources is seen as the most promising path for economic growth. The initial discovery of oil resources in Uganda was seen as a 'blessing', which, judging from the revenues to be generated, would have led to rapid development. However, in recent years, oil resources are turning out to be a curse rather than the anticipated blessing, especially for the dwellers in the host communities (Mbanga, 2011). For local communities in Hoima, expectations of a better life are too often replaced by an overwhelming sense of injustice. The people in Hoima are losing their lands and livelihoods, witnessing pollution and gas flaring, that has affected their health, yet they have little or no say in the processes that determine if and how their rich lands will be exploited. The residents of Hoima complain of the rampant evils that have befallen them as a result of the oil resource, such as land grabbing, fighting, property destruction, pollution, gas flaring etc (Kasimbazi, 2013). Therefore, this research draws on existing oil-resources induced conflict and resource curse, most of which focus purely on immediate causes and single factors such as environmental issues, autocracy, corruption, grievance and/or greed, and lack of transparency. This study was conducted in the context of the management of oil as a resource and escalating issues branding the oil as a resource curse. This facilitated a comprehensive understanding of violent conflicts arising out of the petro business and determined the extent of the contribution of oil resources to violent conflicts in Hoima District.

1.4 Purpose of the study

The purpose of the study was to examine the relationship between oil management and the resource curse in Uganda: A case Study of Hoima District.

1.5 Objectives of the study

The study was premised on three specific objectives:

- i. To analyze the relationship between planning for oil exploration/production and a resource curse in Hoima District.
- ii. To examine the relationship between coordination of oil exploration/production and a resource curse in Hoima District.
- iii. To assess the relationship between monitoring of oil exploration/production and a resource curse in Hoima District.

1.6 Research Question

- i. What is the relationship between planning for oil exploration/production and a resource curse in Hoima District?
- ii. What is the relationship between coordination of oil exploration/production and a resource curse in Hoima District?
- iii. What is the relationship between monitoring of oil exploration/production and a resource curse in Hoima District?

1.7 Research Hypotheses

- i. There is a positive significant relationship between planning for oil exploration/production and a resource curse in the oil producing areas in Uganda
- ii. There is a positive significant relationship between coordination of oil exploration/production and a resource curse in the oil producing areas in Uganda

iii. There is a positive significant relationship between monitoring of oil exploration/production and a resource curse in the oil producing areas in Uganda

1.8 Conceptual framework

This sub section outlines the conceptual framework of the study and provides a discussion of the main areas of focus. It seeks to describe the substantial and crucial link between the issues and as a final point, summarize the variables for the study.

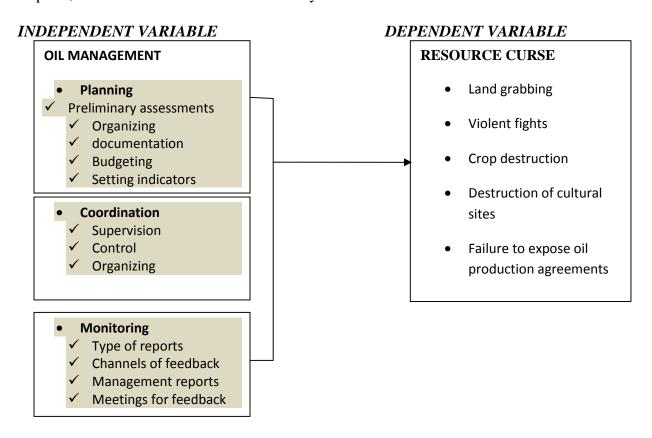


Figure 1. 1: Conceptual framework illustrating the relationship between oil management and resource curse

Source: Adopted from Argyris (2002): Oil production and its effects on development in Nigeria Ahmedu Belo University Journal of Public Administration and Policy: Vol.21-II pp.110-111 (modified by the researcher)

Explanation of the model: The independent variable is Oil Management and the dependent is Resource Curse. Oil management referred to the process of planning, coordination and monitoring. Planning referred to preliminary assessment, organizing, documentation, budgeting and setting indicators. Coordination referred to supervision, control, organizing and coordination. Monitoring was measured in terms of types of reports, channels of feedback, management

reports and directors' meetings. Resource Curse, the dependent variable, was measured in terms of land grabbing, violent fights, crop destruction, destruction of cultural sites and failure to expose oil production agreements.

1.9 Justification

The research problem stated in section 1.3 of this report highlights the justification for seeking an understanding of oil resource conflicts, given that these, like other natural resource conflicts, have become a reoccurring source of violent conflict in many parts of the world. Elimination of structural violence is critical to reducing conflicts in societies with oil resources. This implies that gaps in oil management fuel resource conflicts in oil village communities of Hoima. The task of the researcher was to understand how structural violence is created by presence of oil resources, which in turn triggers oil resource conflicts. The study will generate empirical evidence on oil resources conflicts among oil village communities in Hoima, and how they are fuelled by structural violence. This will contribute to the on-going debate on oil resources conflicts in developing countries. The research may also generate evidence that is vital for Uganda as it strives to solve the persistent problems of underdevelopment, poverty, criminality, militancy, illegal oil bunkering and, inter- and intra-communal violent conflicts in the oil region of the country.

1.10 Significance of the Study

The research findings will be of importance to a number of stakeholders. It is hoped that the study will be useful to policy and decision makers in the Ministry of Energy and Mineral Development on oil.

The study may add value to the body of existing knowledge and perhaps lead to ventures in further research

Through the resultant interaction between the researcher and the respondents, the researcher's knowledge, skills and understanding of research may improve.

1.11 Scope of study

Content Scope: The study focused on examining the relationship between oil management and resource curse in Uganda. The independent variable is oil management while the dependent variable is resource curse

Geographical Scope: The study was carried out in Hoima District. Hoima District is bordered by Masindi District to the northeast, Kyankwanzi District in the east, Kibaale District to the south, Ntoroko District to the southwest and the Democratic Republic of the Congo across Lake Albert, to the west. Hoima, the location of the district headquarters, is located approximately 230 kilometres (140 miles), by road, northwest of Kampala, the capital of Uganda and the largest city in that country.

1.12 Definitions to Key terms and Concepts of the Study

Oil management points proper handling techniques do not end when oil has been put into service. Once the life of the oil has been exceeded, you must ensure the lubricant is captured

For purposes of this study, Oil management will refer to the process of planning, coordination and monitoring. Planning will refer to preliminary assessment, organizing, documentation, budgeting and setting indicators. Coordination refers to supervision, control, organizing and

coordination in this study. Monitoring was measured in terms of types of reports, channels of feedback, management reports and directors meetings.

Resource curse, also known as the paradox of plenty, refers to the paradox that countries with an abundance of natural resources, specifically non-renewable resources like minerals and fuels, tend to have less economic growth, less democracy, and worse development outcomes than countries with fewer natural resources. For purposes of this study, resource curse was measured in terms of land grabbing, violent fights, crop destruction, destruction of cultural sites and failure to expose oil production agreements.

Discovery means to establish through drilling of a well, the presence of petroleum not previously known to have existed, and which is recoverable at the surface, in a flow which can be measured by petroleum industry methods.

Exploration area means an area constituted by a block or blocks that are, or can be, subject to a petroleum exploration licence.

Waste includes any matter prescribed to be waste and any matter whether liquid, solid, gaseous or radioactive which is discharged, emitted or released to the environment in such a volume, composition or manner as to cause an alteration of the environment.

In Conclusion, this chapter reviews the concepts of oil management and resource curse. The aim, problem statement, objectives, research questions, significance and operational definitions are the key areas discussed in this chapter. The parameters of the study scope and its limitations will be highlighted in this chapter. The next chapter provides an overview of literature on oil management and resource curse.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the literature reviewed on the basis of the study objectives. The literature was selected, studied and arranged according to the themes relating to planning, coordination and monitoring. The chapter presentation is under three sections; review of various theories and concepts, highlighting the objectives of the study and synthesis of literature and research gap analysis. Literature sources include books and journals aimed at providing insight in what has already been done within this area of study and also as a guide in answering the research questions.

2.1 Theoretical Review

Agency theory having its roots in economic theory was exposited by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). Agency theory is defined as "the relationship between the principals, such as shareholders and agents such as the company executives and managers". In this theory, shareholders, who are the owners or principals of the company, hire the agents to perform work. Principals delegate the running of business to the directors or managers, who are the shareholder's agents (Jensen and Meckling, 1976). Indeed, Jensen and Meckling (1976) argued that two factors can influence the prominence of agency theory. First, the theory is conceptually and simple theory that reduces the corporation to two participants of managers and shareholders. Second, agency theory suggests that employees or managers in organizations can be self-interested. The agency theory shareholders expect the agents to act and make decisions in the principal's interest. On the contrary, the agent may not

necessarily make decisions in the best interest of the principals (Ross, Barry, Mittinick, 1935). Such a problem was first highlighted by Adam Smith in the 18th century and subsequently explored by Ross, Barry, Mittinick (1935), and the first detailed description of agency theory was presented by Jensen and Meckling (1976). Indeed, the notion of problems arising from the separation of ownership and control in agency theory has been confirmed by Rowe and Fewer (2000). This theory prescribes that people or employees are held accountable in their tasks and responsibilities. Employees must constitute a good governance structure rather than just providing the need of shareholders, which may be challenging the governance structure.

2.2 Review of Related Literature

2.2.1 Planning and Resource Curse

Planning (also called forethought) is the process of thinking about and organizing the activities required to achieve a desired goal. It involves the creation and maintenance of a plan, such as psychological aspects that require conceptual skills (Kakuba, 2013). Bategeka, Kiiza and Ssewanyana (2009), in their article titled Managing Oil Revenue in Uganda point out that there are tests available, which can be used to measure someone's capability of planning well. As such, planning is a fundamental property of intelligent behavior. In this study, planning basically refers to the process that entailed the preparatory process of the oil activities in Hoima.

Planning has a specific process and is necessary for multiple occupations (particularly in fields such as management and business (Otoa, 2011). In each field there are different types of plans that help companies achieve efficiency and effectiveness. Olupot (2012) in his article titled "An Assessment of an Oil Spill in Gladstone, Australia–Impacts on Intertidal Areas at One Month Post-spill" notes that an important, albeit often ignored aspect of planning, is the relationship it holds to forecasting. Forecasting can be described as predicting what the future will look like,

whereas planning predicts what the future should look like for multiple scenarios (Walakira, 2011). Different from the earlier study, this study looked at planning as an activity that combines forecasting with preparation of scenarios and how to react to them.

Gibu (2011) in his article entitled "Oil Discovery - A Blessing in Disguise in Nigeria" asserts that planning is one of the most important oil management and time management techniques. Planning is preparing a sequence of action steps to achieve some specific goal. If not well done the oil can turn out to be a resource curse. When following a plan, one has always to see how much he has progressed towards his project goal and how far he is from his destination. In this case the oil industry management's failure to plan, in the case of Nigeria, led to Ogoni people uprising. Therefore this study assessed the extent to which oil and gas in Hoima District is turning out to be a resource curse.

Kharaka and Otton (2003) who carried out a study on "Environmental Impacts of Petroleum Production" did find in their initial results from Kabinda petroleum environmental research sites that poor planning in oil industries may sometimes give rise to a resource curse. First there is an agency problem, or conflict of interest, involving members of the organization, who might be owners, managers, workers or consumers. The process of planning for development increases the amplitude of public finances and public expenditure programmes. The impatience for quick growth has often led to hasty decision making and consequent deficiencies in the planning, organization and execution of programmes.

According to Kasimbazi (n.d) in his article entitled "Legal and Environmental Dimensions of Oil Exploration in Uganda" indicates that the National Oil and Gas policy is the basis for planning in the oil industry. The NOGP promotes high standards of transparency and accountability in licensing, procurement, exploration, development and production operations as well as

management of revenues from oil and gas. The policy also supports disclosure of payments and revenues from oil and gas using simple and understood principles in line with accepted national and international financial reporting standards. The policy confers on the Ministry of Energy and Mineral Development (MEMD) the main roles of Government in managing petroleum resources, that is, policy making and implementation; regulation of the sub-sector; and managing the commercial/business aspects. The MEMD is therefore the lead agency in implementation of the National Oil and Gas Policy for Uganda. Because the oil industry presents both great promises and great risks to Uganda, the MEMD provides civil society and the broader public with methods to express concerns about oil regulation. If the civil society discovers that a regulation is not being followed or enforced, it can have more options to seek redress than initiating a long and costly court case against an oil company or government. However the worry is that the poor planning for the NOGP may result in oil being a resource curse in Uganda.

Furthermore, (Kasimbazi(2011), in his study on "Environmental Regulation of Oil and Gas Exploration and Production in Uganda", notes that that NOGP names transparency and accountability as guiding policy principles on oil management. If these principles are adhered to, instances of crises in the industry witnessed in countries like Nigeria and Angola can be avoided. It is against this background that citizens in Nigeria and Angola have labelled oil and gas a resource curse. Openness and access to information are described as fundamental rights, and disclosure of information is treated as being very vital in relation to stakeholder involvement. This information helps stakeholders to get details about resources and how they are being exploited in the country. The policy's future action points include the adoption of a new law regulating the payment, use and management of petroleum revenues, and participation "in the processes of the Extractive Industries and Transparency Initiative (EITI)" which supports

improved governance through the verification and full publication of company payments and government revenues from oil, gas and mining. The policy emphasizes the role of different government authorities in the implementation of the oil and gas policy. However, the policy is silent on the issue of plan enforcement, and as a result, how to hold the different players in the oil industry accountable. In relation to local communities "all efforts shall be made to emphasize peaceful resolution of disputes".

2.2.2 Coordination and Resource Curse

Mamanga (2012), in his study on oil management in Nigeria, noted that coordination is the synchronization and integration of activities, responsibilities, and command and control structures to ensure that the resources of an organization are used most efficiently in pursuit of the specified objectives. He further notes that along with organizing, monitoring, and controlling, coordinating is one of the key functions of management. Coordinating is the act of making all the people involved in a plan or activity work together in an organized way. Different from the earlier study, the researcher noted that coordination referred to supervision of the key oil activities.

Mbanga (2011) in his article in the Weekly Observer titled "Oil boom: Uganda faces environmental challenges" notes that the process of organising people or groups so that they work together and well is referred to as coordination. The process of causing things to be the same or to go well is described by Mamanga (2012) as coordination. Coordination may entail the ability to move different parts of the industry or oil industry together so as to get the best fruits out of it all. War has been part and parcel of the Kabinda region of Angola, because of government's failure to coordinate activities there. Nakayi (2013) in her article "Is Uganda's Oil region another northern Uganda in the making?" draws on how poor coordination may be a

resource curse and also draws attention to the effects of oil resources in fuelling and sustaining authoritarian rulers and bad governance, involving corruption and lack of transparency at state and corporate business level. According to her ideas, oil fuels grievance or greed amongst local oil communities, as they suffer from poverty in the midst of abundant resources (Nakayi, 2013). Other negative social effects of oil resources are the changes they bring to the political and economic affairs of such areas. These may include changing the social relations of the affected people, pitching members of local oil village communities against each other as they fight over recognition and access to oil revenues, and pitching the oil communities against the state and the oil producing companies (Kakuba, 2013). Therefore, this research looks at the causes and effects of resource-fuelled violence at the community level. This is a deviation from major intellectual works on oil resources conflicts, which are state-centred and macro-level-based, such as the works of Andersen (2000). Thus, unlike the macro-level, a micro-level approach advances our understanding of conflict by its ability to account for individual and group heterogeneity within one country or one conflict. Therefore, this work is born out of a desire to understand the contribution of oil resources to violent conflicts in local oil village communities in Hoima.

Neff, Nancy and Donald (2014) in their article titled "Offshore Oil and Gas Development Activities Potentially Causing Long-term Environmental Effects" offers a picture of the extensive economic developments and other potential benefits for oil host states accruing as a result of good coordination. This, according to her, is due to the fact that extractive industries can 'generate sizeable revenues, create jobs and business opportunities, and often bring new roads and access to water and power to isolated rural areas in which they are typically located'(Neff, Nancy and Donald, 2014). This situation should bring about economic growths and

developments such as reduction in poverty and infrastructural development to host states. However, in many developing states with oil resources as the main source of revenue, their cases are different, as oil resources and their revenue management have continually fuelled violent conflicts rather than having a positive impact on the lives of the people.

Olupot (2012) in his study titled "Oil and Gas in Uganda: A Critical Assessment of the Benefits and Challenges of the Exploration to the Residents in Hoima" notes that oil resources-induced conflicts in many cases create two or three parties to the conflict - the government of the host state, the oil producing companies (which in most cases are MNCs) and the host local communities, which in this research will be referred to as oil village communities. The revenues from oil resources are maximized by the state and the MNCs, leaving the host oil communities in a state of alienation and deprivation. In many cases, such as in Nigeria's Delta oil region, such negative impact easily manifests in form of environmental degradation and poverty and has been a cause for grievance by oil communities (Olupot, 2012). However, beside the physical effects of oil resources on the host communities, there are other intense fundamental factors, such as coordination which may help stop these conflicts (Olupot, 2012). Incidentally, the situations of struggle for power, leadership and access to the control of oil resources benefits arise out of the nature of the new relationship that exists between the parties that are directly or indirectly involved in oil production and utilisation.

2.2.3 Monitoring and Resource Curse

To monitor or monitoring generally means to be aware of the state of a system; to observe a situation for any changes which may occur over time, using a monitoring or measuring device of some sort. To Monitor is to supervise on-going activities to ensure they are on-course and on-schedule in meeting the objectives and performance targets (Andersen, 2000). In addition, recent literature suggests that oil resources in developing states with weak governance structures, such as

poor monitoring, continues to impact negatively on the stability, growth and sustainability of such countries, as human rights abuses are continuously on the increase (Andersen, 2000). This assumption of interest being the objective source of conflict is contentious, especially where such conflict has other contending issues like ethnicity, inequality and social exclusion. This is because conflicts and violence, just like other social processes, can seldom be explained by single cause and that the primary determining cause of social change is impossible to prove; instead, social change tends to represent a dynamic interaction of numerous factors over time (Responding to Conflict, 2005). This study therefore approached the problem using mixed methodological approaches compared to the earlier study that used purely qualitative methodological approaches to investigate the problem.

According to Newig (2007), in his study titled "Does Public Participation in Environmental Decisions Lead to Improved Environmental Quality?" notes that when the conflicts are not monitored in oil regions they escalate; and when this escalation crosses the threshold of violence, the costs and the difficulty of managing them increase significantly. Violence becomes the cause of more violence". It therefore implies that in pursuance of different interests by parties in a relationship, conflicts arise. Consequently, the idea that the existence of different interests fuel conflicts, therefore makes the position of a 'single cause' in conflicts or violent conflict a contentious one, as there are indications or likelihoods that no conflict will have a single cause, but could have main or major factors supported by other minor or secondary factors. Newig (2007) also provided a more robust explanation stating that "conflicts can have primary causes that take precedence over secondary ones but the variegated nature of human politics, economics and society means that a single factor cannot spark a conflict in a vacuum". In many cases,

causes such as economics or social exclusion may easily be considered as violence, especially where they convey less or no physical harm. However, where such conflict situations breed violence, or develop into a violent conflict, there are concerns.

These imbalances in relations are mostly experienced with regards to growth, changes and development, which are demonstrated in relation to issues such as unequal social status, unequal wealth and access to resources, and unequal power, leading to problems such as discrimination, unemployment, poverty, oppression, among other forms of social exclusions (Responding to Conflict, 2000). These factors listed here are not different from definitions provided in the classical definitions of conflicts. In all, it is a demonstration of unequal stake in a relationship among or between parties, leading to incompatibility of goals. Therefore, all conflicts such as those on oil resources should first and foremost be seen from a traditional definition of conflict and violence. In this case study, it comprises of incompatibility of interests and values among parties who are directly or indirectly linked to the oil resources and how oil will be monitored. Furthermore, conflict is equally an outward expression of imbalanced relationship or relations of economic, political and socio-culture which have cumulated into violent responses. Thus, conflicts take place within a structured framework of a relationship of dominance, resulting in an asymmetrical relationship, as one party is stronger and dominates the other.

Olupot (2012) in his work "Assessing Capacity for Participatory Natural Resource Management" notes that there are further arguments that oil and mineral dependent states tend to suffer from unusual high rates of corruption, authoritarian government, government ineffectiveness, military spending, and civil war. While considerable evidences are presented by Ross in support of the above findings, they suffer from the problem of over-generalisation. The

research approach of examining all the regions of an oil producing state or country with the same indices or as a unit, limits its ability to differentiate the extent to which oil resources individually affect each region of such state, especially the oil village regions or communities where the bulk of the oil producing activities take place (Olupot, 2012). Unlike the focus of this study, most existing literature and findings paid more attention to the extent and effects of oil resources on the state. However, the few researches which focused on oil communities, found that the consequences of violent conflicts in oil village communities are linked mainly as an act of the state, with little or no contributions from host communities.

2.3 Summary of the Literature Review

The literature review above confirms that different scholars have conducted several studies to establish the correlation between oil management and resource curse. However, a number of gaps have been identified as per the literature reviewed, which this research will bridge. Most of the studies on the subject, like Ross (2006) and Vincent (1986), are based on developed countries with a well-developed oil sector yet the current study centred on Uganda. Most studies were qualitative and do not guide us on the relationship between the study variables. The scholars did not specifically focus on the variables as laid down in this study. This therefore, creates a knowledge gap. It is imperative to investigate the three variables which are planning, coordination, monitoring, in relation to resource curse. Considering the above, the current study focused on oil management and resource curse

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology that was used in the study. This includes the research design, study population, sample size, and data collection method, sources of data, data reliability, data validity, data processing, analysis and presentation, measurement of variables and limitations of the study.

3.1 Research Design

This study adopted a cross-sectional survey design. . A cross-sectional survey design involves data being collected at a single point in time from a cross section of respondents. The crosssectional design is cheap and simple to use, since data is collected from a cross-section of respondents at a single point in time (Amin, 2005). The study also applied the quantitative and qualitative approaches. The mixed approach was applied in sample selection, data collection, data quality control and data analysis. Amin (2005) supports the use of mixed approaches because multiple methods help to research a problem from all sides. Usage of different approaches also helps to focus on a single process and confirms the accuracy of the data. Qualitative research enables us to explore new areas, deal with value-laden questions, build theories, and to do in-depth examination of phenomena. Quantitative research allows the researcher to measure and analyze data. The relationship between the independent variable (oil management) and dependent variable (resource curse) was studied in detail. This was advantageous because the researcher was more objective as he reported the findings of the study. Quantitative research were also used to test the research questions in experiments because of its ability to measure data using statistics (Sekaran, 2003).

3.2 Study Population

The study population was made up of 320 respondents. Although the target population was 178 respondents, the researcher based his study on the study population of 320 respondents who included 250 Residents of Hoima, 52 District Employees, 14 Oil Company Officials and 12 Officials from the Ministry of Energy and Mineral Development. Creswell (2009) used is stated as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where: N = Total population size from which to sample randomly, 1 is a constant, e = the assumed error margin or tolerable error which is taken as 5% (0.05)

For N = 320

$$n = \frac{320}{1+320 (0.05)^2}$$

$$n = 178$$

Using Bourley's proportion allocation formula:

$$n_1 = \frac{N_1(n)}{N}$$

Where: n_1 = required sample size from given employee category, N_1 = Target population from which to do random sampling, n = Total sample size

3.3 Sample Size and Selection

Sekaran (2003) describes a sample as a sub-set of the population. It comprises of some selected members who are referred to as subjects. A sample is thus a sub-group or subject of the population. Sampling is the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its characteristics would make it possible to generalize such characteristics to the population elements. The population, sample and sampling techniques in the study were based on statistical calculations as indicated below.

The study was based on a sample size of 140 that was drawn from a population of 320. The sample size of 140 was sufficient. The sample size is estimated using the statistical formula;

$$n = \left[\frac{z\alpha_{/2}\delta}{d}\right]^2, = p.q$$

Where;

n =estimated sample size

Z = z-score, z=1.96 at 95% confidence interval,

P = Proportion in the population possessing the characteristics of interest, which is the satisfaction with health insurance. Since there is no previous study, the researcher shall use P = 0.5 to gain maximum sample size.

Q = (1-P), (1-0.5) = 0.5
d = Confidence interval = 6.5%
Therefore n =
$$\frac{((1.96) (0.5)(0.5)^2}{(0.065)^2}$$

n = 56

Add 10% consideration for missing

$$n = 56 + 10/100(56) = 70$$
$$n = 70*2 = 140$$

Table 3. 1: Showing the Population, Sample Size and Sampling Techniques

Category	Target Population	Sample Size	Sampling technique
Hoima Residents	250	100	Simple random
Oil Company officials	14	7	Purposive sampling
MEMD Officials	12	5	Purposive sampling
Hoima District Employees	52	28	Simple random
Total	320	140	

Source: Primary data (2016)

3.3.1 Sampling technique and procedure

Selection of respondents to have representative samples was based on the non-probability sampling methods (purposive sampling technique). According to Creswell (2009: 148),

purposive sampling methods are outstanding in the phenomenological studies where the objective is to identify and clarify enriching phenomenon. Some of the selected respondents exercised a chain referral method after reviewing the shared questionnaires, by identifying other suitable respondents (depending on availability, area of responsibility and technicality), who were referred to the researcher for help and collection of desired empirical data to inform the research. Similarly, purposive sampling worked well with oil company officials and officials from MEMD.

3.4 Data Collection Methods

Data collection methods, which involve selection of both qualitative and quantitative data, are an integral part of research design (Amin, 2005). The study employed both primary and secondary data collection approaches. In this study, both primary and secondary data from diverse sources of evidence such as interviews (telephone interviews) were used to generate empirical information. It's argued by (Katebire, 2007), that data can be collected using three different approaches like; indirect, direct and elicited approach. The indirect approach used in this research involved; data collection from photographs and other research studies, the direct approach covered observation method whereas the eliciting incorporated the interview process applied.

3.4.1 Questionnaire Survey

Kothari (2004) defines a questionnaire as a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Questionnaires were used because they increase the degree of reliability due to the many items in them and they as well enhance the chances of getting valid data (Ezeani, 2005). The

questionnaire consisted of closed ended questions. The questionnaire was administered to top administrators and staff members. Quantitative data was obtained by closed-ended questions while qualitative data was obtained by use of interviews. .

3.4.1.2 Interviews

The interviews were used to collect in depth information on the study. Essentially there was need to capture the perspectives of the local people, companies involved and the associated institutions, in order to carry them along in this important resource extraction. According to Ragin (2011), interviews described the life events and experiences of the respondents with respect to analysis of the significance of the portrayed phenomena. As Somekh nad Lewin (2009) argues, interviews are basically the correct technique to use when exploring sensitive topics (like oil management), to create conducive environment for respondent to take part. These consisted of; face-to-face interviews (conducted by the peer research assistant), while telephone interviews were used in areas where extensive access was an obstacle. Both structured and semistructured interviews followed the "why" and "how" questions. All in all a total of ten key informants were assigned different code for data analysis and were interviewed for primary data collection. This is in line with Bill (2011)'s perspective that shows that ten to twenty knowledgeable people are conceivably enough number to uncover and understand core categories in any defined study. In view of this, the sampled number was adequate enough to contribute to empirical facts.

3.4.2 Documentary Review

Secondary data was obtained from published information, archival records like oil reports, development plan 2014, annual budgets, books, previous research and other documentation considered useful for this research. According to Creswell (2009), secondary data is

considerably cheaper and faster than doing original studies. It is very flexible and the best to use where a network of data archives in which survey data files are collected and distributed is readily available. Documentary data supplements secondary data.

3.5 Data collection instruments:

The key data collection instruments were the questionnaires and interviews and these are all appended in the list of appendices

3.5.1 Questionnaire

Self-administered questionnaire were used on all categories of respondents. According to Kothari (2004), the questionnaire is considered the most convenient way of collecting data from respondents because it is easy to administer and obtain data within a short time from a large number of respondents. The questionnaire consisted of only closed-ended questions. The closed-ended questionnaire was adopted because the response options for a closed-ended question are exhaustive and mutually exclusive. A closed-ended question was administered with the aid of research assistants.

3.5.2 Interview Guide

The researcher also conducted interviews. An interview is a dialogue between an interviewer and interviewee. It is an organized conversation aimed at gathering data about a particular topic (Junker and Pennink, 2010:77). Interviews were used to explore in detail the study variables. Straus and Corbin (1992:56) view interviews as one of the most essential sources of data. The researcher selected the interview over other forms of data collection because he considered it a comprehensive and manageable method of obtaining data given the time and distance constraints of the project. Questions in the interview were unstructured, hence, they helped the researcher explore all the variables as laid down in the conceptual framework in chapter one. Verbal interactions were made with a few respondents; this enabled the researcher get a wide range of

ideas and opinions on the topic under discussion. During the interviews, the researcher was able to probe and ask follow up questions for further classification as suggested by Punch (2004:51). There were two rounds of interviews, one conducted in July 2015 and another conducted in August 2016. The taped interviews lasted 30 minutes. The interviews were conducted on a oneon-one basis. Most respondents ensured that the usual flow of activity into their offices was suspended or minimized as much as possible during the period of interviews. This is in line with Ragin (2011:33), who notes that the importance of a specific and suitable space for an interview where a researcher and participants may be free from interruption coming from other colleagues who are not involved in the process is vital as interviews go on. The January 2016 interviews were intended for the researcher to get further clarification on issues that were unclear during the December 2015 interviews, and to check that the researcher's interpretation of the data was on the right track. The second interviews also served as an opportunity to seek feedback on hitherto unanswered emails sent to the respondents in December. Interviews were taped using a tape recorder and notes were written down and this is supported by Glaser (1992:26), who stipulates that notes must be taken during the interviewing process. However, Glaser (1992:27) criticized taping of interviews, arguing that the practice prevented the researcher from being creative and developing skills in such areas as note taking, coding and analyzing.

Regardless of the negative perception about taping interviews, the researcher found taping to be very useful for a range of reasons. To beging with, it enhanced the researcher's interaction with the participant as less time was spent on note writing. Secondly, it was the safest way of capturing the extensive amount of data that was collected. Thirdly, the researcher was able to cross check the transcribed tapes with the field notes and this increased the confidence in the robustness of the process of coding and analyzing of the data. The researcher also did not have

sufficient time to stay longer with the participants to be able to go back for more data. The researcher opted for the recording and transcribing of the interviews. The main reason for transcribing was to buy time to read through interviews and commence data interpretation as early as possible. This was in line with Ragin (2011), who argued that transcribing was an essential process, which helps qualitative researchers to make sense of and understand the interview experience and perception. Similarly, Ragin (2011:45) also perceived transcribing as a way to avoid such pitfalls as 'massive data loss, distortion and reduction of complexity.

There were a few challenges noted during the interviewing process; for example, the researcher took 34 minutes to successfully complete each interview. The researcher started interviews by engaging in small talk and slowly explaining the objective of the research. Another problem was the various disruptions experienced like telephone ringtones from time to time and interruptions by other staff members when the interviewer was interviewing the respondents. As such, the time allocated for the actual interviews was therefore extended for up to one hour in order to cover all the questions. Based on the observation from the pilot study, it is concluded that the whole interviewing process was not very structured in terms of the sequence of the questions asked. More time was consumed than necessary in the interviewing process. A copy of the interview guide is appended in the list of appendices (see appendix (ii).

3.5.3 Documentary Review Check list

Documentary review was utilized. In this study, the researcher used written documents to provide the qualitative data such as opinions on the study problem. These included past dissertations, reports, manuals and other written documents. Statistical records provided important information related to the study. The documents reviewed were to help in gaining a sense of the situation on the study variables. During the course of the fieldwork and interview

sessions, requests were made for copies of relevant documents. These types of documents include bulletins, memoranda of understanding (MOU), newspapers, magazines, written reports, etc.

In collecting these documents, the researcher solicited for some of them through written application, especially where the custodians of such documents regarded them as 'confidential'. Government establishments and agencies are not obligated to release information and details of their activities to the public; more often than not, it is left to the willingness of the officials in charge, or his or her personal considerations. Yin (2003) writes that documentary information is relevant to every case topic and it is the object of explicit data collection plans. For the case of this study, the newspaper clippings and the articles appearing in the mass media were also important sources of evidence. Therefore, documentary evidence enables any good case study to make use of as many sources as possible. Furthermore, in the course of collecting data for this study, the researcher visited research centres, bookshops, educational institutions and their libraries, soliciting for documents relevant to the subject of this study. The researcher also attended seminars and workshops on the wider issues. Research materials and knowledge acquired in the course of such visits and participating in such seminars were all invaluable to this research, as some of the information acquired during such occasions was considered 'technical and specialized contribution' on the subject been investigated.

3.6 Quality Control of Data Collection

Data quality control techniques ensured that data collected is valid and reliable; the instruments were first tested to ensure validity and reliability.

3.6.1 Validity

Validity of the instruments was ensured through discussing with colleagues, pilot respondents and participants, concerning the suitability of such tools in data collection. Validity tests were also carried out to determine the relevance of the questions on the constructs using a Content Validity Index (CVI). This was done by performing Content Validity Index tests. Upon performing the test, the results that were 0.7 and above were interpreted to be valid. Amin (2005) notes that a CVI of more than 0.7 implies that the tool is valid.

Content validity Index Results for Interviews and Questionnaires

Table 3. 2: Content validity Index Results for Interviews and Questionnaires

Content validity Index Results for Questionnaires						
Variables	Content Validity Index Number of items					
Planning	0.772	11				
Coordination	0.814	19				
Monitoring	0.712	8				
Resource Curse	0.780	9				
Content validity Index Results for Interviews						
Variables	Content Validity Index	Number of items				
Planning	0.701	6				
Coordination	0.888	5				
Monitoring	0.766	6				
Resource Curse	0.755	5				

Source: Primary data (2016)

In this study, all the items on each variable were above 0.7 when the Content Validity Index Coefficient test was carried, out which indicated that all the items were varied

3.6.2 Reliability

To ensure reliability of the instruments, questionnaires and interview guides were designed and pretested with some respondents who the researcher did not involve in the study. A pre-test was done in a time lapse of 4 weeks to establish consistence in responses. According to Amin (2005), pre-test can be used to measure the extent to which the instrument produces consistent scores when the same group of individuals is repeatedly measured under the same conditions. The researcher also calculated the Cronbach test, and if results were above 0.7, the instruments were considered reliable.

Cronbach Reliability Coefficient test results for the Instruments

Table 3. 3: Cronbach Reliability Coefficient test for interviews and questionnaires

Cronbach Reliability Coefficient Results test for Questionnaires						
Variables	Cronbach test results Number of items					
Planning	0.705	11				
Coordination	0.777	19				
Monitoring	0.746	8				
Resource Curse	0.810	9				
Cronbach Reliability Coefficient test Results for Interviews						
Variables	Cronbach test results	Number of items				
Planning	0.722	6				
Coordination	0.733	5				
Monitoring	0.824	6				
Resource curse	0.782	5				

Source: primary data (2016)

In this study, all the items on each variable were above 0.7 when the Cronbach Alpha Reliability coefficient test was carried out, which indicated that all the items were valid.

3.7 Procedure for Data Collection

The researcher, through proper channels, asked for an introductory letter from Uganda Technology and Management University, which he used for purposes of self-introduction to the participants when collecting data from the field. The researcher ensured confidentiality of the survey sheet since the identities are not important. Participants were given ample time to respond, ensuring that the researcher collectes the surveys the next day. The researcher did not offer them any incentives for participating in the research. Considering that the study mostly follows a conceptual approach, the content analysis of the relevant literature can be considered a first main, exploratory research phase. The first exploratory quantitative research was carried out in May, 2016. The second part of this research phase was in June, 2016. The goal of this second study was to compare the results of the two culturally different samples in order to extract and test the most important relationships. The aim of this was to elaborate on the understanding of the results gathered in the first phase and to further refine the preliminary hypotheses and supposed system of relationships. Creswell (2009: 65) notes that quantitative methods are more objective and help to investigate the relationships between the identified variables. The third phase was in July 2016. The major approaches used for the three phase of data collection were both quantitative and qualitative, as shown in table 3.1. The two approaches were used in sampling, data collection, data quality control and data analysis. Triangulation was adopted for purposes of getting quality data. Triangulation means using more than one method to collect data on the same topic (Somekh and Lewin, 2005:35). This is a way of assuring the validity of research, by employing different types of samples as well as methods of data collection (Kothari, 2004). However, the purpose of triangulation is not necessarily to cross validate data but rather to capture different dimensions of the same phenomenon (Kothari, 2004:44).

3.8 Data Analysis Techniques

3.8.1 Quantitative Data Analysis

Data was analysed using the Statistical Package for Social Scientists (SPSS) method. The Pearson Correlation Coefficient, Analysis of Variance and Regression Analysis were used to analyse quantitative data. According to Sekaran (2003), a correlation study is the most appropriate to use to conduct relationships in a natural environment of an organization with minimum interference by the researcher and no manipulation.

3.8.2 Qualitative Data Analysis

The study adopted Content and Thematic Analysis to analyse qualitative data. Thematic analysis is one of the most common forms of analysis in qualitative research. It emphasizes pinpointing, examining, and recording patterns (or "themes") within data. Themes are patterns across data sets that are important to the description of a phenomenon and are associated with a specific research question. The themes become the categories for analysis. Thematic analysis is performed through the process of coding in six phases to create established and meaningful patterns (Ezeani, 2005:23). These phases are: familiarization with data, generating initial codes, searching for themes among codes, reviewing themes, defining and naming themes, and producing the final report. Thematic analysis goes beyond simply counting phrases or words in a text and moves on to identifying implicit and explicit ideas within the data (Bill, 2009:12). The interpretation of these codes can include comparing theme frequencies, identifying theme co-occurrence, and graphically displaying relationships between different themes. Most researchers consider thematic analysis to be a very useful method in capturing the intricacies of meaning within a data set. Content Analysis is "a wide and heterogeneous set of manual or computer-assisted techniques for contextualized interpretations of documents produced by communication processes in the strict sense of that phrase (any kind of text, written, iconic, multimedia, etc.) or

signification processes (traces and artifacts), having as an ultimate goal the production of valid and trustworthy inferences (Sekaran, 2003:34). Content Analysis is a widely used qualitative research technique. Rather than being a single method, current applications of Content Analysis show three distinct approaches: conventional, directed, or summative. All three approaches were used to interpret meaning from the content of text data and, hence, adhere to the naturalistic paradigm. A summative content analysis involved counting and comparisons, usually of keywords or content, followed by the interpretation of the underlying context. The authors delineate analytic procedures specific to each approach and techniques addressing. According to Neuman (2006), "content analysis is a technique for examining information or content, in written or symbolic material (e.g., pictures, movies, song lyrics, etc)." He asserts further that in content analysis, "a researcher first identifies a body of material to analyze (e.g., books, newspapers, films, etc.) and then creates a system for recording specific aspects of it" Kothari (2004) on the other hand, asserts that "content analysis usually refers to analyzing text (interview transcripts, diaries, or documents)." Data was coded and to undertake thematic development and analytical categorization, the researcher will reduce the data to manageable levels by use of coding. Kothari (2004) asserts that "coding data is the hard work of reducing large mountains of raw data into small, manageable piles." He asserts further that "in addition to making the data manageable, coding allows a researcher to quickly retrieve relevant parts of it." It is through coding that themes emerge from deep inside the raw data to the surface.

3.9 Measurement of Variables

The independent variable (planning, coordination and monitoring) and the dependent variable will be measured on a five point Likert type scale (1- Strongly disagree, 2-Disagree, 3-Not sure, 4- Agree and 5-Strongly agree. The choice of this measurement is that each point on the scale carries a numerical score which is used to measure the respondents' attitude and it is the most

frequently used summated scale in the study of social attitude. According to Amin (2005) and Ezeani (2005), the Likert scale is able to measure perception, attitudes, values and behaviors of individuals towards a given phenomenon.

3.10 Ethical Considerations

There are several reasons why it is important to adhere to ethical norms in research. First, norms promote the aims of research, such as knowledge, truth, and avoidance of error. The ethics framework is essential as it entails the voluntary informed consent of the participants. This requires giving the participants adequate information about what the study will involve and an assurance that their consent to participate would be free and voluntary rather than coerced. For example, a prohibition against fabricating, falsifying, or misrepresenting research data promotes the truth and avoids error. According to Brenner (2006), participants' informed consent was obtained through a letter that clearly specified what the research involved, including clearly laid down procedures the participants expected to follow and explained the ways in which their confidentiality was assured. It was also imperative to describe possible risks and benefits of the research (Brenner, 2006). The signing of the voluntary informed consent by each individual participant was confirmation that they were not being coerced to participate in the study but were doing so willingly. The researcher explained to the participants that an audio tape would be used to record interviews for purposes of informed concent.

The researcher made the respondents aware of their right to opt out of the study if they so wished and that recording would only be done with their approval. In all the interviews, the participants consented to the use of audio tape. Some respondents from the oil companies required further verbal assurance that the tapes would under no circumstances be handed over to their supervisors. Only after the researcher had given them this assurance did they agree to sign the

consent form and freely participate in a taped interview. Respondents' names were withheld to ensure anonymity and confidentiality in terms of any future prospects. In order to avoid bias, the researcher interviewed the respondent's one after the other and ensured that he informed them about the nature and extent of his study and on the other hand he gave them reasons as to why they were being interviewed.

Due to ethical considerations foreseen in this research, the researcher will emphasize anonymity, privacy and responsibility and besides, he ensured confidentiality. The researcher used research assistants where he anticipated bias during data collection. The respondent's names were withheld to ensure anonymity and confidentiality in terms of any future prospects. Some respondents readily gave data which fully facilitated the research. On the other hand, the key informants readily gave their names and their contributions to the study were highly valued. The researcher encountered a number of challenges in the collection of the empirical data as detailed below: Sensitivity of data being collected: Respondents from Oil companies that are licensed to extract and produce Oil in the Albertine region in Uganda are held in reserve to provide the desired data, due to the sensitivity and discretion of activities in the oil sector. To schedule any interview, one needed to go through special protocols and bureaucratic measures to be successful in getting any information from the key selected principal staff in the Oil companies. None of the selected respondents with in the oil companies (such as Tullow Oil and Total) was willing to offer any information without a glimpse of this letter. In addition, the researcher encountered more difficulties when contacting the Ministry of Energy and Mineral Development (the petroleum exploration and production department) to request for an official approval to carry out this research. Due to high levels of bureaucracy and information disclosure the researcher was compelled to redefine the scope of the study as highlighted in the first chapter. Respondents were very unwilling to disclose information concerning the oil activities, which they consider as highly sensitive, hence the reason why no satisfactory information is given. Majority of the officials were professionally elusive because they very much intend to protect their vested interest and image of their companies and to continuously secure their own jobs, which detered having detailed facts that could have added more knowledge to the study.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter contains the presentation, analysis and interpretation of the findings on the relationship between oil management and resource curse. The findings logically follow the three specific objectives stated in Chapter one which are: to analyze the relationship between planning for oil exploration/production and a resource curse in Hoima District, to examine the relationship between coordination of oil exploration/production and a resource curse in Hoima District and to assess the relationship between monitoring of oil exploration/production and a resource curse in Hoima District. Findings from the surveys, interviews and from documentary sources are used to demonstrate how oil management relates to the resource curse. The task is preceded by a discussion of the response rate and the background characteristics of the respondents. The information on the sample characteristics of the study respondents emerged from the background section of the survey questionnaires. The results are presented using descriptive statistics in form of percentages and frequencies. For each of the study objectives, before the multivariate results are presented, the descriptive results in terms of means, frequencies and percentages are first presented.

The presentation of quantitative results relies on regression analysis, correlation analysis and analysis of variance as imputed from determining the coefficient of determination for each of the independent variables against the dependent variable. For qualitative results and those from documentary sources, the results are presented under each of the respective study objectives. As

much as possible, the chapter presents, analyses and interprets results from each of the data collection sources concurrently so as to provide a comparative perspective in demonstrating how oil management relates to the resource curse. The chapter finally summarizes the quantitative results using regression analysis to demonstrate the relationship between variables of oil management and resource curse.

4.2 Response Rate

In this research, the response rate is defined as the percentage of total usage questionnaires returned by the respondents (Ezeani, 2005:12). Ragin (2011:33) notes that the most important aspects of a probability sample is that it represents the population and a perfect representative sample is one that exactly represents the population from which it is taken. However, in any study there will always be non-respondents for some reasons. For most surveys, a response rate of 50 percent or higher is adequate, one of 60 percent or higher is good and one of more than 70 percent is very good (Ezeani, 2005). Internationally accepted response rate for survey studies is at a minimum of 50 percent. Kothari(2004:11) suggests that a researcher should be able to explain the active response rate, which he differentiates from the total response rate Kothari(2004:45) recommends that the most common way of doing this computation is to exclude the ineligible respondents and those who, despite repeated attempts, were unreachable, which gives the active response rate. In this study, the total number of expected respondents was 140 and a total of 120 respondents actually returned usable survey instruments. By computing the response rate based on the above formula, it gave a response rate of 85% which was higher than the recommended 50 percent at an international level.

4.3 Background Characteristics

This section presents facts about the respondents, namely; gender, age, education, marital status and working experience. This information was considered necessary because it helped in categorising the respondents and identifying their ideas on resource curse.

4.4 Gender of the Respondents

The study looked at the gender distribution of the respondents using frequency distribution. Ezeani (2005:17) observed that gender is basically a statistical distribution of how many males or females there are in a population. Gender is an important variable in any given situation and is variably affected by social and economic phenomena. The variable gender was investigated for this study, and related data presented in Table 4.1. The table below presents the summary statistics on the gender of the respondents.

Table 4. 1: The table below presents the summary statistics on the gender of the respondents

Gender	Frequency	Percentage
Female	59	49.2
Male	61	50.8
Total	120	100

Source: primary data (2016)

N = 120

Table 4.1 shows that the majority of the respondents were male (50.8%). These results show that gender representation indicated a slight variation between the male and female with a difference of 0.2%. This clearly shows that there were slightly more male participants than female in this survey and it may have been as a result of the sampling technique used in selecting respondents, or that oil companies in Hoima have more male workers than females. Since the variation was very small between the two sexes, this meant that both males and females provided their views representative of gender groups. Although the number of males is more than the distribution of

females, the study indicates that there was equitable (proportionate) participation of both men and women. This gave the researcher an opportunity to interact and discuss different views with both men and women at different levels. This was an important aspect because the attitude of women towards resource curse aspects was found to vary from that of men as is illustrated further in this study.

4.5 Age of the Respondents

The study looked at age distribution of the respondents using a frequency distribution. The results obtained on the item are presented in table 4.2 below

Table 4. 2: Presents the summary statistics on the Age of the respondents

Age in years	Frequency	Percentage
20-29	15	12.5
30-39	65	54.2
40-49	30	25
50 and above	10	8.3
Total	120	100

Source: primary data (2016)

N=120

The age categories of the respondents were studied according to their age groups. This was important for the study because it was believed that differences in age indicated differences in opinions. Therefore, establishing different age groups of the people who were involved helped to provided varied opinions about the study problem. From the above table, the majority of respondents who took part in the study were between 30-39 years (54.2%) and those who were between the age of 20-29 were 12.5%, while those that were between 40-49 years were 25% and lastly those that were above 50 years were 8.3%. This shows that they were mature enough to analyze issues related to oil management and the resource curse. The respondents adequately

responded to the questions put forward, and by virtue of their experience, their responses were sound enough in that the researcher was able to generate adequate data for the study.

Table 4. 3: Distribution of Respondents by Level of Education the Respondents

The table 4.3 presents the summary statistics on level of education of the respondents. By examining the highest educational qualifications of the study respondents, the researcher wished to ascertain whether there were substantial differences in the responses as far as the relationship between oil management and resource curse is concerned

Highest Level of Education	Frequency	Percentage
Diploma	23	19.2
Bachelors	26	21.6
Post graduate	21	17.5
Others	50	41.6
Total	120	100

Source: primary data (2016)

N=120

The majority of the respondents were first degree holders making a total percentage of 21.6%; the respondents with post graduate qualifications were 17.5%; the diploma-holders were 19.2% and others, mostly those who dropped out without completing a given level of education were 41.6%. This showed a gap in qualification since the minimum requirement for a skilled job (position) in a public entity is a diploma. These results indicate that the respondents had reasonably good education qualifications and the desired skills and knowledge to deliver. Besides, the respondents were able to read, understand the questionnaire and gave appropriate responses.

Table 4. 4: Distribution of Respondents by Marital Status

The table 4.4 presents the summary statistics on marital status of the respondents. By examining the marital status of the study respondents, the researcher wished to ascertain whether there were substantial differences in the responses on the relationship between oil management and resource curse.

Marital status	Frequency	Percentage
Single	72	60
Married	38	31.6
Separated	03	2.5
Divorced	04	3.4
Widowed	03	2.5
Total	120	100

Source: primary data (2016)

N=120

The majority of the respondents were single (60%) and the married were 31.6%. This indicated that both categories adequately responded to issues related to oil management and resource curse.

Empirical Findings

The descriptive results in form of mean scores, standard deviations and percentage distribution of respondents who agreed to each of the statements in the survey instruments covering the oil management variables are presented. The researcher wishes to point out that all responses for "strongly agree" and "agree" were separated. This decision was arrived at after preliminary analysis indicated respondent's high degree of rating of items measured as compared to those who disagreed.

4.6 Objective One: relationship between planning for oil exploration/production and a resource curse in Hoima District

The first objective of the study was intended to demonstrate how planning relates to resource curse in Hoima District. While the questionnaire included a list of items that measured planning, whose responses are presented, in-depth interviews and documentary findings support the empirical findings. Findings to address this objective were obtained using a variety of methods including survey instrument, document analysis, etc. The self-administered questionnaire measured planning using 05 items on the Likert scale. The 05 items measuring planning are presented in Table 4.5. The items were scaled using the five-point Likert scale where code 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree. For each of the above items, descriptive statistics that include frequencies, percentages and means are presented in Table 4.5

Table 4. 5: Responses on Planning and Resource Curse

Items	Mea	SA%	A%	N%	D%	SD
	n					%
Residents were informed about identification	3.93	30.5	46.7	-	7.8	25.
process						0
Residents are involved in decision making	3.70	43.1	24.0	-	7.8	25.
						1
Residents are aware about the documentary	2.09	6.0	10.2	-	50.	29.
process					3	9
Residents were made aware about the plans to	2.41	4.8	25.7	-	62.	7.2
acquire their land					3	
Residents are always informed about the	2.14	9.6	14.4	5.4	20.	50.
destruction of their property					6	3

Source: Primary data $(20\overline{16})$

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on how planning relates to resource curse. The details are supported by interviews results and documentary evidence.

As to whether residents were informed about identification process, the respondent's responses indicated that cumulatively, the larger percentage (77%) of the respondents agreed. The mean = 3.93 was above the median score, three, on the five-point Likert scale used to measure the items. This implied that residents were informed about identification process.

A resident noted that they were informed about the process but not fully, yet the government would have gone an extra mile to make them fully aware.

Responses to the question as to whether residents are involved in decision making process. The mean = 3.70 was above the median score of three, indicating that the majority agreed with the item, implying that residents are involved in decision making.

The respondents were asked whether the government involved the residents in the planning process¹. An NGO Forum leader remarked "the planning was done at the top level and so there was no need of involving the residents. However, the NGOs, Oil exploration companies and government officials meet often to discuss a number of issues". Although there is interaction between NGOs, oil exploration companies and government officials at quarterly stakeholder meetings and formal events, there is little cooperation between the oil exploration companies, the government and the residents. A resident remarked² "we rarely receive communication about oil related matters from the government officials" A Local Council 1 chairperson said³: "government interacts with community leaders only in workshops when invited to attend."

In the open responses of the questionnaire survey, the respondents revealed that the planning process was hurriedly done since they were not involved in the process. This has left them with many questions as to whether this resource belongs to them. Four respondents supported the argument that the planning for production should be started right now and they should begin involving them since the oil belongs to them. Further the respondents revealed that oil companies have the obligation to involve them in the planning, and this represented 70% of the total interviewed. One member of an Oil Company disagreed and revealed that there is no way they can involve illiterates in planning since they will contribute nothing.

This response was collaborated by that of a District staff who noted that oil issues should be left to the educated people.

As to whether the residents are aware about the documentary process, a good number of respondents answered in the affirmative.. Cumulatively, the majority percentage (64%) disagreed. The mean = 2.09, which is close to the "Disagree" item on the scale indicated the

¹ Interviews carried out in Hoima on 5th July, 2016

² Interviews carried out in Hoima Town on 4th July, 2016

³ Interviews carried out with Local Council 1 Chairperson in Hoima Town on 4thJuly , 2016

respondents disagreed with the question. This indicated that the residents are not aware about the documentary process.

A respondent said that "the documentation exercise awareness is not our responsibility and so it is up to the government".

The researcher's interviews with Local Council authorities (I, III, and V) confirmed that the residents, elders and local leaders are largely spectators of developments in the oil sector⁴. They were excluded from the policy, legal and institutional formulation, implementation and monitoring right from the beginning of the oil exploration process. The limited involvement seems to be largely connected to security related reasons. The District Internal Security Officers and Sub-county or Gombolola Internal Security Officers, who are political and technical appendages of central government, are the key actors. They control the activities of the residents and civil society organisations in relation to participation in the oil exploration process⁵.

The researcher asked the respondents whether the oil exploration companies and government interacted with the residents at the onset of the exploration process⁶. The interaction between oil exploration companies/government and the community found to be minimal if not nonexistent, at the onset of the exploration process.

An oil company official said in relation to the question:

"Yes we have tried interacting with them and even offering them assistance but the problem is that they don't appreciate our services".

In contradiction, a resident noted:

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⁴ Interviews carried out with the Executive Council I, II and III in Hoima Town on 4th July, 2016

⁵ Interviews carried out in Hoima Town on 4th July, 2016

⁶ Interviews carried out in Hoima Town on 4th July, 2016

"They just siphon the cow without feeding it, planning is essential but they have never involved us in the planning exercise. They don't even allow us come near the oil wells"

A District local Government official interviewed noted that the government has been very protective of the oil wells to the extent of prohibiting us from visiting them without the permission of the top government officials. "Don't interfere or do not misdirect the public about oil issues. Leave those issues to us; just concentrate on agriculture, provision of food and other services that you can make available for the people working in the oil companies and that is all" the Hoima Resident District Commissioner noted.

With respect to whether residents were made aware about the plans to acquire their land, cumulatively the larger percentage (70%) disagreed. The mean = 2.41 which corresponded to "agreed" indicated residents were not made aware about the plans to acquire their land.

A respondent noted "They just take land and that is it, after all who are we to be informed. What do we own and what can make us special after all"

In the open responses of the questionnaire survey, the respondents revealed that land is acquired from them by force. This has left them with many questions as to whether this resource belongs to them. Six respondents supported the argument that the government is doing more harm than good, and that the resource they have on their land is now becoming a curse. Further the respondents revealed that oil companies have amassed every land where an oil well is located forcefully, it is up to the aggrieved party to take whatever compensation is given. Two members of an Oil Company disagreed and revealed that they don't acquire land forcefully and whatever compensation is given is worth the land taken

⁷ Interviews conducted with the Hoima RDC on 15th July 2016

As to whether residents are always informed about the destruction of their property, cumulatively the larger percentage (71%) disagreed. The mean = 2.14 meant that the respondents disagreed that residents are not always informed about the destruction of their property. A resident noted "my house in 2011 was demolished when I had gone to the garden, the people I met around just directed me to the office to pick compensation. I was hesitant but because of the biting poverty, I walked to the office and picked an envelope of 4million Uganda shillings which I consumed in less than six months. Here I am, my family has no house."

Dependent Variable: Resource Curse

The dependent variable was measured on a Likert scale using the questionnaire that included a list of items whose responses are presented; in-depth interviews and documentary findings support the empirical findings. Findings to address dependent variables were obtained using a variety of methods including survey instrument, document analysis, etc. The self-administered questionnaire measured resource curse using 05 items on a scale of Likert scale. The 05 items measuring resource curse are presented in Table 4.6. The items were scaled using the five-point Likert scale where code 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree. For each of the above items, descriptive statistics that include frequencies, percentages and means are presented in Table 4.6.

Table 4. 6: Responses on Resource Curse

Items	Mea	SA%	A%	N%	D%	SD
	n					%
The exploration process has led to loss of our land	4.33	44.4	47.1	-	4.5	4.8
The gas flaring process affected my health	4.20	24.4	54.6	-	6.1	5.0
There is gross infiltration of our land by unknown people	4.77	45.0	47.2	-	4.0	3.8
Land conflicts have erupted as a result of the oil boom	3.84	33.3	40.3	-	13. 2	13. 8
Violent clashes have been witnessed in Hoima district ever since the discovery of oil	3.66	37.3	33.5	-	14. 2	13. 3

Source: Primary data (2016)

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on resource curse. The details are supported by interview results and documentary evidence.

As to whether exploration process has led to loss of land, the respondent's responses indicated that cumulatively, the larger percentage (91.5%) of the respondents agreed. The mean = 4.33 was above the median score, three on the five-point Likert scale used to measure the items. This implied that exploration process has led to loss of land.

A respondent noted:

They have thrown most of us out of our land and it is no longer ours at the moment, can you imagine an intruder taking your land just like that

The residents complained that they are not consulted when it comes to land acquisition. Very few residents have been allowed to have a say on their land. A local leader said that: ⁸

'Peoples' land is being given to oil companies for development and so people are being forced away. They are given meagre compensation which cannot sustain them. If they were given millions to go and settle elsewhere it would be good, but the money is not sufficient and as such there are many complaints from residents. When you are removed from your land it becomes very difficult to get another place and this can cause conflict, as some may resist leaving unless the two parties have agreed amicably'.

In contradiction of the above interview findings, the district land board reported that there is no illegal land grabbing as reported in the media. On media reports that the Kampala-based Business Moguls have bought the whole Hoima, the Land Board Officials dismissed such allegations as false.

Some respondents felt that they have little knowledge on the role of the land board and so they don't value its services since it has not helped them. Limited knowledge by lower local government politicians on the work of the board was noticed during interviews. Furthermore it was observed that there is limited access to the services of the district land officer and the

⁸ Interviews conducted with local leaders in Hoima 7th July, 2016

services of the district land board. When a key informant was asked about the means the local communities adopt to fight land-grabbing, none was identified.

When the researcher went on ground to inquire about the reports by the District Land Board Members, the residents dismissed the claims of no land-grabbing as baseless⁹. One resident noted "they were bribed long time ago and now they are taking decisions that favour the oil companies. There work is to receive hefty sums of money and do what the companies and rich land grabbers instruct them to do. We the marginalized shall remain in the dark. We are not even informed of the movements of these land grabbers you can imagine".

Responses to the question as to whether the gas flaring process affected health. The mean = 4.20 indicated that the majority agreed with the item implying that the gas flaring process affected health.

A resident noted that:

Gas flaring has affected the health of people most especially the excessive light emitted at night when the exploration process was going on.

In recent years in Hoima, communities, NGOs and some health professionals have raised concerns about the impact of gas flaring on human health. The health risks may be particularly high for people with underlying health problems, for young children and the elderly and for pregnant women. When oil is pumped out of the ground, the gas produced is separated and, in Hoima, most of it is burnt as waste in massive flares. Oil production involves the burning of hydrocarbon gases. The flaring off of natural or associated gas is done as a by-product of the drilling of crude oil from reservoirs in which oil and gas are mixed. One hundred percent of the gases were being flared, resulting in pollution of the area. The impact of gas flares on the local

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⁹Interviews with residents on 8th July 2016

ecology and climate as well as peoples' health and property is evident in Hoima. This practice has been going on for almost two years now. The burning of this "associated gas" has long been acknowledged as extremely wasteful and environmentally damaging. Flares, which continue for 24 hours a day in many areas, cause serious discomfort to people living near the flare sites. Flaring creates noise pollution and communities may have to live with permanent light. When gas is flared, the combustion is often incomplete, so oil droplets fall on waterways, crops, houses and people (NEMA Report, 2014).

NGOs and some health professionals have also raised concerns about the impact of gas flaring on human health. The health risks may be particularly high for people with underlying health problems, for young children and the elderly and for pregnant women. Despite these repeated expressions of concern, neither the government nor the oil companies have carried out any specific study to look at the impacts of flaring on human health. This serious failure leaves thousands of people facing unknown short- and long-term risks. The exposure of people to potentially serious risks to health requires that decisive and swift action is taken to investigate and monitor their health status, to protect vulnerable groups and to end the practice of flaring.

In the open responses of the questionnaire survey, the respondents revealed that flaring has been hazardous to their health. This has left hundreds of people in Hoima and the outskirts facing unknown short- and long-term risks.

Three respondents supported the argument that the environment has not been tempered with. Further the respondents revealed that oil companies have the obligation to protect them from the hazards and this represented 60% of the total interviewed. One member of the District Council revealed that there is a plan to help prevent such environment health harms in Hoima.

The respondents further noted that there is gross infiltration of their land by unknown people; Cumulatively, the majority percentage (92.2%) agreed. The mean = 4.77 which is above four and corresponded to "agree" indicated the respondents agreed with the question. This indicated that there is gross infiltration of land by unknown people.

With respect to whether land conflicts have erupted as a result of the oil boom, cumulatively the larger percentage (73.3%) agreed. The mean = 3.84 which corresponded to "agreed" indicated land conflicts have erupted as a result of the oil boom.

As to whether violent clashes have been witnessed in Hoima district ever since the discovery of oil, cumulatively the larger percentage (79.8%) agreed. The mean = 3.66 meant that the respondents agreed with the item that stated that violent clashes have been witnessed in Hoima district since the discovery of oil.

In summary, interview findings revealed that despite the rhetoric of participation in managing natural resources, when it comes planning and decision making, the process is in fact highly centralised. The Hoima residents, district officials, county and sub-county officials appear to have been bypassed when it came to handling oil issues in Hoima. This is demonstrated by inadequate dissemination of information among district officials and Local Council Committees on oil issues, lack of technical capacity to handle oil issues, and the subsequent constraints this places on local authorities.

Verification of Research Hypothesis One: The hypothesis stated that: there is a positive significant relationship between planning for oil exploration/production and a resource curse in the oil producing areas in Uganda. The hypothesis was tested using Regression Analysis and Analysis of Variance and the results are given below

Table 4. 7: Regression Analysis for the relationship between planning and Resource Curse

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765 a	.585	.421	.51116

a. Predictors: (Constant), planning

Table 4.7 provides the R and R² value. The R value is 0.765, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The R² value indicates how much of the dependent variable, resource curse can be explained by the independent variable planning. The standard error of the estimate is .51116 and the adjusted R square value is 0.585. Therefore the adjusted square value of .421 implied that planning for oil exploration and production predicts resource curse; in other words resource curse is dependent on planning by 42.1%

Table 4. 8: Analysis of Variance Showing the Results on the Relationship between Planning and Resource Curse

ANOVA b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.335	1	.335	1.282	.260 ^a
	Residual	30.309	116	.261		
	Total	30.644	117			

a. Predictors: (Constant), planning

Source: primary data (2016)

These are the degrees of freedom associated with the sources of variance. The total variance has N-1 degrees of freedom. The Regression degrees of freedom correspond to the number of coefficients estimated minus 1. Including the intercept, there are 5 coefficients, so the model has

b. Dependent Variable: Resource Curse

5-1=4 degrees of freedom. The Error degree of freedom is the DF total minus the DF model, 117 - 1 =116. Mean Square are the Mean Squares, the Sum of Squares divided by their respective DF. The F-statistic is the Mean Square (Regression) divided by the Mean Square (Residual) .335/.261=1.282. The p-value is compared to some alpha level in testing the null hypothesis that all of the model coefficients are 0.The full model is not statistically significant (F = 1.282, df = 117, 1, sig.= .260), even though resource curse was statistically significant (p>.05) by itself. The value for this table had a total degrees of freedom of 117 because four observation had missing data and were not included in the analysis. The other degree of freedom corresponds to the intercept (constant) of the regression line. F-Statistics is 1.282, given the strength of the correlation, our model is statistically significant (p > .0005).

Table 4. 9: Summary Statistics showing the Coefficient for the Planning and Resource Curse

Coefficients a

		Unstand Coeffic		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.572	.215		11.949	.000
	Planning	.064	.056	.105	1.132	.260

a. Dependent Variable: resource curse

Source: primary data (2016)

The focus is on the three predictors, whether they are statistically significant and, if so, the direction of the relationship. The average class size (structures, b= .064) (p=0.260), is not statistically significantly different from 0 because its p-value is definitely larger than 0.05 but only just so, and the coefficient is positive which would indicate that larger class sizes is related to resource curse. For example, the standard error of the strength coefficient is 0.056. A 95%

confidence interval for the regression coefficient for strength is constructed as (0.064 k 0.056), where k is the appropriate percentile of the t distribution with degrees of freedom equal to the Error df from the ANOVA table. The effect of planning (b=.064, p=.260) is significant and its coefficient is positive indicating that the greater the planning, the lower the case of resource curse. The t-test for structures equals 1.132, and is statistically significant, meaning that the regression coefficient for regulation is significantly different from zero. Note that (1.132)2 =1.2814, which is the same as the F-statistic (with some rounding error). The coefficient for planning is 0.064, meaning that for a one unit increase in planning; we would expect a 6.4-unit increase in api00. This means that for every one standard mark increase in planning, the model predicts an increase of 0.064 which is the same as 6.4 score. The constant is 2.572, and this is the predicted value when planning equals zero.

Objective Two: To assess the relationship between Coordination of oil exploration and production and the Resource Curse

The items on coordination were derived from the second of objective of the study. Question items measuring responsive services were put to the respondents. The items were scaled using the five-point Likert scale where code 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree. Descriptive data is as presented in Table 4.10.

Table 4. 10: Responses on Coordination and the Resource Curse

Items	Mea	SA%	A%	N%	D%	SD
	n					%
The residents have been guided about the changes	3.83	34.4	36.6	_	14.	15.
brought about by the oil exploration					5	5
The residents are given instructions about the	1.99	7.2	12.8	-	43.	37.
compensation for their property acquired					0	0
The residents are assigned supervisors to guide	2.09	20.0	3.2	-	38.	38.
them on the oil exploration process in their area					4	4
Land conflicts are under control given the proper	3.84	33.3	40.3	-	13.	13.
coordination					2	8
The exploration process has been well	3.66	40.0	30.8	-	14.	13.
coordinated					2	3

Source: Primary data (2016)

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on coordination. The details are supported by interviews results and documentary evidence.

As to whether the residents have been guided about the changes brought about by the oil exploration, the respondent's responses indicated that cumulatively, the larger percentage (80%) of the respondents agreed. The mean = 3.83 was above the median score, three, which, on the five-point Likert scale used to measure the items, implied that the exploration process has led to loss of our land.

It was established from the interviews that the majority of the respondents have heard about oil and the right to participation, but are not fully aware and informed about this right. In terms of sources of information about oil, radio emerged as a major source of information. However, the respondents expressed concern over limited access to information. A case in point is of residents in Hoima Town who alleged that after the completion of the property valuation, there was no

feedback given to the people whose properties had been valued on how much they were going to get 10. Some residents said they were shocked to learn later, of the rates they were offered without knowing how the valuation team had arrived at the final figures. They questioned why the valuation team had not allowed them to raise complaints and omissions before displaying the details of the valuation. The communities neighbouring the refinery area therefore expressed concern that they did not know what would happen to them once they are cut off from these facilities by the refinery. A similar concern was raised by residents with land around the same area, claiming that at the moment they were not allowed to develop or lease their land due to the absence of the physical plan for the area.

The interview findings further revealed that people in general are not aware of the right to participation in the oil exploration process. Most of the members of NGOs interviewed knew, in general terms, about the existence of the statutory right to access information, but few had heard about the Access to Information Act (No 6 of 2005). Nearly all of them felt the ability to access useful information depended on personal relationships and trust. A major barrier to information access in Uganda is the general lack of resources, infrastructure and capacity. Public bodies often lack even basic technical equipment and communication systems, such as computers and internet connections. Government websites are not updated for months and only a few public libraries (with even fewer up to date materials) exist. Generally the right of access to oil information in Hoima has been futile. One oil company representative felt that there were "massive information gaps and the quality of research was very poor". For example, there was no sufficient data on the land where the oil pads are located. Contemporary reports and publications at Hoima District in

¹⁰ Interviews with a resident in Hoima Town on 8th July, 2016

the District Resource Centre on oil and petroleum are several decades old and so it is difficult to get recent information on oil from these documents that were found at the District headquarters.

Lack of information has fed suspicion and mistrust, and created divisions. While it may have as its cause limitations to both government and company capacity related to the very newness of the sector, it can all too easily lead to an escalation of conflict, given other circumstances and trends. This is a suspicion that has been hanging over Hoima for years, since the oil exploration process began, for instance. On the issue of oil awareness, one resident said "the only information we get about oil on our land is over the radio, and this is too scanty. When Civil Society leaders go over the radio, they encourage us to fight for our land rights, but it is unfortunate that we lack the power and authority to do so".

Responses to the question as to whether the residents are given instructions about the compensation for their property acquired. The mean = 1.99 indicated that the majority disagreed with the item implying that the residents are not given instructions about the compensation for their property.

In the open responses of the questionnaire survey, the respondents revealed that they are not given instructions about the compensation for their property, once acquired. This has left them with many questions as to whether the people who are taking their land do really mind about their interests.

Eight respondents supported the argument that some kind of sensitization about land acquisition should be made. Further the respondents revealed that wealth tycoons who come from Kampala should first consult them about their land acquisition plans. Two members of an Oil Company

disagreed and revealed that they are in the process of consulting with the residents on so many issues affecting them in the area, so that they can help them through the Social Corporate Responsibility programme.

The respondents further noted that the residents are assigned supervisors to guide them on the oil exploration process in their area; cumulatively, the majority percentage (76.8%) disagreed. The mean = 2.09 which is above four and corresponded to "agree", indicated that the respondents disagreed with the question. This indicated that the residents are not assigned supervisors to guide them on the oil exploration process in their area.

With respect to whether land conflicts are under control given the proper coordination, cumulatively the larger percentage (73.3%) agreed. The mean = 3.84 which corresponded to "agreed", indicated that the exploration process has been well coordinated.

As to whether the exploration process has been well coordinated, cumulatively the larger percentage (70.8%) agreed. The mean = 3.75 meant that the respondents agreed with the item that stated that the exploration process has been well coordinated.

A respondent revealed that.

The oil exploration process was not well coordinated and this could the reason why residents are branding the oil discovery, exploration and production a resource curse.

In the open responses of the questionnaire survey, the residents revealed that they are not involved in consultation and coordination process, it is only the district officials who are consulted. They left the residents out and this is the reason why, up to today, they are complaining.

Ten respondents supported the argument that coordinating oil programmes should begin with them. Further the respondents revealed that they have ignored the Bunyoro Kingdom elders and leaders who would have helped coordinate the process well. A key informant had fear that if the coordination of the exploration and production is not well handled, the people of Hoima are likely to conflict with the intruders over their resource, which resource they regard as birth right.

Verification of Research Hypothesis Two: The hypothesis stated that: there is a positive significant relationship between coordination of oil exploration/production and a resource curse in the oil producing areas in Uganda. The hypothesis was tested using Regression Analysis and Analysis of Variance and the results are given below

Table 4. 11: Regression Analysis for the relationship between coordination and Resource Curse

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.648 a	.419	.378	.48939

a. Predictors: (Constant), coordination

Table 4.11 provides the R and R² value. The R value is 0.648, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The R² value indicates how much of the dependent variable, resource curse can be explained by the independent variable coordination. The standard error of the estimate is .48939 and the adjusted R square value is 0.378. Therefore the adjusted square value of .378 implied that the coordination predicts resource curse; in other words resource curse is dependent on coordination by 37.8%

Table 4. 12: Analysis of Variance Showing the Results on the Relationship between Coordination and Resource Curse

ANOVA b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.784	1	1.784	7.450	.007 a
	Residual	27.303	114	.240		
	Total	29.087	115			

a. Predictors: (Constant), coordination

b. Dependent Variable: resource curse

These are the degrees of freedom associated with the sources of variance. The total variance has N-1 degrees of freedom. The Regression degrees of freedom correspond to the number of coefficients estimated minus 1. Including the intercept, there are 5 coefficients, so the model has 5-1=4 degrees of freedom. The Error degree of freedom is the DF total minus the DF model, 115 - 3 =114. Mean Square are the Mean Squares, the Sum of Squares divided by their respective DF. The F-statistic is the Mean Square (Regression) divided by the Mean Square (Residual) 1.784/.240= 7.450. The p-value is compared to some alpha level in testing the null hypothesis that all of the model coefficients are 0.The full model is not statistically significant (F = 7.450, df = 115, 1, sig.= .007), even though the resource curse was statistically significant (p>.05) by itself. The value for this table had a total degrees of freedom of 115 because four observation had missing data and were not included in the analysis. The other degree of freedom corresponds to the intercept (constant) of the regression line. F-Statistics is 7.450, given the strength of the correlation, our model is statistically significant (p>.0005).

Table 4. 13: Summary Statistics showing the Coefficient for Coordination and Resource Curse

Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.756	.342		8.058	.000
	Coordination	.253	.093	.248	2.730	.007

a. Dependent Variable: resource curse

As per the SPSS generated in table above 4.13, the equation (Y = 0 + 1X1 + 2X2 + 3X3 + 4X4 +) becomes: Y = 2.756 + .253. The regression equation above has established that taking all factors into account (adoption of coordination) constant at zero resource curse will be 2.488. The findings presented also show that taking all other independent variables at zero, a unit increase in the scores of coordination would lead to a 0.253 for resource curse. At 5% level of significance and 95% level of confidence, resource curse showed a .007 level of significance. Overall, coordination affect resource curse (beta=.107). All the variables were significant. In this case, the focus is on the three predictors, whether they are statistically significant and, if so, the direction of the relationship. The average class size (coordination, b= .248 is significant, but only just so, and the coefficient is positive which would indicate that larger class sizes is related to resource curse. The effect (p=0.007) is significant and its coefficient is positive indicating that the greater the p=0.007. The t-test is 2.730 is statistically significant.

Objective Three: To examine the relationship between Monitoring the oil exploration and Production process and the Resource Curse

The items on monitoring were derived from the second objective of the study. Question items measuring responsive services were put to the respondents. The items were scaled using the five-

point Likert scale where code 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree. Descriptive data is as presented in Table 4.14.

Table 4. 14: Responses on Monitoring and the Resource Curse

Items	Mea	SA%	A%	N%	D%	SD
	n					%
The residents are given feedback about the oil	2.01	14.5	15.5	-	34.	36.
exploration process					4	6
The residents freely access the oil officials for	3.7	43.0	12.8	-	17.	37.
consultation on oil matters					2	0
The residents are given jobs in the oil sector	3.00	20.0	40.2	-	21.	38.
					4	4
The residents have been helped on how utilize the	2.31	10.0	19.8	-	30.	40.
compensation got from the land acquired					0	2
The oil wastes disposal process is closely	3.93	35.4	35.6	-	14.	14.
monitoring					2	5

Source: Primary data (2016)

The details below interrogate the empirical results through advanced statistical tests to demonstrate the views of the respondents on monitoring. The details are supported by interviews, results and documentary evidence.

As to whether the residents are given feedback about the oil exploration process, the respondent's responses indicated that cumulatively, the larger percentage (81%) of the respondents disagreed. The mean = 2.01 was above the median score, three, which on the five-point Likert scale used to measure the items implied that the residents are given feedback about the oil exploration process.

The residents were asked whether the oil companies take the initiative to inform the residents of what is going on as far as the oil exploration process is concerned. An angry resident said "our leaders are weak and what they mind about is money. After getting money they don't take the initiative to inform us about what is going on in the oil industry. A company representative also

identified the existing gaps within local government council committee. For example, members of Tullow's stakeholder engagement team highlighted that "central government should empower local government and "government should play its role as far as community sensitization on the oil exploration process is concerned".

The residents were further asked whether the Hoima Local Government has a department that deals with issues related to oil. It was established from the district council employees that the existing governance structures do not create a focal person or department for oil issues at district level or below. Evidence suggests that the technical planning committees, made up of all heads of department is limited in terms of sharing and disseminating information with lower levels of local government.

Responses to the question as to whether the residents freely access the oil officials for consultation on oil matters. The mean = 3.70 indicated that the majority agreed with the item, implying that the residents freely access the oil officials for consultation on oil matters.

An angry resident noted that "we don't access the officials, we only access them when they come to grab our land"

The residents were asked further whether they are aware of the operations of the oil exploration companies in the area. One of the resident remarked "oil companies have never released any public statement addressing their concerns". A key informant revealed that community leaders are not satisfied with the operations of oil companies. One respondent expressed dissatisfaction with the conduct of oil companies; she remarked: 'Our technical staffs are not satisfied. We wrote to the executive requesting that they should meet us, since they want to be one of our

¹¹ Interviews conducted in Hoima Town Council on 4th December, 2014

development partners. However, to our dismay we got no answer. The technical staff said that increasing satisfaction with the level of participation is very important".

The residents were asked during interviews whether they are aware of the Petroleum law and the National Oil and Gas Policy. The majority of the respondents did not even know about the existence of the National Oil and Gas Policy. It was only the District officials, members of the Civil Society Organisations and Religious leaders that were aware of the existence of the oil policy and other oil laws. They noted that the residents have not been sensitized about the oil policy and other laws and even the consultations on the policy were few and late.

The respondents further noted that the residents are given jobs in the oil sector; cumulatively, the majority percentage (60%) disagreed. The mean = 3.00 which is above four and corresponded to "agree", indicated that the respondents agreed with the question. This indicated that the residents are given jobs in the oil sector.

With respect to whether the residents have been helped on how to utilize the compensation got from the land acquired, cumulatively the larger percentage (70.3%) agreed. The mean = 2.31 which corresponded to "agreed", indicated that the residents have been helped on how utilize the compensation got from the land acquired.

A resident noted that:

They are never taught how to use the money and so this complicates matters since they spend all the money within a short time.

Two key informants noted that the residents are never consulted during the determination of the compensation rates¹². Some residents also complained that the valuers never consult them, especially on the true worth of their properties. They stated that the rates offered for the trees for instance, were not commensurate with the regular income they were getting through the sale of the tree products. One resident whose fish pond was valued at 556,000 noted that she used to get 1,800,000 from the pond per season, yet what was received as compensation is far less than what he was earning from the fish harvests.

Furthermore, there were allegations of forced signing of Compensation Disclosure Agreements by some residents. Residents also alleged that signing of compensation forms was done under duress, with threats that whoever did not sign would lose out completely. Others were told that although they would be allowed to lodge complaints, it would take over ten years to have their concerns addressed, leaving those who did not append their signatures uncertain. They said they had legitimate concerns not to sign because they were not given an adequate explanation regarding the way their properties were valued. In cases where some residents preferred resettlement to compensation, residents alleged that they did not know when, where and how they were going to be resettled.

Residents noted that land is never evaluated properly by the valuers nor are they given feedback on the price they intend to give them.

Findings from interviews further revealed that the residents are never consulted before acquiring their land¹³. The residents are denied the right to participate in the decision making process.

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¹²Interviews conducted with two key informants in Kakindo on 6th December, 2014

¹³ Interviews conducted with two key informants in Kakindo on 6th December,

Another resident noted:¹⁴ "No one had negotiated with me before invading my garden, but some men told me we would be paid for the loss. The sum was not disclosed. About eight months later in November 2015, some people who called themselves representatives of Tullow Oil destroyed my piggery. They called a meeting gave us little money as compensation and every one signed for the money forcefully. I had to sign because I had no choice. I received eight hundred thousand and since the money was little I just bought good meals for my family for a full month.¹⁵

As to whether the oil wastes disposal process is closely monitored, cumulatively the larger percentage (70.0%) agreed. The mean = 3.93 meant that the respondents agreed with the item that stated that the oil wastes disposal process is closely monitored.

In relation to the above item a respondent noted that Oil waste is being thrown everywhere in the district, which is putting the lives of our people at risk. The resident further noted that he was not happy with the existing pollution, most especially when wastes are dumped on their land without being consulted. A top District politician noted that oil waste is sometimes dumped on people's land with neither the consent of the National Environment Management Authority (NEMA) nor land owners.

Verification of Research Hypothesis Three: The hypothesis stated that: there is a positive significant relationship between monitoring of oil exploration/production and a resource curse in the oil producing areas in Uganda. The hypothesis was tested using Regression Analysis and Analysis of Variance and the results are given below.

Table 4. 15: Regression Analysis for the relationship between Monitoring and Resource Curse

¹⁵ Interviews conducted with a female resident in Hoima Town Council on 6th December, 2014

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¹⁴ Interviews conducted with a female resident in Hoima Town Council on 5th December 2014.

Model Summary

			Adjusted	Std. Error of
Model	R	R Square	R Square	the Estimate
1	.471 ^a	.221	.199	.51540

a. Predictors: (Constant), monitoring

Table 4.15 provides the R and R² value. The R value is 0.471, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The R² value indicates how much of the dependent variable, resource curse can be explained by the independent variable monitoring. The standard error of the estimate is .51540 and the adjusted R square value is .199 Therefore the adjusted square value of .199 implied that monitoring positively predicts resource curse; in other words resource, curse is dependent on monitoring by 19.9%.

Table 4. 16: Analysis of Variance Showing the Results on the Relationship between Monitoring and Resource Curse

ANOVA b

		Sum of				
Model		Squares	df	Mean Square	F	Sig.
1	Regression	.115	1	.115	.434	.511 ^a
	Residual	30.549	115	.266		
	Total	30.664	116			

a. Predictors: (Constant), monitoring

b. Dependent Variable: resource curse

Source: primary data (2016)

These are the degrees of freedom associated with the sources of variance. The total variance has N-1 degrees of freedom. The Regression degrees of freedom correspond to the number of coefficients estimated minus 1. Including the intercept, there are 5 coefficients, so the model has 5-1=4 degrees of freedom. The Error degree of freedom is the DF total minus the DF model, 116 - 1 =115. Mean Square are the Mean Squares, the Sum of Squares divided by their respective DF. The F-statistic is the Mean Square (Regression) divided by the Mean Square (Residual)

.115/.266=.434. The p-value is compared to some alpha level in testing the null hypothesis that all of the model coefficients are 0. The full model is not statistically significant (F = 0.434, df = 116, 1, sig.= .511), even though resource curse was statistically significant (p>.05) by itself. The value for this table had a total degrees of freedom of 116 because four observation had missing data and were not included in the analysis. The other degree of freedom corresponds to the intercept (constant) of the regression line. F-Statistics is 0.434, given the strength of the correlation, our model is statistically significant (p > .0005).

Table 4. 17: Summary Statistics showing the Coefficient for Monitoring and Resource Curse

Coefficients a

	Unstandardized Coefficients		Standardized Coefficients			
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.603	.309		8.436	.000
	Monitoring	.055	.084	.061	.659	.511

a. Dependent Variable: resource curse

Source: primary data (2016)

The focus is on three predictors, whether they are statistically significant and, if so, the direction of the relationship. The average class size (monitoring, b= .055) (p=0.511),is not statistically significantly different from 0 because its p-value is definitely larger than 0.05 but only just so, and the coefficient is positive which would indicate that larger class sizes is related to monitoring. The effect of monitoring (b=.055, p=.511) is significant and its coefficient is positive, indicating that the greater the monitoring, the lesser the resource curse. The t-test for monitoring equals 0.659, and is statistically significant, meaning that the regression coefficient for monitoring is significantly different from zero. Note that (0.659)2 = 0.434281, which is the same as the F-statistic (with some rounding error). The coefficient for systems is 0.055, meaning that for a one unit increase in monitoring; we would expect a .5.5-unit decrease in api00. This

means that for every one standard mark increase in the monitoring, the model predicts an increase of 0.055 which is the same as 5.5 score. The constant is 2.603, and this is the predicted value when the monitoring equals zero.

Table 4. 18: Regression of Oil management and the Resource Curse

Resource curse	Standardised	Sig.
		P
Oil management	0.166	0.011
Adjusted $R^2 = .315$		

F = .461, p = 0.000

a. Dependent Variable: Resource Curse

The results in Table 4.18 show that, planning, coordination and monitoring explained 15.0% of the variation in resource curse (adjusted $R^2 = -0.315$). The R value is 0.120, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The R2 value indicates how much of the dependent variable, resource curse can be explained by the independent variable. Therefore the adjusted square value of .315 implied that planning predicts resource curse; in other words resource curse is dependent on oil management by 31.5%. The regression model was good/ significant (F = .461, p = 0.000 < 0.05). The magnitudes of the respective betas suggest that the oil management negatively predicted resource curse.

In summary, the respondents were asked to give their summary opinions about oil management. Several responses were given but generally, they indicated that the responses on oil management were fair. The researcher turns to chapter five to present the summary of findings, discussion of results, conclusion, recommendations and suggestions for further research.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This Chapter focuses on the discussion of the results which is presented in arrangement of research objective by research objective, conclusions drawn from the study findings and recommendations based on the conclusions.

5.2 Summary of Findings.

5.2.1 Planning of Oil Exploration/Production and a Resource Curse

The first hypothesis was tested using Regression Analysis. The results revealed a standard error of the estimate as .51116 and the adjusted R square value of 0.421. Therefore the adjusted square value of 0.421 implied that planning positively predicts the resource curse; in other words if there is an improvement in planning, oil and gas will not be looked at as a resource curse.

5.2.2 Coordination of Oil Exploration/Production and a Resource Curse

The second hypothesis was tested using Regression Analysis. The results revealed a standard error of the estimate as .48939 and the adjusted R square value of 0.378. Therefore the adjusted square value of 0.378 implied that coordination positively predicts the resource curse; in other words if there is an improvement in coordination, oil and gas will not be looked at as a resource curse.

5.2.3 Monitoring of Oil Exploration/Production and a Resource Curse

The second hypothesis was tested using Regression Analysis. The results revealed a standard error of the estimate as .51540 and the adjusted R square value of 0.199. Therefore the adjusted square value of 0.199 implied that monitoring positively predicts the resource curse; in other words if there is an improvement in monitoring, oil and gas will not be looked at as a resource curse.

5.3 Discussion

This subsection looks at the discussion of the findings research question by research question;

5.3.1 Planning of Oil Exploration/Production and a Resource Curse

Findings revealed that there is a positive relationship between planning and the resource curse in oil producing areas in Uganda. The citizens disputed the fact that they were involved in the planning process. This is in line with De Silva (2011), ¹⁶ in his work "Natural Resource" Governance, Sustainability and Poverty Reduction," who asserts that the right to participate including participating in planning for natural resources is enshrined under Article 21 in the UDHR and under article 25 in ICCPR, including treaty bodies and their general comments. The right of all citizens of a country to participate in public affairs is enshrined in article 25 of the International Covenant on Civil and Political Rights (hereinafter called the ICCPR) which states that every citizen shall have the right and the opportunity, without distinction and without unreasonable restrictions (a) to take part in the conduct of public affairs, directly or through freely chosen representatives; (b) to vote and to be elected at genuine periodic elections; (c) to have access, on general terms of equality, to public service in his country. The ICCPR is legally binding for the countries that have ratified the covenant. Uganda is a party to several human rights mechanisms that provide for the right for public participation including the ICCPR, the ICESCR, CEDAW and the ACHPR.

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¹⁶¹⁶De Silva, Asoka and RanjithMahindapala (compilers). 2011. "Natural Resource Governance, Sustainability and PovertyReduction- Proceeding of the Global Learning Workshop." Gland: IUCN.

The interview findings revealed that failure to involve the citizen fully in the planning process is the cause of the current conflicts in Hoima over issues like land.

The researcher was cognizant of the fact that there has been failure to consult the affected population in oil exploration districts, which violates peoples' right to participation. The researcher notes that without the right to participation, most civil and political rights, and potentially many economic and social rights cannot be realized. Therefore the affected populations in this example may phrase their claims in human rights terms, or they could argue that their right to freely "pursue their economic, social and cultural development", accorded to them under both the ICESCR and ICCPR has been breached. This is, of course, a major danger with any high impact construction project that threatens to cause major environmental and social change, without the full approval of the populations to be affected. Thus the failure to consult with such groups in turn violates people's right to self-determination. The findings reveal that minimal consultation was done during the planning process. This is supported by Kabanda (2008), who notes that the International Covenant on the Civil and Political Rights (ICCPR) presents a straightforward approach seeking to ensure citizens positive civil and political rights. In the above context, planning is a tool of democratic control over state institutions, intimately linked to the concept of participatory democracy and respect for fundamental rights. The Inter-American Court of Human Rights has recognized that planning cannot be done behind the back of the citizens who own the resources.

5.3.2 Coordination of Oil Exploration/Production and a Resource Curse

Findings revealed that there is a positive relationship between coordination of oil exploration/production and a Resource Curse. Although coordination is being done in Hoima, it is not to the level the residents expected. A few awareness seminars about exploration and production are being conducted. The seminars are limited to issues like compensation and issues

to do with Production Sharing Agreements are not included in these seminars. The findings are supported by KabaM'baye (1978), who notes the importance of coordination in the resource extraction process. He emphasizes that at different levels, the community must be brought on board through proper coordination. In its agenda for development, the UN noted in particular that: coordination is an essential component of successful and lasting development. It contributes to equity by involving people living in poverty and other groups in planning, coordination and implementation.

Findings further revealed that oil coordination in Hoima has entailed state control through heavy deployment of soldiers around oil wells, an act the people interpret as "a creation of fear" so that they can accept their land to be forcefully acquired. This work, though not written based on Constitution of Uganda, is very informative on issues of coordination of resources from the international to the domestic perspective in Uganda. The findings are contrary to Madzwamuse (2010),¹⁷ who notes that there is a lack of consensus on the notion of coordination if it involves a coercive element, which may explain the low levels of influence in decision-making, in contrast to the declared high levels of participation. There is need to clarify the notion of coordination in a manner that is consonant with increased and more effective involvement in decision-making processes.

5.3.2 Monitoring of Oil Exploration/Production and a Resource Curse

Findings revealed that there is a positive significant relationship between monitoring of oil exploration/production and a resource Curse. It was observed that feedback has not fully been given to the citizens as far as oil is concerned. Citizen complained that district officials rarely

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¹⁷ id

come to address them on matters of the resource being extracted. The few interviewed noted that they last saw an official from the District conducting a feedback session in 2013. According to Graham, John, Amos, Bruce and Tim Plumptre (2003)¹⁸, in recent years, there has been a trend in international human rights law to expand the responsibilities of governments to include and consult stakeholders in decision making processes and giving feedback. Feedback mechanisms have been incorporated into the human rights-based approach to development, as a goal in itself, as well as a cross cutting principle.

The residents were concerned about their health, revealing that government is not helping them, to monitor issues of interest to the community that matter most, and which accrue when a resource like oil is being extracted. Most importantly was health that they felt had become an issue of secondary importance to government, with oil being seen as primary in this case. The respondents noted that a lot of oil wastes are being dumped any how in Hoima. This has been mostly hazardous to women and children. According to Kabanda (2008)¹⁹, the International Covenant on the Civil and Political Rights (ICCPR)²⁰ presents a straightforward approach to environmental protection and conservation. Kabanda (2008) notes that, in many states, the environment has been abused at the expense of economic growth. He cited the example of Ken Sarowiwa who was murdered because he was fighting for the rights of Ogoni people, as far as the environment was concerned. Although Nigeria registered significant economic growth at the time in 1997, it was at the expense of the Ogoni people.

¹⁸Graham, John, Amos, Bruce and Tim Plumptre. 2003. "Principles for Good Governance in the 21st Century." Policy Brief 15. Ottawa: Institute for Governance.

¹⁹ See Kabanda, opcitpp.112

²⁰ The International Covenant on the Civil and Political Rights (ICCPR)

5.4 Conclusions

Study conclusions were drawn basing on the different research objectives as shown below;

5.4.1 Planning of Oil Exploration/Production and a Resource Curse

Findings revealed that there is a positive relationship between planning and the resource curse in oil producing areas in Uganda. The oil discovery, exploration and production in Uganda will not be branded a resource curse if the planning process for the production is well thought out. For example respondents on ground expressed displeasure about not being involved in the planning process. Findings revealed that failure to involve the citizen fully in the planning process is the cause of the current conflicts in Hoima over issues like land.

5.4.2 Coordination of Oil Exploration/Production and a Resource Curse

Findings revealed that there is a positive relationship between coordination and the resource curse in oil producing areas in Uganda. The oil discovery, exploration and production in Uganda will not be registered as a curse if the challenges in the coordination process are improved for example: Although coordination is being done in Hoima, it is not to the level the residents expected. A few awareness seminars about exploration and production are being conducted. The seminars are limited to issues like compensation and issues to do with Production Sharing Agreements are not included in these seminars. Findings further revealed that oil coordination in Hoima has entailed state control through heavy deployment of soldiers around oil wells. An act people interpret as "a creation of fear" so that they can accept their land to be forcefully acquired.

5.4.3 Monitoring of Oil Exploration/Production and a Resource Curse

Findings revealed that there is a positive significant relationship between monitoring of oil exploration/production and a resource Curse. It was observed that so many challenges have emanated as a result of loopholes in the monitoring of the oil process that should be addressed if

the oil is not to be looked at as a resource curse. For example, findings revealed that feedback has not fully been given to the citizens as far as oil is concerned. Citizens complained that district officials rarely come to address them on matters of the resource being extracted. The few interviewed noted that they last saw an official from the District conducting a feedback session in 2013. The residents were concerned about their health, revealing that government is not helping them, to monitor issues of interest to the community that matter most, and which accrue when a resource like oil is being extracted. Most importantly was health that they felt had become an issue of secondary importance to government and oil was too primary in this case. The respondents noted that a lot of oil wastes are being dumped any how in Hoima. This has been mostly hazardous to women and children.

5.5 Recommendations

5.5.1 Planning of Oil Exploration/Production and a Resource Curse

The government should ensure that concrete strategies for planning in line with international best practice on "combating the resource curse" are enshrined in the new legislative framework for oil. This should include transparency in new contracts and licences; institutional mechanisms for revenue collection and management; transparency in the management of any Ugandan oil fund to be set up; and clarity on the respective roles and responsibilities of different oversight agencies. Given that there are other natural resources in the Albertine Graben such as wildlife, limestone and forest cover, a plan for sustainable natural resource exploitation and conservation needs to be developed. The government should devise a comprehensive and long-term plan that clearly shows all oil and gas exploration areas and exploitation activities, along with the places that will be affected by development of the oil- and gas-related infrastructure. It is also important to have

a timeframe within which such activities and infrastructure will commence in the various locations in the region.

5.5.2 Coordination of Oil Exploration/Production and a Resource Curse

The government should also embark on developing a proactive information dissemination and coordination strategy that addresses the information needs of people at community level. Information gaps on critical issues in the oil and gas sector seem to be apparent; the current communication strategy should focus on these, as raised by the various stakeholders in this report. The government should produce and distribute clear and timely communications on the oil sector. These should include information on (a) how the revenue will be distributed and to whom (b) timelines for production (c) details on infrastructure projects (d) information pertaining to the award of rights to access the resource and procurement projects surrounding the industry.

5.5.3 Monitoring of Oil Exploration/Production and a Resource Curse

The government and oil exploration companies should be accountable; they should always strive to advance the interests of the people. There is also a need for sustained initiatives by the government in partnership with civil society, district taskforces and the private sector, to engage communities in dialogue on specific issues related to oil exploration and exploitation affecting local communities. Local government taskforces should work collaboratively with the Barazas at community level to seek their views about the sector. This will also increase transparency, integrity and accountability of the governance structures at the various levels. The government should also pay special attention to capturing local content in the development of oil and gas policies. This should involve setting up local content committees at local government and community level to monitor local content targets in their respective localities.

5.6 Limitations of the Study

There were also a number of limitations associated with decisions made regarding the methodology. They relate to the choice of participants, the type of data collected and the analytic process. Another limitation was the time frame in which data was collected. The data constituted a snapshot of one point on the implementation continuum. Interviews date is limited in a number of ways including the limitations present in the questions themselves and also in the nature of the responses from participants. The participant's responses were based only on the questions that the researcher asked, yet there could have been more information through observation, hence sometimes misleading information is given during interviews. The researcher encountered some limitations during the study, especially when it came to interviewing some respondents. Some were not willing to give information unless paid, and in some instances, the researcher had to wait till late in the evening for the respondents to be through with their work so as to interview them. For the key informants, given their busy schedules, some interviews were rescheduled to fit their timetables, but these also sometimes failed. The research took slightly long to conduct, particular interviews, which delayed the study. There was also a problem of absenteeism by some of the respondents at the designated place of carrying out the interviews. Therefore collecting data from them through the questionnaires proved to be a big challenge. In some instances, respondents wanted pay prior to providing information. The researcher managed these problems by making use of the supportive team leader, who, in one instance, was willing to introduce the researcher in person to the respondents a through sensitization of respondents on the importance and significance of the study. The Uganda Technology and Management University letter helped to allay any fears and doubts among some respondents. Efforts were made to maintain confidentiality of the responses. The absenteeism of some officials was tackled by frequent visits to their offices, and above all establishing good rapport. In general, the following measures were taken, aimed at reducing non-response for the

initial mailing. An introduction letter on Uganda Technology and Management University logo was sent out and this emphasized academic relevance of this research project. A summary of results was offered to the respondents, reporting on the main conclusions of the study. Five weeks after the initial mail out, a replacement questionnaire was emailed to all non-respondents (follow-up mail). Two weeks after follow-up mailing, theremaining respondents received an email, asking them for the third and last time to participate in the survey and a replacement questionnaire was added as an attachment. Even though the researcher knew very well that use of pre-notification was likely to affect the response rate, in this study the respondents were not pre-notified as there was no adequate time to do so.

5.7 Suggestions for Further Research

The findings of the study on some items of the study conflicted with expectations as per the hypotheses regarding resource curse. For instance, the study found that to a lesser extent, the oil is a resource curse to Hoima people. These conflicting findings call for further research on resource curse. Besides, this study was carried out on oil and gas; therefore, future studies should be carried out on other minerals in Uganda like gold, copper etc.

Future studies should include the time series collection of data on the perception of resource curse. This will help identify the challenges to natural resource extraction. The output of this type of research will provide an insightful view on resource curse. When completed, the governments and businesses will be in right position to take up the appropriate actions to weed out the oil management related ills in the oil sector. Further research needs to be carried out on the challenges of the oil and gas sector in Uganda.

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APPENDICES

APPENDIX (i): QUESTIONNAIRE FOR HOIMA RESIDENTS, OIL COMPANY OFFICIALS, MEMD OFFICIALS AND HOIMA DISTRICT EMPLOYEES

My name is Hillary Mangeni. I am a student of Masters of Business Administration (Oil and Gas)at Uganda Technology and Management University. In partial fulfillment of the requirements for the degree, I am required to conduct a research in an area of my interest. My interest in this study is to evaluate the *Oil management and the resource curse in Uganda: A case Study of Hoima District.*

You have been sampled to participate in this study and the information you give will be used strictly for academic purposes and will never be used against you or your office. The information got from you will be kept confidential. You are also requested not to write your name on this questionnaire. After filling out the questionnaire, put in the provided envelop and seal it and return to me.

Your participation in this study is entirely voluntary. Your consent to participate is implied by your decision to complete this questionnaire. The interview will take about 10 minutes to complete. I will greatly appreciate your assistance in this exercise. Thank you for your cooperation.

SECTION A BIO-DATA

Please tick in the column below the specified variable.

-		19-20	29-30	39-50	Above 50	
Gender		Male	Female			
Marital status		Married	Single	Widowed	Divorced	
Level	of	Masters	Bachelors	Diploma	Certificate	Others Specify
Education						

APPENDIX (ii) QUESTIONNAIRE FOR ALL THE STAKEHOLDERS

Instructions from question 1-21- tick the number that best indicate your opinion on the questions using the following scale.

Scale	1	2	3	4	5
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

SECTION B

PLANNING

		1	2	3	4	5
1	Residents were informed about identification process					
2	Residents are involved in decision making					
3	Residents are aware about the documentary process					
4	Residents were made aware about the plans to acquire their land					
5	Residents are always informed about the destruction of their property					

COORDINATION

		1	2	3	4	5
6	The residents have been guided about the changes brought about by the oil exploration					
7	The residents are given instructions about the compensation for their property acquired					
8	The residents are assigned supervisors to guide them on the oil exploration process in their area					
9	Land conflicts are under control given the proper coordination					
10	The exploration process has been well coordinated					

IN MONITORING AND EVALUATION

		1	2	3	4	5
11	The residents are given feedback about the oil exploration process					
12	The residents freely access the oil officials for consultation on oil matters					
13	The residents are given jobs in the oil sector					
14	The residents have been helped on how utilize the compensation got from the land acquired					
15	The key stakeholders were involved in the formulation of oil exploration evaluation indicators					

SECTION C RESOURCE CURSE

		1	2	3	4	5
17	The exploration process has led to loss of our land					
18	The gas flaring process affected my health					
19	There is gross infiltration of our land by unknown people					
20	Land conflicts have erupted as a result of the oil boom					
21	Violent crushes have been witnessed in Hoima district ever since the discovery of oil					

APPENDIX (iii): INTERVIEW GUIDE

INTERVIEW GUIDE FOR HOIMA RESIDENTS, OIL COMPANY OFFICIALS, MEMD OFFICIALS AND HOIMA DISTRICT EMPLOYEES

For how long have you worked in the government?

- 1. Comment on the oil exploration process in Uganda?
- 2. Who are the key stakeholders government is partnering with in the oil exploration process
- **3.** What are the key events you have been involved in since the beginning of the oil exploration process?
- **4.** How has the oil become a resource curse in Uganda?
- 5. How has the managerial function contributed to the violent crushes in Hoima
- **6.** Comment on the extent to which the oil authorities have helped to solve the escalating land conflicts in Hoima
- 7. How has government involved the residents of Hoima in planning for oil?
- **8.** To what extent are oil activities properly controlled and coordinated
- **9.** To what extent are oil activities properly monitored
- **10.** What possible solutions can be taken to overturn the trend of violence, clashes and conflicts in Hoima?

APPENDIX (iv): DOCUMENTARY REVIEW CHECKLIST

- 1. National Policy on Gas and Oil
- 2. Newspaper and media Articles
- 3. MEMD Oil Sector Manuals
- 4. Communication Strategy for Oil and Gas November 2011
- 5. Oil Sector Reports
- 6. Write ups of MEMD Meetings/Forums
- 7. Past Dissertations