

**PERCEPTION, SOCIAL ECONOMIC EFFECTS AND COMMUNITY INVOLVEMENT
ON THE OIL REFINERY PROJECT
(A CASE STUDY OF MINI OIL REFINERY TORORO DISTRICT, UGANDA)**

**FRED ONYANGO
J15M47/036
MBA OIL AND GAS 2019**

**A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS AND
ADMINISTRATION IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF
THE AWARD OF MASTERS DEGREE IN BUSINESS ADMINISTRATION OIL AND
GAS MANAGEMENT AT THE INSTITUTE OF OIL OF PETROLEUM STUDIES
KAMPALA IN AFFILIATION TO UCU.**

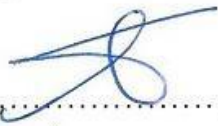
JANUARY, 2019

DECLARATION:

I, Onyango Fred, 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.

Onyango Fred

Signature.....



Date.....

4/1/2019

...

APPROVAL:

I confirm that the work in this thesis was carried out by the Candidate under my Supervision.

Supervisor:



PROFESSOR: VINCENT BAGIRE

Date...../2019



Signature

DEDICATION:

I dedicate this work to my beloved wife, my children and my parents for the encouragement they have given me. May the Almighty God reward them abundantly.

ACKNOWLEDGMENT

I thank to God for his numerous blessings, for giving me health, strength and perseverance to continue and finish this research.

I wish to express my thanks to my supervisor for the great supervision and continuous support throughout the whole research period. Am also grateful to all the staff that supported me academically during class hours. I would like to thank those who supported and contributed towards this research dissertation, most importantly Professor Vincent Bagire, the Principal Senior Assistant Secretary Tororo Mr, Osudo Jackson, the Sub County chief Osukuru Were James, the Oil refinery Leaders and the Community of Osukuru

I am indebted to the countless personalities who inspired me during this course of work and dedicated their time, resources and commitment to ensure that this work was accomplished successfully.

Special thanks to my entire family, to my parents, brothers, sisters, friends and the people of Tororo district particularly in Osukuru Sub-county who readily cooperated with me and participated in this research. Your love, support and patience are duly recognized.

Thank you all that in various ways made my journey at Uganda Christian University and Institute Of Petroleum Studies Kampala for the Very Pleasant And Enjoyable study.

MAY GOD BLESS YOU ALL

TABLE OF CONTENTS

Table of Contents

1.1 Introduction.....	1
1.2 Background of study.....	1
1.3 Statement of the problem.....	5
1.4 purpose of the study.....	6
1.5 Objectives... ..	6
1.5.1 Specific Objective... ..	6
1.6 Research Questions.....	6
1.7 Research Hypothesis.....	6
1.8 Conceptual framework.....	7
1.9 Significance of the study.....	8
1.10 Scope of the Study... ..	8
1.10 Content Scope... ..	8
1.10.2 Geographical Scope.....	8
CHAPTER TWO	9
LITETRATURE REVIEW.....	9
2.0 Introduction.....	9
2.1 Description of the Concepts.....	9
2.2 The Institutional Theory.....	10
2.3 The Basic Concept of Institution.....	10
2.4 The resource curse theory.....	11
2.5 Oil Refinery activities and Social economic effects on the surrounding communities.....	11
2.5.1 Oil resources and changes in social economic structure.....	15
2.6 Local residents' perception on refinery activities.....	16
2.6.1 Oil and links to forced resettlements... ..	16
2.6.2 The impacts of oil refinery on the health of citizens.....	16
2.6.3 Oil refinery and its socio-cultural impacts.....	17
2.6.4 Oil and conflicts... ..	18
2.6.5 Human rights abuse, perceptions and links with oil... ..	19
2.6.6 Political and links to oil... ..	20
2.6.7 Environmental and livelihood implications of oil refinery.....	21
2.6.8 District Local Governments and Expectations of Refinery.....	22
2.7 Synthesis, Gap Analysis and Conclusion.....	23

CHAPTER THREE	24
METHODOLOGY	24
3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Study Population	24
3.4 Sample Size.....	24
3.5 Sampling Selection Techniques and Procedure	25
3.6 Data Collection Methods	25
3.7 Data Collection Instruments	25
3.8 Pretesting and Reliability of Instruments.....	26
3.8.1 Validity	26
3.9 Reliability.....	26
3.11 Data analysis... ..	26
3.10 Data Collection Procedures.....	27
3.12 Quantitative data analysis	27
3.13 Qualitative data analysis	28
3.14 Ethical considerations	28
CHAPTER FOUR	29
PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS	29
4.1 Introduction.....	29
4.2 The Response Rate.....	29
4.3 Background Information.....	29
4.4 Age of Respondents	30
4.5 Respondents’ marital status... ..	30
4.6 Respondents Education Level.....	31
4.8 Respondents’ length of stay	32
4.9: Local Resident Perception on Oil Refinery Activities.....	32
4.10 Social economic Effects and Community involvement.....	35
4.11Community involvement on Oil Refinery	39
CHAPTER FIVE	43
SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS	43
5.1 Introduction.....	43
5.2 Summary of Major Findings.....	43

5.2.1 Local Resident Perception influences community involvement on the mini Oil Refinery.....	43
5.2.2 Social economic Effects influences community involvement on the Mini oil Refinery...]	43
5.2.3 Community Involvement	44
5.3 Discussions... ..	44
5.3.1 Perception of the community towards the Mini Oil refinery development in Asinget Village Osukuru Sub County	44
5.3.2 Social economic effects of the development of the Mini Oil refinery on Community involvement in Asinget Village Osukuru Sub County	46
5.3.3 Level of community involvement towards the mini oil refinery development in Asinget Village Osukuru Sub County	48
5.6 Conclusions.....	49
5.6.1 Local Resident Perception on Oil Refinery Activities and Community involvement... ..	49
5.6.2 Social economic Effects and Community involvement... ..	50
5.6.3 Community involvement.....	50
5.7 Recommendations.....	51
5.7.1 Local Resident Perception on Oil Refinery Activities and Community involvement	51
5.7.2 Social economic Effects and Community involvement... ..	52
5.8 Limitations of the Study.....	52
5.9 Suggestions for Further Research... ..	54
REFERENCES.....	55
APPENDICES.....	61
Appendix (i) questionnaire... ..	61

LIST OF TABLES

Table 4.1: Presents the summary statistics on the Age of the respondents.....	30
Table 4.2: Distribution of Respondents by Marital Status.....	31
Table 4.3: Distribution of Respondents by Education.....	31
Table 4.4: Distribution of Respondents by length of stay.....	32
Table 4.5: Frequencies for Local Resident Perception on Oil Refinery Activities.....	33
Table 4.6: Correlations of Local Resident Perception on Oil Refinery Activities and Community involvement.....	34
Table 4.7: Regression Analysis for Local Resident Perception and Community involvement.....	35
Table 4.8: Frequencies for Social economic Effects and Communities Community involvement.....	36
Table 4.9: Correlations of Social economic Effects and Community involvement.....	38
Table 4.10: Regression Analysis for Social economic Effects and Community involvement.....	38
Table 4.11 Frequencies for Community involvement on Oil Refinery	39
Table 4.12 Analysis of Variance Showing the Results on the Relationship between Attitude, Social economic Effects and Community involvement.....	41
Table 4.13 Summary Statistics showing the Coefficients for Attitude, Social economic Effects and Community involvement.....	41

LIST OF FIGURES

Figure 4.1: Respondents gander.....	29
-------------------------------------	----

LIST OF ABBREVIATIONS

TNC	:	Transnational Corporations
CSR	:	Corporate Social Responsibility
CVI	:	Content Validity Index
HRM	:	Human Resource Management
WOMAD	:	World of Music, Arts & Dance
SPSS	:	Statistical Package for Social Scientist
MEMD	:	Ministry of Energy and Mineral Development
CSO	:	Civil Society Organization
NOGP	:	National Oil and Gas Policy
EITI	:	Extractive Industries and Transparency Initiative
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
HIV	:	Human Immune Virus

ABSTRACT

The study examined Perception, Social economic Effects and community involvement on the oil refinery project, a case study of Asinget village Osukuru Sub County, Tororo District, Uganda, objects to study were, to assess the Social economic Effects of the development of the Mini Oil refinery on Community involvement in Asinget Village Osukuru Sub County, to assess the community involvement towards the mini oil refinery development in Asinget Village Osukuru Sub County. The study adopted a descriptive cross sectional survey design where both quantitative and qualitative approaches were used. In this study, a total number of 158 respondents were expected. However, only 147 respondents returned the survey instruments, representing a response rate of 93%. The data was collected using questionnaires, analysis was done using Regression Analysis, Correlation Coefficients, and one Way Analysis of Variance for the quantitative findings. Qualitative examination was done using Content and Thematic Analysis. The study found out that, males greatly participated in the study as represented by 59%, majority of respondents who took part in the study were between 30-40 years (33%) , were married (47%), respondents were either not school or stopped at a lower level making a total percentage of 33%, 46% were found to have stayed in Osukuru Sub-County for over 15 years implying that the biggest percentage had leaved in the Osukuru Sub- County and had settled with their families for a longer time and so the refinery project affected them. Owners listened to community views, residents will be helped on how to utilize the compensation money given creating a sense of ownership and commitment towards the refinery, the project construction will destroy the wet lands, swamps and changing the water table of the area. Employment is creation, the trade and business will get boosted within the community and the district. In addition, the refinery will have extensive operations in the mini oil refinery in Osukuru, Tororo District. More migrants around the refinery will increase and also insecurity will rise, the mini oil waste bi products will affect people's health if the refinery does not setup prepare waste disposal centers and methods. Commodity prices will sky rocket and also change in income levels of the community and also boost the business around Osukuru. It enables communities to own, take part in policy goals and priorities, oversee the actions of the people and holds them accountable for their actions, express points of view, share information about their needs and problems, get involved in the initial stages, identify additional resources, monitor and evaluate the outcomes of implementing and many other actions.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study examined Perception, Social economic Effects and community involvement on the oil refinery project (a case study of mini oil refinery Tororo district, Uganda). This chapter will cover the background to the study, the problem statement, general and specific objectives, research questions, hypothesis, and scope of the study, significance of the study, justification of the study, and conceptual Framework.

1.2 Background of study:

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, L. (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).

Globally oil exploration is dynamic and subject to many factors like macroeconomics and geopolitical situation, technology, the price of a barrel and conditions of the global financial markets. Demand for liquid hydrocarbons will continue to grow, the greatest surge in oil demand will come from the transportation sector for which oil is the principal energy source for instance Russia has licensed much of its frontiers at favorable terms with drilling, Arctic exploration is to be a Russian-led exercise exploring established areas with new technology and perspective, the reserves growth revolution that hit USA traditional producing areas is unprecedented led by US independents employing hydraulic fracturing technology in horizontal wells and a learning-by-doing philosophy, the industry has reversed the decline in US oil production.

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).

Oil and gas reserves have recently been discovered in Ghana, Ethiopia, Sierra Leone and Uganda. The management of these resources are important as these discoveries provide opportunities to engage on paths of sustainable growth and development which could facilitate poverty reduction. According to (Aryeetey and Asmah, 2011), Ghana and Uganda are two of the countries that are currently attracting most attention of foreign oil corporations. On 17 September 2012 Uganda officially revised upwards its estimated oil reserves to 3.5 billion barrels after appraisal activity in two blocks revealed more crude deposits. “However, production has been repeatedly delayed by contractual disagreements, tax disputes and infrastructure setbacks” (Biryabarema, 2012).

Building a refinery in Uganda would create many spin-offs such as employment and secondary industrial services. While oil companies prefer crude exports because they can recoup their investment faster, building a refinery would save over a billion dollars annually through direct benefits to the economy, generate tax revenues, lower petroleum prices, lead to savings on the import of petroleum products and improve infrastructure which will decrease the cost of doing business. It will also create stability in the supply of petroleum products to Uganda and lessen their dependence on the import of petroleum products from other countries such as Kenya Why does Uganda want such a big refinery? The government is confident that proven reserves will increase from 3.5 billion barrels to 8 billion or even 10 billion (Matsiko, 2012). As mentioned before only 40% of the area with potential oil and gas has been explored. Of the 77 oil wells drilled, 70 wells encountered oil and gas. This is a drilling success rate of 90%, which is higher than the world average of 10%. Given these statistics, the governments’ confidence becomes clear (Matsiko, 2012).

There are critics to Uganda’s refinery project. Firstly, the World Bank questions the need and viability of such a large refinery in a landlocked country. Uganda would still need some way of transporting the excess crude oil and petroleum to their markets. Secondly, Uganda is not the only East African country that discovered oil. Kenya and Tanzania are also discovering oil. Thirdly, the critics also argue that the refinery will diminish oil volumes that would have been exported (which impacts on oil revenue) and at the same time fail to offset domestic fuel prices (Matsiko, 2012).

After establishing that Uganda has enough oil deposits which are commercially viable, the Government embarked on the best way to sell this oil which would benefit Ugandans. This was against the interests of most of the investing companies, which were pushing for the building of a crude oil pipeline that will transport unprocessed oil to the coast for exportation, but that would deny Ugandans greater commercial benefits including jobs that would otherwise accrue from the oil processing industries. President insisted that “*We should resist ferociously those parasites who want to give away this resource for ‘a morsel’ of food as did Esau in the Bible*” (Kashambuzi, 2011: Baineomugisha, et al, 2006).

Products to be produced by the refinery include diesel, petrol, kerosene, jet fuel, liquefied petroleum gas, and heavy fuel oil. The refinery will originally have the capacity to process 30,000 barrels of oil a day which will be increased to 60,000 barrels per day before 2020, much less than the government had initially planned (Oil in Uganda, 2015).

According to the study, conducted by UK consultants, Foster Wheeler, “a refinery project is economically viable: an investment of some USD 2 billion would bring a high rate of economic return, enabling Uganda to become self-sufficient in petrol, Diesel and Kerosene, while also exporting a surplus to Rwanda, Burundi and parts of Kenya, for a period of up to 30 years” (Kashambuzi, 2011).

In 2011, China National Offshore Oil Corporation-CNOOC and Total signed sale and purchase agreements with Tullow, agreeing to pay US\$ 2.9 billion for interests of one third each in blocks 1 and 3A (Ojambo,2013). In 2013, CNOOC acquires the first ever oil production license in Uganda for the Kingfisher Well 1A in Hoima District. CNOOC and partners announce they will invest 2 billion dollars in the project, from which they expect to pump 30 to 40,000 barrels of crude oil per day commencing 2017 (Ojambo, 2013: Bloomberg, 2015). CNOOC has already started drilling the Kingfisher well, which is expected to be the largest in that Albertine Graben, but cannot export the oil due to the absence of a Crude oil pipeline or a refinery (Mugerwa, 2014). In 2012, Tullow signed two production sharing agreements with the government of Uganda, which cover the 3,000 km² Exploration Area 1 in the Pakwach Basin and the 170 km² Kanywataba Prospect in Ntoroko District. It was also awarded a production license for the 344 km² Kingfisher field in Hoima and Kibaale Districts. Energy Minister, Irene Muloni is also reported to have said, that Tullow has also “agreed to the government’s policy of establishing a refinery in the country to produce petroleum products for the country and the region (Ouga, 2014).

The government of Uganda under President had, from the beginning, preferred a small production capacity to prolong the longevity of its new oil discoveries, against the interests of the three major exploration companies investing in Uganda, which preferred rapid harvesting and export of the crude using a crude oil pipeline to the Kenyan coast (Ojambo et al, 2013; MEMD, 2015) In March 2013, the government of Uganda engaged the US-based energy investment and consulting firm Taylor Dejongh to search for international companies interested in investing in Uganda Oil Industry by constructing a refinery (Ojambo, et al, 2013).

The Government of Uganda previously entered into negotiations with RT Global Resources for the establishment of a local oil refinery. Negotiations with RT Global Resources failed and the Government of Uganda turned to SK Engineering Limited, the alternate bidder. One company Simba oil is going to be involved in a Mini Refinery which proposes to process 6,000 barrels per day of Sarir crude oil using traditional processing, the refinery will include a 5.5MW turbine generator that will be fueled by the light naphtha and approximately 2MW will be consumed internally, the remainder will be fed into the power grid.

A field study on the pipeline was launched in January 2017. Gulf Interstate, the contractor is required to map out the actual route, technical designs and cost for the pipeline which is currently estimated to cost about \$ 3.55 billion.

Much as Uganda has discovered oil, there is a resource attachment to this issue. In fact, most resource-rich developing countries are characterized 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 (Terry. L. Karl. 2011). for local communities in Asinget Tororo, expectations of a better life are too often replaced by an overwhelming sense of worry. The fear of land lose, poor livelihoods, and witnessing pollution affecting their environment and health, women are disproportionately affected and have little or no say in the processes that determine if and how their rich lands will be exploited. Therefore, this research looked at attitude, Social economic Effects and community involvement on oil refinery, a case study of mini oil refinery Tororo District.

1.3 Statement of the problem.

With the growing global population and increased use of energy consuming technology, the world's need for resources such as food, minerals, energy and employment is steadily increasing. Impacts from exploiting these resources are increasingly threatening the global environment. Global warming, pollution of water, land and sea, and the destruction of the habitats supporting the livelihood of large populations are major issues today. With the emerging economies, developing countries have steadily increased the demand for resources including energy and fossil fuels. This hunt for oil and gas has led to many disasters causing loss of many lives and major pollutions of the environment. Theories surrounding such events have been developed by Nassim Taleb and are known as "Black Swans" (Eccleston 2011).

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).

Community involvement in decision-making has been increasingly sought and embedded into national and international policy. Although many benefits have been claimed for involvement, like infrastructural development and employment opportunities, disillusionment has grown amongst the different stakeholders. Studies show that community feel let down because of unforthcoming services that they expected to get upon the commencement of oil refinery and production. Education, health and agriculture services remain poor (Kasimbazi, 2013).

Lack of local peoples involvement and engagement during the oil refinery development stages impacts negatively on their attitudes and Attitudes towards the smooth Oil refinery development to the extent that the residents do not see the value of setting up an Oil refinery in their area (Emeseh,2011,). Although there has been no empirical study done on issues pertaining to Attitude, Social economic Effects and Community involvement of local residents in Osukuru subcounty, studies on related issues, show that Oil refinery activities have had negative effects onthe host communities (Terry L. Karl, (2011).

Residents of Asinget Village Osukuru Sub County lead by one community member complained that other factories in the area have caused noise pollution, air pollution, water pollution making it hard for the residents to sleep, farm or have clan water, on top of this the factories also pollute the water and environment and jobs that are said to come with investment in the Mini Oil

refinery may require the knowledge that the local people do not have and the project needs two square kilometers for the refinery project. This means people will be evicted from their land and homes. Some people will be reallocated and others will be compensated. People losing their homes are worried that they will not receive adequate compensation for their land and feel that the government is not open enough about their dealings with the communities (Byaruhanga, 2012). Therefore because of these issues and others the research will examine residents Perception, Social economic Effects and level of community involvement has led to poor response towards the mini Oil refinery development.

1.4 The purpose of the study

The aim of the study was to examine the Perception, Social economic Effects and community involvement in the oil refinery project, a case study of mini oil refinery Tororo District, Uganda.

1.5 Objectives of the study.

1.5.1 Specific Objectives.

1. To examine the Perception of the community towards the Mini Oil refinery development in Asinget Village Osukuru Sub County.
2. To assess the Social economic Effects of the development of the Mini Oil refinery on Community involvement in Asinget Village Osukuru Sub County.
3. To assess the level of community involvement towards the mini oil refinery development in Asinget Village Osukuru Sub County.

1.6 Research Questions:

1. What is the Perception of the community towards the Mini Oil refinery in Asinget Village Osukuru Sub County?
2. What are the Social economic Effects of the development of the Mini Oil refinery in Asinget Village Osukuru Sub County?
3. What is the level of community involvement towards the development of the mini oil refinery in Asinget Village Osukuru Sub County?

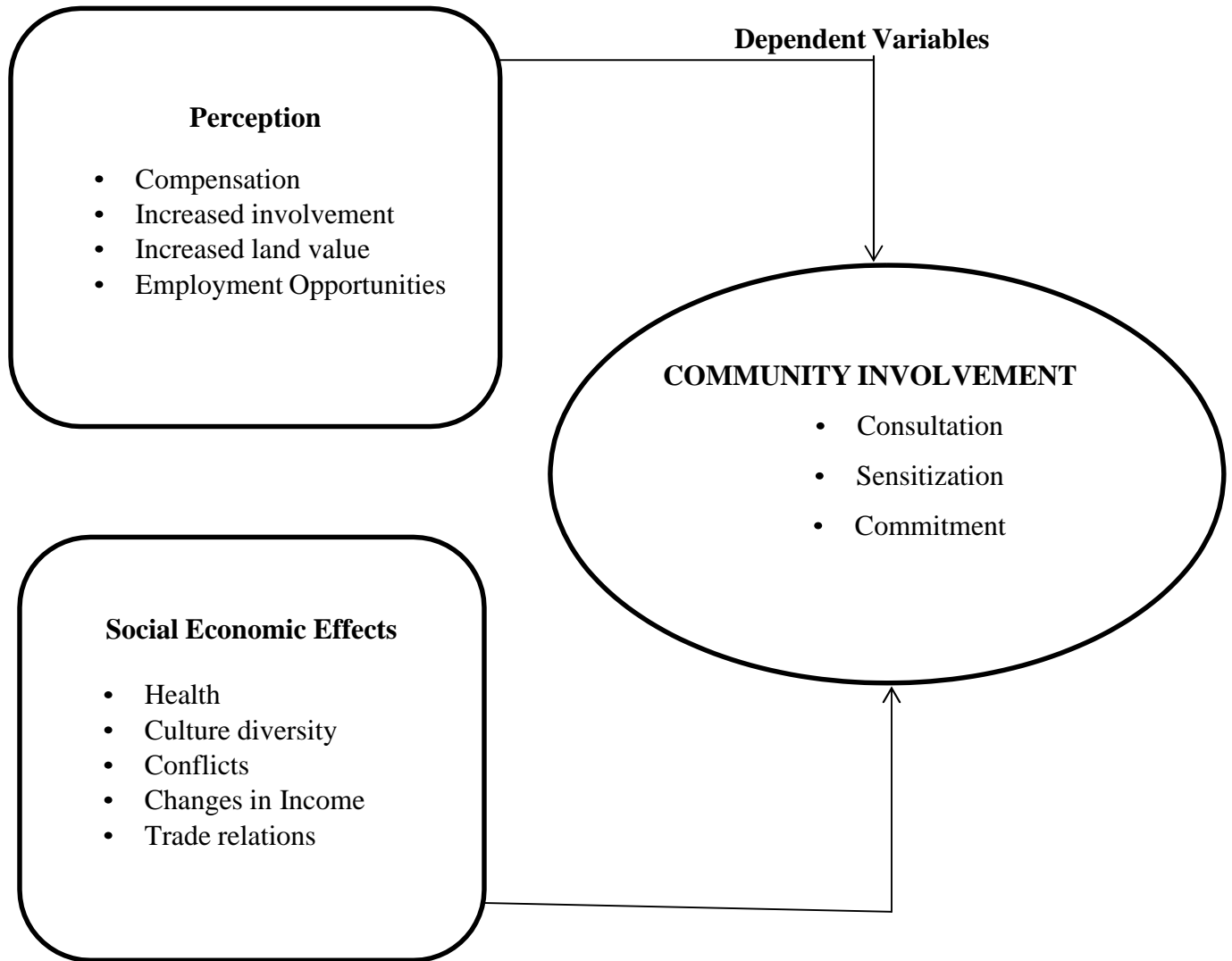
1.7 Research Hypothesis.

1. Resident's Perception influences the level of community involvement.
2. Social economic Effects are positively related to community involvement.

1.8 Conceptual framework.

The study was guided by the conceptual framework provided below. It introduces the independent, dependent variable, (Amin, 2005; Kothari, 2004; Neumann, 2005 and Berg, 2004).

Independent Variables.



The independent variable was Perception and social economic effects, the dependent variable was community involvement, Perception referred to Environment, jobs, Benefits of the refinery and residents involvement. Social economic Effects referred to health of the local residents, culture, conflicts caused by refinery and change in income levels of residents. Community involvement, the dependent variable was measured in terms of, consultation, sensitization and commitment.

1.9 Significance of the study

The findings from the study are expected to empower the Local communities, Gas Station Owners, Local Government and Research Scientists in enhancing oil Refinery, assessing environmental impact and risks, and improving the output of refineries or gas plants to evaluate some of the industrial policies governing the Oil and Gas Industry and gauge whether they are generating the expected results. This in the long term will provide such users, a base on which to modify these policies to suit the demands of the different stakeholders hence foster sustainability in the Oil Industry on the whole. Findings from the study will also help the Central Government to body out the different avenues it can take up as a measure to monitor and evaluate the Oil Industry hence streamline processes and guidelines aimed at making sure every Ugandan benefits from the resource. In addition other findings from the study will also be of great significance to those who purpose to do further research on this topic. This research is also expected to add to the current literature.

1.10 Scope of the Study

1.10.1 Content Scope:

The study focused on examining Perception, Social economic Effects and community involvement on the development of the Oil Refinery. The independent variable is Perception and Social economic Effects while the dependent variable is Community involvement. The study adopted a cross sectional research design so the time scope was specific to the snap shot.

1.10.2 Geographical Scope

The study was carried out in Tororo District. Tororo District is bordered by Mbale District to the north, Manafwa District to the north-east, Kenya to the east, Busia District to the south, Bugiri District to the south-west, and Butaleja District to the north-west. Tororo, the largest town in the district and the location of the district headquarters, is approximately 230 kilometers from Kampala City, capital of Uganda and the largest city.

CHAPTER TWO:

LITERATURE REVIEW

2.0 Introduction:

This chapter reviewed various perspectives written by different scholars on Attitude, Social economic Effects and Community involvement towards the development of the Mini Oil Refinery. This literature review will therefore play a pivotal role of justifying the fact that there is need for further research on this topic.

2.1 Description of the Concepts.

In this study, stakeholder theory was applied. Stakeholder is a person, group or organization that has interest or concern in an organization, whereby stakeholders can affect or be affected by the organization's actions, objectives and policies. Some examples of key stakeholders are directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community.

Freeman (1984) hold that stakeholders of a firm can be defined as individuals and constituencies that contribute, either voluntarily and involuntarily to its wealth-creating capacity and activities and who are therefore its potential beneficiaries and or risk bearers.

Sundaram and Inkpen, 2004 contends that stakeholder theory attempts to address the group of stakeholder deserving and requiring management's attention whilst (Donaldson and Preston, (1995) suggest that the firm is a system where there are stakeholders and the purpose of the organization is to create wealth for its stakeholders.

Stakeholder theorists have tended to devote relatively little attention on defending stakeholder rights, while issues of governance and corporate law have received insufficient attention among advocates of radical departure from the shareholder focused conception and failure of stakeholder theory being viable over time, failing to demonstrate its ability both to achieve the multiple objectives of the different parties and to distribute the value created in ways that maintain their commitment.

It is important to note that stakeholders can make or break a project/corporation or programme. It can be tough to pin them down or describe the depth of the project with them, creating a stakeholder management plan can help them informed.

2.2 The Institutional Theory

According to Scott, (2001) institutions are „social structures which have attained a high degree of resilience“. The institutional theory can be decomposed into three core thematic areas: the cultural cognitive, normative and the regulative. These three core thematic areas work in tandem and when combined with appropriate activities and resources, bring about stability and meaning to social life (Ibid, 48). Institutions operate at various degrees of power, ranging from the „world system to localized interpersonal relationships“ and are affected by both periodic and constant change they entail stability (Scott, 2001). This implies that institutions have the inherent capacity to control and restrain behavior thus being able to shape actions.

2.3 The Basic Concept of Institution

Political ecology as a driver for institutions: The concept of Political ecology is defined differently by various scholars with the term sustaining fundamental changes in the management of nature and rights of people working directly or indirectly with institutions like states or organizations to challenge current conditions (Robbins 2012, Watt 2000). Le Billion (2001) argues that the people face unusual ecological circumstances when they have too much or too little resources, exposing them to high risks of violent conflicts. Resource scarcity (generally renewable resources) and resource abundance (with respect to non-renewable resources) allgenerate strife hence the best mode is to enlist the two angles. The linkage between these two elements puts forward the basic theoretical root for this study. This concern is explored more in the sustainable livelihood approach and Institutional theory (Robbins 2012, Watt 2000).

Political ecology is seen as a measure that seeks to appreciate complex relations between nature and society through observant examination on means of access and control over resources and their implications for environmental welfare and sustainable livelihoods. (Watts, 2000) This means that social institutional structures grant valuable controls over resources to avert conflicts that could emerge. Most recent research by Forsyth (2013) shows that previous approaches to political ecology embodied insufficient steps that aimed at separating environmental issues and politics in the environmental plan. This not only causes grave problems that lead to environmental strategies to inflict undue restrictions on livelihoods of marginalized people; italso heightens conflicts. In comparing political ecology to other rational meaning, Forsyth (2013)identifies political ecology as an approach to environmental politics that allows the booming integration of political analysis with the formation and dissemination of understanding of ecology reality.

2.4 The resource curse theory

The resource curse 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 (Kisembo, 2009).

Literature available on resource curse (Sachs & Warner 1995, Auty, 2001) and the paradox of plenty (Karl, 1997) relate both resource abundance and resource dependence to low levels of human development, corruption, repression, poor economic performance. However, even with the vast and varied nature of literature on socio economic effects an identifiable oversight in their research findings are that Karl (1997) based his premises only on formal sectors. He gave little consideration to the non-formal sector, non-state institutions and non-formal authorities like farming traditional institutions and community leadership which in one way or another are affected by extractive activities. This theory is critiqued because it neglected the study of peace and war. The results of macro qualitative comparison for a reduced sample of highly dependent oil exporters are even clearer cut, compared to oil poor countries and in contradiction to the rentier state theory, the institutions of oil wealthy countries do not seem to be particularly characterized by patronage and clientelism (Karl, 1997).

2.5 Oil Refinery activities and Social economic Effects on the surrounding communities

In a review of the Regional Coastal Plan for Taranaki in New Zealand, Taranaki Regional Council (TRC, 2009) the number of unauthorized coastal incidents has been recorded as 219 over the five-year period to 2009 (fewer than five per cent of all unauthorized incidents recorded). Unauthorized incidents include pollution incidents, spills and incidents of non-compliance with resource consent conditions. In total, nine unauthorized incidents (4.1 per cent) were attributed to hydrocarbon exploration and servicing facilities, and ten (4.6 per cent) to petrochemical processing. Forty-six incidents were attributable to oil or petrol spills but the source of these is not identified in the report. Although the total number of incidents is low, the report states that the consequences of a single event can be devastating. It cites, among a number of examples, an accidental discharge of 23,000 litres of crude oil from the Tui oil field in 2007. The significant amounts of oil that washed up along the Okato coastline required a major clean-up of sandy beaches in the area that took eight months. Fortunately, the timing of this spill

(during the spring high tide) meant that oil was deposited high on beaches well away from the zone where marine wildlife is active (TRC, 2012).

The Institute of Geological and Nuclear Sciences Ltd reviewed the likelihood that seismic activity would be triggered by fracking in Taranaki and the potential impacts on the region's population and infrastructure if earthquakes were to be triggered (Sherburn and Quinn, 2012). Data from the Geo-Net project, which has monitored geological hazards in New Zealand since 1994, were analysed to determine whether there was evidence of increased seismic or volcanic activity near petroleum operations in Taranaki. The authors concluded that the data did not support "any suggestion that hydraulic fracturing or deep well re-injection activities could trigger in Taranaki a large earthquake, a sequence of moderate-sized earthquakes, or a widespread zone of earthquakes" Hydrocarbon flaring is used as a means of disposing unwanted hydrocarbon gases extracted from drilling or from Hydraulic Fracturing (HF) fluids, before well-testing is undertaken

In three studies undertaken at well-sites during 1997/1998 (Institute of Environmental Science and Research, 2008; Fletcher Challenge, 1998) it was shown that the levels of carbon monoxide, carbon dioxide and methane measured downwind of the well sites were safe at all measurement sites including those within 50 metres of the wells. Levels of PM10 (suspended particulate matter in the size range that has the most serious impacts on respiratory health) in close proximity to the sites were compliant with the National Environmental Standards for Air Quality (NESAQ). Levels of Poly-Aromatic Hydrocarbons (PAHs), which epidemiological evidence have linked to the incidence of cancer (Armstrong et al., 2003), were similar to background atmospheric levels 120 metres from the flare sites. Background levels of dioxins, which have been widely linked to a range of adverse impacts on human health including cancer, endocrine, central nervous system, and reproductive function abnormalities (WHO, 1999), were achieved beyond 250 metres.

Walter, (2014) observed that in the experience of his Council (South Taranaki District Council), the main issues of community concern with respect to petroleum exploration were "noise, road damage and road safety, visual impact and more noise" with the addition of excessive light at night, vibration, dust, and stock disturbance. A number of approaches were developed and used to minimize these impacts. Local authorities worked to develop uniform approaches to district planning and companies recognized that communication, consultation and consistency of compensation are vital to community acceptance. The voluntary land access code agreed by

Federated Farmers which clarified company and community responsibilities was considered a significant advance (Walter, 2015).

Similar concerns in Walter, (1994) have been identified more recently. In a public meeting held by residents in Tikorangi (a rural community in North Taranaki), heavy traffic, falling land values, noise and feelings of helplessness were mentioned by residents (Radio New Zealand, 2013). In addition, there have been some isolated noise issues (Maetzig, 2010), one of which resulted in a number of local hapū members leaving their homes during the construction phase of the Motunui production station (Treaty of Waitangi, 2011).

Community relationships have been enhanced by providing support to community groups and organisations through sponsorships, scholarships and investment (Venture Taranaki, 2010). These can have positive impacts for the Taranaki community. For example, the aquatic centre and the raceway in New Plymouth have been sponsored by Todd Energy while Puke Ariki, the regional museum, was sponsored by Shell. Both companies are also major event partners of the annual World of Music, Arts & Dance (WOMAD) International Festival in New Plymouth which encourages and promotes cultural diversity.

Similar contributions can be identified for companies from the oil and gas supply chain. In addition to their community investments, the oil and gas industry makes contributions to education programmes in the region.

Hannesson, (2001) discusses the question of making resource wealth permanent, arguing that the best strategy is to invest resource revenues in the highest-returning assets, such as education, health, roads and other infrastructure in developing countries like Ghana. This is however true in the sense that “effective infrastructure supply supports economic growth, enhances quality of life and it is vital for national security” (Baldwin & Dixon, 2008:32). For it is with the provision of infrastructure that the current and future generations will be happier than with some unknown value of money deposited in a bank overseas from which political elites will be using to enrich themselves. In this season of global financial hardship, one cannot be sure that this amount of money will be available in some years to come when the reserves have dried up.

Macroeconomic policy implementation research has been instituted to counter the negative effects of oil of oil exploration that overshadows other industries, promotes massive borrowing and public spending, and suppresses growth in the long run. Davis et al. (2001) consider the function and misuse of savings and stabilization funds in managing non-renewable resource wealth. They argue that the existence of funds have rarely been able to address the issue of volatility in oil prices and especially that of savings for future use to the expected standard and

hence there seems to be a strong case for government to be cautious about policies pertaining to oil revenue. The principle underlying the stabilization fund is applauding able. However, government should be cautious about the use of the resources saved in the fund as suggested above by Davis et al. (2001). It should not be used as a source of fund to cover up the shortfalls in the general budget whether they occur as a result of oil price volatility or not. The use of the fund to supplement the shortfall in non-oil revenue should be prohibited otherwise it will encourage government to relax in the mobilization of traditional revenue which could promote indiscipline in the fiscal policy process that can feed into dependence on oil fund.

Sachs & Warner (1995) identified that resource sectors have weak linkages with the rest of the economy because imported inputs and capital-intensive production generate little employment; therefore, the real impact on the overall economy depends on how the wealth is used. The capital intensiveness in exploiting oil in most developing countries has transferred employment power to the foreign investors who have the necessary capital to invest. This however creates fewer jobs for the local people than is expected. This situation leaves the government share of the revenue as the major tool for greater economic transformation. In this sense only, good management policies will ensure that the nation benefits significantly from the oil discovery. Sachs and Warner (1995) again argue that oil abundance is a key negative determinant of economic growth. These empirical results are themselves controversial but the point here is to argue that the criterion itself is not sufficient. Lower growth in the long run does not necessarily mean that the oil is a curse. A country can experience a windfall, which raises income and consumption in all periods but does not produce faster growth, and indeed it may even slow growth. Even if growth slows after the windfall, consumption, the usual aggregative measure of welfare, may still remain higher in all periods because disposable income is higher than if the economy had not had a windfall but had grown faster. Thus, the empirical observation referred to above, that resource abundant economies tend to have lower aggregative growth, is not in itself sufficient to demonstrate that oil is a curse. Saraf and Jiwanji, (2001) outline many reasonable issues of the resource curse. Firstly, the problems, known as Dutch Disease (whereby the local currency of a nation appreciates increased sudden availability of foreign exchange, if not managed well, causes a significant appreciation of real exchange rate, further damaging the competitiveness of manufacturing and other tradable industries. Meltdown of the manufacturing industry may also lead to less educational investment and labour productivity. Unsuccessful protectionist policies are another frequent end result. This

number which encourages lower prices of non-traded export produce as a result of which exports are discouraged) is less important for resources that are exploited at a sub-national level.

However, at the national level, Dutch disease has been a major problem in managing oil wealth. In this instance, there is an uncontrollable appreciation of a country currency over the medium to long-term period.

The volatility nature of prices and production quantity of primary goods, lead to highly fluctuating exports and government revenues. Higher production and price times can create fiscal indiscipline, leading to market discipline relaxation. Saraf&Jiwanji (2001) assert that boom- based borrowing to expand public infrastructure can lead to unsustainable expenditures and burdensome debt after the boom. Moreover, once there is an expansion of government's expenditures, their contraction may be difficult. Boom times associated with capital inflow can lead to increased careless spending which can result in a higher inflation rate and lower levels of domestic savings. During bad times, there will not be enough funds to cater for the budget deficit which can force government to abandon most developmental projects.

2.5.1 Oil resources and changes in socio-economic structures

Obi (2007) found out that oil pollution, extreme poverty, high levels of youth unemployment, land conflicts and perceived discrimination employment practices are the main grievances against the oil companies and the government. In their executive summary, conflict could be associated with increasing inequality in access to natural resources particularly land.

In Nigeria, The findings by Okonta (2008,) established that oil village communities had subsistence farming and fishing as their two main activities, land is the most important source of economic power and social prestige. For local communities and also for the oil companies who are dependent on access to land because they derive their wealth primarily and directly from below the earth's surface (Frynas, 2000,).Both authors in their findings have been able to establish the linkage between oil resources, inequality, land, social and economic status in oil producing societies. This is because, as more land and fishing waters are taken for oil activities, the smaller the size of farming land and fishing waters that is available for local dwellers to out their living. However, what the authors did not establish or demonstrate is a direct and primary role for oil exploration activities in fuelling non-state violence and conflicts such as intercommunity and intra-community conflicts, which ensue over the available land and waters. Establishing the linkage between oil resources, farming land and fishing water, and the subsequent non-state conflict makes it easy to appreciate the change in socio-economic

conditions and relations imposed on these oil village communities by the change in their means and access of livelihood.

For the case of Ugandan context, findings by Brophy, (2014) and Rugadya (2011) show that land ownership problem is further complicated by the large number of ethnic groups that have migrated into the region in search of richer grazing land. The result is escalating conflicts over entitlement to agricultural lands between the Bunyoro and Bakiga groups that live in the Hoima area and more recent disputes between the Bagungu and Balaalo in the Buliisa area. Both areas are in the heart of the oil production region. Another group moving into the area is landspeculators who are not averse to fraudulent land purchases, political manipulation to gain title to customary land, and forced evictions as they position themselves for cashing in on the oil boom (Governance 2013).

2.6 Local Resident's Perception on Oil Refinery Activities.

2.6.1 Oil and links to forced Resettlements

Forced resettlements were also identified as associated with the development of extractive industries. The April 3, 2009 edition of the Sudan Tribune reported for example that in Sudan, thousands were forcefully evicted to make way for a low-sulphur crude oil venture in south-central Sudan. Through this forced eviction, the people of this community lost venerated ancestral homes, died from contamination and saw livelihoods jeopardized. Agriculture is the mainstay of a substantial number of African families and as has been documented in the works of authors such as Baanante et al (1999) and Whitehead (1999), the agricultural systems in Africa depend as much on the efforts of women as they do on the efforts of men. However, men are more likely to be cash crop farmers and food crop farmers are usually the poorest in our societies (Darkwah 2005). Forced resettlements which jeopardize the livelihoods of women food crop farmers put undue strain on them and their families as they struggle to develop alternative livelihood practices to fend for their already cash-strapped families.

2.6.2 The impacts of oil Refinery on the health of citizens

Another problem common in sites near oil reserves is the relatively poorer health of community members. The bulk of the literature on the impact of oil discovery and exploration in developing countries indicates the dwindling health status of the people in communities near oil reserves (Bloomfield 2008; Bisina 2004 and US Non-Governmental Report 1999). A UNEP (2009) report indicates for example that the exploration of natural resources has the tendency to engender

health risks and that this health risk is more acute in developing countries. For example, a report by a US Non-Governmental Delegation (1999) that visited the Niger Delta indicated that in the local communities there, diseases such as respiratory diseases, skin rashes, coughing up blood, tumors, gastrointestinal problems, different kinds of cancers and malnourishment were not uncommon.

2.6.3 Oil Refinery and its socio-cultural impacts

One of the important effects of oil refinery activities on communities is its impact on cultural practices, specifically the ways in which otherwise benign cultural practices might be rendered problematic in the face of changes resulting from the discovery of oil. A good case in point is the ways in which commercial sex work can increase with potentially more disastrous consequences in such communities. As noted in the previous section, oil exploration leads to a decline in farming/fishing as viable economic ventures thus increasing the propensity for women to choose commercial sex work for income generating purposes. In addition, the influx of foreign oil workers who are often paid large sums of money as expatriates makes the profession of commercial sex work potentially more lucrative in such communities. As a Nigerian female activist put it, “See, in our (Ogoni) community we have girls, small girls from Lagos, Warri, Benin City, Enugu, Imo, Osun and other parts of Nigeria here every day and night running after the white men and staff of Chevron, they are doing prostitution Turner and Brownhill 2005), Dadiowei (2003) has also indicated that Gbaran communities are confronted with an increase in the number of teenage mothers with fatherless babies. While the work of social historians such as Akyeampong (1997) and White (1990) on Ghana and Kenya respectively make it quite clear that commercial sex work is not a new invention in Africa, one can safely say that the nature, extent and consequences of such practices in our current context is more worrisome. While this generation has witnessed the emergence of potentially deadly sexually transmitted infections such as HIV/AIDS, our women still have very little ability to negotiate safer sexual practices (AdomakoAmpofo 2006). Be it as commercial sex workers who are more at risk for sexually transmitted infections including HIV/AIDS or teenage mothers who are left to care for children all on their own, the destruction of the structures that provide livelihoods for women in oil producing communities puts an undue burden on women in these communities.

2.6.4 Oil and conflict.

The evidence to date particularly in developing countries shows that the discovery and exploration of high valued natural resources including oil have plunged oil-producing countries into anarchy and conflict. The data from Collier and Hoeffler (2000) which served as an extension of the resource-curse thesis is further buttressed with a report conducted by the United Nations Environmental Programme (2009). This report indicates that from 1990 to date, not less than 18 violent conflicts have been sparked by the exploration of natural resources including oil in regions such as Angola, Cambodia, the Democratic Republic of Congo, Darfur in the Sudan and the Middle East. These intra-state armed conflicts can be national or confined to a specific territory of the country. In some cases, these intra-state armed conflicts are influenced by inequalities in the allocation of oil revenues especially when the local communities near the oil reserves are disadvantaged as is the case in the Niger Delta of Nigeria. According to Boonstra et al (2008), insurgency is on the increase in Nigeria and this is coupled with frequent attacks on oil installations and increases in the kidnapping of western workers (over 100 between 2006 and 2007). Bloomfield (2006) also indicates that the Niger Delta has become a chaotic haven for armed gangs, with increasing instances of kidnappings and daily violence. Le Billon (2001) also provides a good account of the extent to which the war in Angola was fuelled by proceeds from the sale of oil.

While the formation of the Organization of Petroleum Exporting Countries (OPEC) to ensure solidarity in the determination of both the volume and price of crude oil has worked largely to curtail inter-state conflicts over oil, inter-state conflicts and tensions do occur sometimes with the discovery and exploration of oil especially when the discovered oil reserve is on a shared border. When news of the availability of oil reserves on borders of nations breaks out, expectations that the oil revenue could ameliorate the penury of developing countries make such borders contestable. Yav (2007) states that there has been tension, sometimes reaching critical and conflict dimensions, between Uganda and Congo DR on their shared border along Lake Albert since oil was discovered. Also, the tension between Nigeria and Cameroon as a result of the dispute over the oil-rich Bakasi Peninsular required international arbitration.

Hence oil discovery especially along borders has the potential of engendering hostilities among neighboring nations.

The involvement of Transnational Corporations (TNCs) in conflicts in high valued resource rich developing nations cannot be downplayed. Usually, these corporations engage in divide and rule

tactics where they support some passive rulers or communities against the more radical ones calling for reform. According to Patey (2007), TNCs exploiting the resources of the developing world have in some cases played significant roles in a number of the most destructive civil wars in the developing world: Colombia, Sierra Leone, Angola, and the Democratic Republic of Congo. Conflict whether of an intra-state or inter-state nature has serious implications for the individuals caught up in the conflict, particularly women. During periods of conflict, the moral fibre of a society degenerates and women become the targets of the pent-up frustrations of men in their communities. Thus in places such as the Democratic Republic of Congo (DRC), where conflict rages over the numerous mineral resources located in that land, incidences of rape and sexual violence have reached epidemic proportions. In the South Kivu province of the DRC which borders Rwanda and Burundi and serves as the entry point for armed foreign groups, it is estimated that there is an average of 40 rapes a day totaling 14, 600 a year; 13% of the survivors are under the age of 14, 3% die and 10-12% contract HIV (Rodriguez 2007:45). More recent estimates are much higher suggesting that the number of sexual assaults average 27, 000 a year (Wakabi 2008:15). The brutal nature of sexual violations in conflict zones – including women being gang-raped in front of their partners -led to the United Nations Security Council adopting Resolution 1820, a resolution which calls for the classification of rape as a weapon of war, in June 2008.

2.6.5 Human rights abuse, Perception and links with Oil

The extractive industry, particularly oil exploration, also has serious human rights implications for developing countries. The quest for the much needed foreign exchange from the extractive industries has in most cases resulted in high government tolerance of firms in these industries regardless of their human rights record. In their bid to protect their investments and secure foreign revenues, TNCs and governments respectively, have in some cases formed alliances of convenience that expose the population to human rights abuses.

In some cases, the national security agenda are determined by the security concerns of TNCs. Thus the need to provide security for the continued exploration of oil overrides national security. According to an UNCTAD (2007) report, the participation of transnational corporations in the extractive industries can result in human rights abuses such as the disappearance of people, arbitrary detention and torture and loss of land and livelihoods without negotiation and without compensation. The famed case of Ken SaroWiwa, leader of the Movement for the Survival of the

Ogoni People, and eight other Ogoni minority rights activists in November 1995 who protested the poor quality of life of the Ogoni in spite of the oil exploration activities of Shell in their community, are a good example of such cases of atrocious human rights abuses (Obi 2001). Nigerian women, as victims of harassment and repression at the hands of the state and multinational oil companies, have been stripped, beaten, maimed, raped and killed. Instances of such cases abound in Nigerian media. For example, Onwuemeodo of the Vanguard newspaper noted in 1999 how 238 Ijaw women had been raped in 4 major military crackdowns on Ijaw resistance (cited in Ikelegbe 2005) While women may not always be the direct targets of human rights abuses, they suffer the consequences of human rights abuses just as much as the victims do. When husbands/partners, fathers, brothers and sons are subjected to human rights abuses, women are left with the responsibility of picking up the pieces and trying to keep families together as best as they can. Especially in the cases where husbands, who are also breadwinners, are the victims of human rights abuses, women as wives and mothers have to double their efforts to fend for their families, the stress and strain of which can have disastrous impacts on their health.

2.6.6 Politics and links to Oil

Black gold is also noted for its ability to impact negatively on the ways in which politics plays out in these communities. The discovery and exploration of oil has the potential to and in most cases have negatively affected the political system of developing nations. Western political censorship of governments is sometimes uncritical of badly governed but oil-rich developing nations. Gumedé (2008) argues that the West is selective in their pressure for African countries to democratize by ignoring countries that are rich in oil such as Chad and Equatorial Guinea. Indeed, Ross (2001a) has argued that oil and mineral production is linked to authoritarian rule. Likewise, Boonstra et al (2008), note that there is an intricate relationship between energy production and democracy such that international pressure for bad regimes in oil-rich nations to reform is increasingly weakened as Western countries seek to access the scarce resources in more competitive global markets. In Nigeria, Bloomfield (2008) opines that just as oil has polluted the environment of the Niger Delta, so has it polluted the politics of Nigeria. Likewise, Boonstra et al (2008) argue that the rise of oil revenues in Azerbaijan is associated with the decline in democratic gains. The famed American feminist Catherine MacKinnon has argued that states are socially and politically male and thus work to ensure the rights and survival of the male citizens of any country.

Undemocratic states are especially so because they provide little space for alternative voices, let alone woman's voices, to be heard in the public space. Such states have little respect for the rights of its citizens let alone the rights of its female citizens. As a result, patriarchal relations between men and women are implicitly condoned by the state and little is done by way of the state to ensure gender justice. The news of oil discovery has also threatened the stability of some governments in the developing world. For instance in Equatorial Guinea, the news of the discovery of oil in commercial quantities resulted in an attempted coup d'état. Gary (2009) also argues that oil revenue tends to negatively affect democratic gains and further advised that Ghana to avoid, the right transport and transparent policies ought to be in place before commercial production begins.

2.6.7 Environmental and livelihood implications of oil Refineries.

The oil industry, especially the exploration of oil and Refineries, has destructive environmental impacts or what Watts (2001) refers to as engendering ecological violence. Oil extraction involves several environmental pollution processes (Sebastián et al 2001). A UNCTAD (2007) report indicates that oil and gas exploration impact on the environment in many negative ways by exposing it to oil leakages and spills, gas flaring, and deforestation as a result of the creation of access routes to new areas. Gas flaring without temperature or emissions control pollutes the air (Hurtig and Sebastián 2002) and releases unacceptably high levels of carbon dioxide into the atmosphere (US Non-Governmental Delegation to the Niger Delta 1999). In Ongoing land for example, two independent studies have revealed that total petroleum hydrocarbons in the streams located there are between 360 and 680 times the European Community permissible levels (Watts 2001: 196). Oil spillages are also quite frequent in oil fields in the global south. According to the UNCTAD (2007) report, between 2000 and 2004, there were as many as 5,400 officially recorded oil spillages in the Niger Delta alone. Further studies show that these spills are far more frequent in the global south than in the global north. Between 1982 and 1992, for example, 37% of Shell's spills worldwide occurred in the Niger Delta (Watts 2001: 196). The environmental pollution associated with oil exploration has serious implications for the survival of species in communities near oil reserves. Oil spillage massively pollutes water bodies thereby threatening fisheries and reducing tourism, harming bird life and severely affecting ecological ocean life (UNCTAD 2007). The environmental pollution caused by oil drilling also results in a destruction of livelihoods in local communities making it difficult for the present and future generations to make a living off of their land. Farming and fishing activities, the mainstay of these economies,

literally grind to a halt with the exploration of oil. A member of the Escravos Women Coalition in describing the impact of the activities of Chevron on their community notes, “Our farms are all gone, due to Chevron’s pollution of our water. We used to farm cassava, okro, pepper and others. Now all the places we’ve farmed are sinking, we cannot farm. We cannot kill fishes and crayfish.” (Turner and Brownhill 2005). Likewise, according to Dadiowei (2003), the ten kilometer construction of the Gbaran Deep Oil Field led to the destruction of seasonal creeks and lakes.

2.6.8 District Local Governments and Expectations of Refinery.

The district local Governments observed that ever since oil was discovered, the oil prospecting/extracting companies had never established office in the major towns in the districts. The Officials conceded that they were aware of the National Oil and Gas Policy but that consultations were few and late.

The technical staff of the districts reported that development activities that the oil companies are undertaking are not discussed with district technical staff. Consequently, some of the infrastructure that the oil companies have put in place is not linked to development plans of the districts. They pointed out that it is not fair for an oil company to expect the local governments to take over the staffing of say schools and health centers that were not discussed and agreed with the district technical staff.

The technical staff reported that there is lack of transparency in oil exploration; that the corporate social responsibility of the oil companies (e.g building schools or health units) focused exclusively on the people near the oil wells where the oil is going to come from. Yet, oil is a resource of all the people in the country and should be seen to benefit all. Regarding the mitigation of oils adverse effects on the environment, the district technical staff say that they are not really involved in the Environmental Impact Assessments (EIA); the EIA are a matter of formality and fail to take into consideration critical issues like catering for the water catchments areas in the hinterland. The district environment officers reported that they lacked resources to enable them to visit the oil site and conduct regular M&E exercises including, but not limited to, ensuring that the oil companies comply with agreed environmental standards.

The technical staff expressed concern that land use in the area is not being planned well. The land boards of the districts reported that they are going to gazette the area for planned urban development. Notwithstanding these views, the district technical staff was of the view that land

conflicts are likely to intensify in areas where oil Refinery is going to be set up. The district technical staff reported cross-border insecurity threats emanating from Kenya.

2.7 Synthesis, Gap Analysis and Conclusion.

The review of the contributions and limitations of existing literature provides a basis for developing the main proposition of this proposal, however some work has been done by some researchers. If oil development effects are not well checked result in further damages once development stage kick starts, there is need to devise approaches and minimize impacts, communication, consultations and consistency of compensation are vital to community acceptance. Oil exploration induces infrastructural development focus on roads which lead to economic transformation this enhances standard of living, creating wealth and jobs. Oil exploration can create a shift in the sectors, this is a price of oil refinery and oil exploration activities Over time localities where oil exploration is actually located compared to the rest of the country tend to suffer from lower economic growth. Therefore the study will focus on examining Knowledge Perception and Community involvement in development of a mini oil refinery in Asinget village Osukuru Sub County Tororo District.

CHAPTER THREE:

METHODOLOGY.

3.1 Introduction.

Kothari (2004,) defined research methodology as a way of systematically solving a research problem .This chapter presents the methodology that will be used during the study. It presents the research design, study population, sample size and selection, sampling techniques, data collection methods, data collection instruments, procedure of data collection, reliability and validity of instruments, data analysis plus measurement of variables.

3.2 Research Design.

The study employed a descriptive and Correlation research design within the population of Osukuru Sub-county. Both quantitative (questionnaire) and qualitative (interviewing) data collection approaches were used in order to achieve a high degree of reliability and validity of results. The two methods complemented one another to address the inadequacies of each particular method.

3.3 Study Population.

According to Amin (2005), a target population is the population to which the researcher ultimately generalized the results. The target population for this study was 200 who included project leaders, civic leaders, cultural leaders and political leaders were interviewed. (Tororo local government human resource data base 2017).

3.4 Sample Size.

The sample size of the population in this study was made of 158 respondents and was selected basing on a formula for determining Sample size by Yamane (Yamane, 1967). Respondents included refinery leaders, local government officials, political leaders, cultural and religious leaders and Area land committee members, this is illustrated below:

$$k = \frac{N}{1 + N(e^2)}$$
$$\frac{200}{1 + 0.65}$$
$$= 158$$

Where

n - Sample size

N - Population size

e - Level of precision

3.5 Sampling Selection Techniques and Procedure.

The study used simple random sampling and purposive sampling procedures. Purposive sampling was used to select different key informant respondents to get firsthand information from them (Kothari, 2004). Simple random sampling was used to give other respondents an equal chance of being selected. The sampling process was guided by table below:

Table 1: Sampling Procedures

SN	Category	Population	Sample size
1	Refinery Leaders	35	25
2	Local Government officials	39	31
3	Cultural and religious leaders	38	30
4	Local Council Officials	70	63
5	Area land committee	18	9
	Grand Total	200	158

(Tororo local government human resource data base 2017)

3.6 Data Collection Methods.

The researcher employed questionnaire and interviewing methods to collect the relevant data.

The questionnaire method was quantitative while interviewing was qualitative.

3.7 Data Collection Instruments.

Data was collected from primary and secondary sources. Secondary data was got from the existing newspapers, reports and magazines whereas primary data was obtained by distribution of questionnaires and interview guide for key informants. A questionnaire was used to facilitate the quantitative data collection. Closed ended questionnaire was used. Therefore, the researcher prepared carefully a questionnaire to collect information about the dimensions of oil refinery

project. Key Informant interview used a qualitative in-depth interviews of people selected for their first-hand knowledge about a topic of interest.

3.8 Pre-testing Validity and Reliability of Instruments.

3.8.1 Validity.

Validity refers to the degree to which results obtained from analysis of the data actually represents the phenomenon under study. The validity of the research instrument was determined by pre testing. Mugenda and Mugenda (2005) assert that pre testing ensures clarity and accuracy of results so that data collected gives meaningful, reliable results representing variable in the study. Pre-testing helped to estimate the time needed to take, to fill the questionnaires, pretesting will be done by administering to ten (10) respondents within the study population but outside the sample. Questionnaires were scrutinized by five colleagues at the Institute for their Peer Opinion on content and accuracy. Results from the field and opinion of colleagues helped identify gaps and make modifications to the instruments where necessary. The supervisor was notified accordingly. The researcher used the Content Validity Index (CVI) and was determined by the formula below:

$$CVI = \frac{\text{Number of items considered valid on the draft}}{\text{Number of items on the draft instruments}}$$

As a rule of research methodology, the researcher will aimed at a CVI of at least 0.7, in accordance with Amin, (2005). After calculating the C.V.I, all the results that were 0.7 and above were regarded valid.

Table 2: Content Validity Index Test Results for the Questionnaire

Variables	Cronbach's Alpha Coefficient
Local Resident Attitude	0.8347
Social Effects	0.8883
Community involvement	0.8111

3.9 Reliability.

Cronbach's Alpha coefficient was used to measure reliability of the instruments. According to Amin (2005), an alpha of 0.7 or higher was sufficient to show reliability; the closer it was to 1 the higher the internal consistency in reliability. The questionnaire will pre-test using ten (10)

respondents within the sub county and the reliability result was computed using the Statistical Package for Social Scientists (SPSS).

The formula for Cronbach's Alpha used was as follows:

$$\text{Cronbach's Alpha} = \left(\frac{n}{n-1} \right) \left(SD^2 - \frac{\sum \text{variance}}{SD^2} \right)$$

Where:

n = Number of items on the test

SD = Standard Deviation for the set of test scores, and

Σ *Variance* = Summation of the variances of the scores for each of individual item on the test.

Table 3: Content Reliability Index Test Results for the Questionnaire

Variables	Cronbach's Alpha Coefficient
Local Resident Attitude	0.7043
Social Effects	0.8054
Community involvement	0.7456

3.10 Data Collection Procedures.

The researcher first acquired a letter of introduction from the school of business and management, Graduate studies. Permission was then sought by the researcher from the respondents to be sampled in order to allow for the relevant data to be collected. The researcher kept confidential all respondents while presenting the findings.

3.11 Data analysis.

Data analysis included editing, coding, computer data entry, and verification of accuracy of the data entered. Both quantitative and qualitative data was analyzed following different methods of analysis as below:

3.12 Quantitative data analysis.

Data from the questionnaires was arranged, coded, edited for consistency and easiness, and later entered using Statistical Package for Social Scientists (SPSS Version 22) to reduce data from detailed to summarized and understandable forms such as tables, charts and graphs. Data was analyzed using descriptive statistics such as frequencies, percentages and cross tabulations. Interpretations and implications of the generated statistical information was derived, objective by

objective following the data presentation and analysis. In order for the researcher to measure

the degree of association and test the hypothesis, a correlation analysis was done using Pearson's correlation coefficients (Kothari, 2004). A positive correlation indicates a positive association between the variables (increasing values in one variable correspond to increasing values in the other variable), while a negative correlation indicates a negative association between the variables (increasing values in one variable correspond to decreasing values in the other variable). A relationship value close to indicate no association between the variables (Margolis, 2008). Furthermore, regression analysis using SPSS was also used.

3.13 Qualitative data analysis.

Regarding qualitative data, the different answers from the respective respondents was categorized into common responses. Qualitative data was descriptive and obtained from interviews and open-ended questions. This data was presented in accordance with the objectives of the study which helped to substantiate findings from quantitative data.

3.14 Ethical considerations.

It is important during the process of research for the researcher to make respondents understand that participation is voluntary and that participants are free to refuse to answer any question and to withdraw from participation any time they chose.

Another important consideration involved getting the informed consent of those going to be met during the research process, which involved interviews and observations on issues that may be delicate to some respondents. The researcher undertook to bear this seriously in mind. Accuracy and honesty during the research process was very important for academic research to proceed. The researcher treated the research project with utmost care, and ensures that there was no temptation to cheat and generate research results, since it jeopardizes the conception of the research.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction:

This chapter shows how the data collected was analyzed and interpreted. The data-filled questionnaires were copied and analyzed by tallying and tabling in frequency polygons while identifying how often certain responses occurred and later evaluation was done. The information was then recorded in terms of percentages. The recorded data was later edited and interpreted which ensured uniformity, legibility and consistency. Also, interview results were coded on frequency tables which were calculated in terms of percentages and presented in this study.

4.2 The Response Rate.

$$\frac{\text{Total number of tools received}}{\text{Total number of tools givek out}} \times 100$$

$$\frac{147}{158} \times 100$$

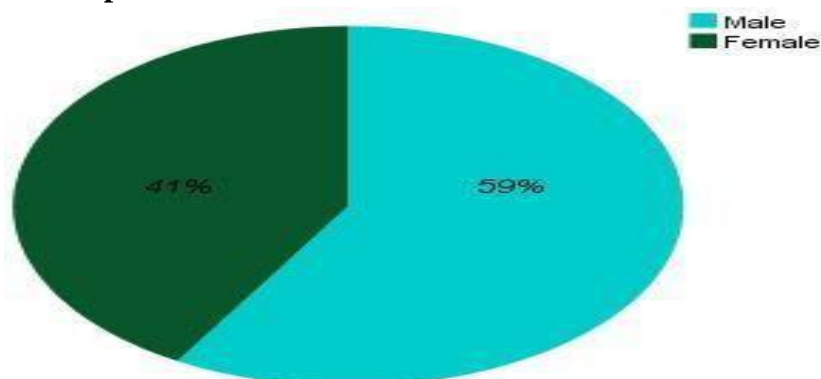
$$= 93\%$$

A total of 200 questionnaires were distributed to the 158 respondents as portrayed in the sample size table in chapter 3. A total of 147 questionnaires were returned hence making a response rate of 93%.

4.3 Background Information.

This section presents facts about the respondents, namely. Gender, age, marital status, education occupation and length of stay. This information was considered necessary because it helped in categorizing the respondents and identifying their ideas on community involvement and oil refinery development.

Figure 4.1: Respondents Gender



Source: Primary data (2018)

The above findings show that, males greatly participated in the study as represented by 59% whereas 41% of the respondents were females; implying that the male respondents actively participated in the study and had good views since they take control of their families. It also shows mini oil refinery company companies are keen on matters of gender balance which can translate to solving conflicts. It further shows that the stakeholders in the oil exploration industry are not keen on matters of gender balance, which can translate into better performance.

4.4 Age of Respondents.

Table 4.1: Presents the summary statistics on the Age of the respondents.

Age in Years	Frequency	Percentage
20-30	21	17
31-40	49	33
41-50	44	29
Above 50	33	21
Total	147	100

Source: Primary data (2018)

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 provide varied opinions about the study problem. From the above figure, the majority of respondents who took part in the study were between 30-40 years (33%) and those who were between the age of 41-50 were 29%, while those that were between 50 above years were 21% and lastly those that were 20-30 were 17%. This shows that they were mature enough to analyze issues related to Perception and community involvement on the mini oil refinery development. 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.

4.5 Respondents marital status.

Table 4.2: Distribution of Respondents by Marital Status.

Marital Status	Frequency	Percentage
Married	68	47
Single	25	17
Divorced	16	10
Widowed	38	26
Total	147	100

Source: Primary data (2018)

The table 4.2 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 Perception and community involvement on the mini oil refinery development. The majority of the respondents were married (47%). This indicated that the categories adequately responded to issues related to Perception and community involvement on the mini oil refinery development and they were responsible people with families and children to look after and hence need a better life for both families and communities hence this gave a good picture of what the community responded towards Oil refinery and its activities.

4.6 Respondents Education Level.

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 community involvement is concerned.

Table 4.3: Distribution of Respondents by Education.

Education Level	Frequency	Percentage
Masters	10	6
Bachelors	21	13
Diploma	28	19
others	48	33
Total	147	100

Source: Primary data (2018)

The majority of the respondents were either not school or stopped at a lower level making a total percentage of 33% the respondents with Diploma qualifications were 19%; the Bachelor holders were 13%. This showed a gap in qualification since the minimum requirement for a

skilled job (position) is a diploma. These results indicate that the respondents did not have 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.

4.8 Respondents length of stay.

Table 4.4: Distribution of Respondents by length of stay.

Length of Stay	Frequency	Percentage
0-5	18	11
5-10	26	16
10-15	31	27
15 above	72	46
Total	147	100

Source: Primary data (2018)

From the table 4.4 above, the biggest percentage of the respondents represented by 46% were found to have stayed in Osukuru Sub-County for over 15 years implying that the biggest percentage had leaved in the Osukuru Sub- County and had settled with their families for a longer time and so they know the Osukuru well and for that matter they will be affected by the mini oil Refinery development, the researcher was able to generate adequate data for the study.

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 mini oil refinery 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.

4.9: Local Resident Perception on Oil Refinery Activities.

The first objective of the study was to examine the influence of community involvement on the mini oil refinery and Local Resident Attitude. Findings to address this objective were obtained using a variety of methods including survey instrument and interviews. The self-administered questionnaire using the five-point Likert scale where code 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree or Disagree, 4 = Strongly Agree and 5 = Agree. For each of the above items, descriptive statistics that include frequencies, percentages and means are presented in Table 2 below.

Table 4.5: Frequencies for Local Resident Perception on Oil Refinery Activities.

Questions	Responses	Frequency	Percent (%)		Mean	Standard deviation
Oil Refinery owners listened to our as a community.	Strongly Disagree	9	6.1	16.3	3.67	1.081
	Disagree	15	10.2			
	Neither Agree or Disagree	19	12.9			
	Strongly Agree	77	52.4			
	Agree	27	18.4	70.8		
The residents will be helped on how to utilize the compensation got from the land sold.	Strongly Disagree	10	6.8	23.1	3.37	1.141
	Disagree	24	16.3			
	Neither Agree or Disagree	39	26.5			
	Strongly Agree	50	34.0			
	Agree	24	16.4	50.4		
The mini oil refinery will create more jobs around Asinget	Strongly Disagree	19	12.9	24.3	3.56	1.335
	Disagree	17	11.6			
	Neither Agree or Disagree	12	8.2			
	Strongly Agree	61	41.5			
	Agree	38	25.8	67.3		
The value of land in the county will increase.	Strongly Disagree	9	6.1	16.3	3.71	1.117
	Disagree	15	10.2			
	Neither Agree or Disagree	19	12.9			
	Strongly Agree	70	47.6			
	Agree	34	23.2	70.8		
The oil refinery project construction will destroy the wet lands and swamps changing the water table.	Strongly Disagree	15	10.2	22.4	3.66	1.279
	Disagree	18	12.2			
	Neither Agree or Disagree	9	6.1			
	Strongly Agree	65	44.3			
	Agree	40	27.2	71.5		
Total					17.97	

N=147 Source; primary data (2018)

The results shown in table two above reveal that 52.4% of the respondents strongly agreed that the mini Oil Refinery owners listened to our views as a community during initial stages, *Mean=3.67 and SD = 1.081* from a total of 147 respondents, of that 6.1% strongly disagreed, 10.2% disagreed 12.9% Neither Agree or Disagree 52.4% Strongly agreed and 18.4% agreed. From the interview guide it respondents were quoted emphasizing that “*during community meetings we fully engaged with those refinery people and they listened to what we side about how we feel about the whole process*”. Respondents strongly agreed that, they were residents will be helped on how to utilize the compensation got from the land sold as revealed by item means of (3.37) indicated that the majority strongly agreed with the item and standard deviations of 1.141 measuring a level of agreement was computed from the respondents, (6.8% strongly Disagree, 16.3% disagreed and 26.5% Neither Agree or Disagree, Strongly Agree 34.0%, Agree 16.4%). From the interview guide, respondents were quoted “*the local*

government and refinery staff agreed to help the community members utilize well the money given to them through investing and business ideas, however some residents especially women were also quoted saying our husbands will drink all the money, they will want to marry other women and show how rich they are in the bars to their friends, because being the head of the homes they control most of the money and assets and also the fact that they inherited or bought the land gives them control to own the compensation money so conflict will happen in homes”. An analysis on whether the mini oil refinery will create more jobs was strongly agreed by the residents. 41.5% strongly agreed, most respondents agreed to this question represented by a mean (3.56) indicating that the majority agreed with the item and standard deviations of 1.335 measuring a level of agreement was computed from the respondents’ responses (12.9% strongly Disagree, 11.6% disagreed and 8.2% Neither Agree or Disagree, 25.9% Agree). On the question on whether the value of land in the county will increase was strongly agreed by the residents. 47.5% strongly agreed, this is evidenced by a boost in trade in the area, on analysis on whether the mini oil the oil refinery project construction will destroy the wet lands and swamps changing the water table, the respondents strongly agreed by the residents. 44.3% strongly agreed, most respondents agreed to this question represented by a mean (3.66) indicating that the majority agreed with the item and standard deviations of 1.279 measuring a level of agreement was computed from the respondents’ responses (10.2% strongly Disagree, 12.2% disagreed and 6.1% Neither Agree or Disagree, 27.2% Agree).

Correlation Analysis

A Correlations analysis was carried out show the relationship between Local Resident Perception on Oil Refinery Activities and Community involvement s seen in table 4.6

Table 4.6: Correlations of Local Resident Perception on Oil Refinery Activities and Community involvement.

		Local Resident Attitude
Local Resident Attitude	Pearson Correlation	1
	Sig. (2-tailed)	.009
	N	147
Community involvement	Pearson Correlation	.239
	Sig. (2-tailed)	.009
	N	147

****Correlation is significant at the 0.01 level (2tailed).**

Source; primary data (2018)

The result in table 4.6 indicates that the correlation coefficient is 0.239 and its significance level 0.009. Therefore $r(147) = .239, p < .01$ this implies that local resident Perception influences

community involvement in Asinget village. Therefore, the more the positive Perception the residents have about the mini oil refinery, the more positive Perception the whole community will welcome the mini Oil refinery project. According to the results there is a positive significant relationship between local resident Perception and community involvement. Therefore, the hypothesis, Resident's Perception influences the level of community involvement that was earlier postulated is upheld (1 upheld).

Regression Analysis

Verification of Research Hypothesis one: The hypothesis stated that: Resident's Perception influences the level of community involvement. The hypothesis was tested using Regression Analysis and the results are given below.

Table 4.7: Regression Analysis for Local Resident Perception and Community involvement.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.246(a)	.205	.214	1.922

Source; primary data (2018)

Predictors (Constant), Local Resident Perception on the Oil Refinery and Community involvement. The coefficient of determination (Adjusted R square) value is *0.214* this implied that Local Resident Perception on Oil Refinery activities explained *21.4%* of community involvement. Therefore from the results the alternate hypothesis earlier postulated stated that there is a significant relationship between resident Perception on oil refinery activities and community involvement is therefore upheld (1 upheld).

4.10 Social economic Effects and Community involvement.

The second objective of the study was to examine the influence of community involvement on oil refinery and Social economic Effects on the surrounding communities. Findings to address this objective were obtained using a variety of methods including survey instrument and interviews. The self-administered questionnaire using the five-point Likert scale where code 1 = Strongly Disagree, 2= Disagree, 3 = Neither Agree or Disagree, 4 = Strongly Agree and 5 = Agree. For each of the above items, descriptive statistics that include frequencies, percentages and means are presented in Table 4.8 below.

Table 4.8: Frequencies for Social economic Effects and Communities Community involvement.

Questions	Responses	Frequency	Percent (%)		Mean	Standard deviation
The residents will have employment opportunities.	Strongly Disagree	9	6.1	13.6	3.89	1.165
	Disagree	11	7.5			
	Neither Agree or Disagree	21	14.3			
	Strongly Agree	52	35.4	72.1		
	Agree	54	36.7			
The mini oil refinery waste will affect people's health.	Strongly Disagree	9	6.1	14.3	3.87	1.177
	Disagree	12	8.2			
	Neither Agree or Disagree	20	13.2			
	Strongly Agree	51	34.7	72.1		
	Agree	55	37.4			
There will be price increase of commodities once Oil Refinery project begins.	Strongly Disagree	10	6.8	27.9	3.65	1.323
	Disagree	31	21.1			
	Neither Agree or Disagree	10	6.8			
	Strongly Agree	46	31.3	65.3		
	Agree	50	34.0			
The refinery will lead to improvement in incomes of the communities.	Strongly Disagree	16	10.9	19.7	3.73	1.284
	Disagree	13	8.8			
	Neither Agree or Disagree	10	6.8			
	Strongly Agree	63	42.9	73.5		
	Agree	45	30.6			
There will be increased number of migrate around the refinery.	Strongly Disagree	20	13.6	31.3	3.80	1.151
	Disagree	26	17.7			
	Neither Agree or Disagree	5	3.4			
	Strongly Agree	30	20.4	65.3		
	Agree	66	44.9			
There will be conflicts.	Strongly Disagree	24	16.3	61.2	2.59	1.232
	Disagree	66	44.9			
	Neither Agree or Disagree	18	12.2			
	Strongly Agree	24	16.3	26.5		
	Agree	15	10.2			
There will be trade and business boost in Asinget.	Strongly Disagree	19	12.9	31.9	3.47	1.401
	Disagree	28	19.0			
	Neither Agree or Disagree	5	3.4			
	Strongly Agree	55	37.4	64.6		
	Agree	40	27.2			
Total					25	

N= 147

Source; primary data (2018)

The mini oil refinery will create employment opportunities, 36.7% respondents agreed with this question , shown by mean (3.89) indicated that the majority agreed with the item and standard deviations of 1.165 measuring a level of agreement was computed from the respondents.

“people will come from other regions looking for employment opportunities, improved the standard of living, doing business”.

Respondents strongly agreed that mini oil waste bi products will affect people’s health, shown by mean (3.87) indicated that the majority agreed with the item and standard deviations of 1.177 measuring a level of agreement was computed from the respondents responses (6.1% strongly Disagree, 8.2% disagreed and 13.2% Neither Agree or Disagree, Strongly Agree 34.7%, Agree 37.4%). A response from the interview guide noted: *“the waste will flow into our gardens and water sources and therefore destroy the wetlands and under waters”*. Also there will be price increase of commodities once the mini Oil Refinery project begins, 34.0% of the respondents agreed to this, represented by a mean (3.65) indicating that the majority agreed with the item and standard deviations of (1.323) measuring a level of agreement was computed from the respondents. The refinery will lead to improvement in incomes of the communities. Respondents agreed as revealed by item means of (3.73) indicated that the majority agreed with the item and standard deviations of 1.284 measuring a level of agreement was computed from the respondents. From the interview guide the respondents were quoted emphasizing that *“the oil refinery will employ people and they will get money to improve on their livelihoods at home”*

There will be increased number of migrants around the Refinery area, 44.9% of the respondents agreed to this question, represented by a mean (3.80) indicating that the majority agreed with the item and standard deviations of (1.151) measuring a level of agreement was computed from the respondents. The results shown in Table 4.8 above reveals that respondents disagreed by about conflict after the commencement of the Oil Refinery Project, Mean=2.59 and SD = 1.232 this was shown from a total of 147 respondents, of that 16.3% strongly disagreed, 44.9% disagreed 12.2% Neither Agree or Disagree 16.3% Strongly agreed and 10.2% agreed. Respondents strongly agreed that, there will be a trade boost in the area as revealed by item means of (3.47) indicated that the majority strongly agreed with the item and standard deviations of 1.401 measuring a level of agreement was computed from the respondents’ responses (12.9% strongly Disagree, 19.0% disagreed and 3.4% Neither Agree or Disagree, Strongly Agree 37.4%, Agree 27.2%). From the interview guide the respondents were quoted emphasizing that *“the oil refinery will employ people and bring more people in the area and these people need to buy daily house use commodities and food”*.

Correlation Analysis

A Correlations analysis was carried out show the relationship between Social Effect on Oil Refinery Activities and Community involvement s seen in table 4.9

Table 4.9: Correlations of Social economic Effects and Community involvement.

		Local Resident Attitude
Social Effects	Pearson Correlation	1
	Sig. (2-tailed)	.009
	N	147
Community involvement	Pearson Correlation	.112**
	Sig. (2-tailed)	.009
	N	147

****Correlation is significant at the 0.01 level (2tailed).**

Source; primary data (2018)

The result in table 4.9 indicates that the correlation coefficient is 0.239^{**} and its significance level 0.009 . Therefore $r(147) = .112, p < .01$ this implies that Social economic Effects influences community involvement in Asinget village. Therefore, the more the positive Social economic Effects the residents get because of the mini oil refinery, the more positive the community will get involved in the mini Oil refinery project. According to the results there is a positive significant relationship between Social Effects and community involvement. Therefore, the hypothesis, Resident's Perception influences the level of community involvement that was earlier postulated is upheld (*I upheld*).

Regression Analysis

Verification of Research Hypothesis Two: The hypothesis stated that: Social economic Effects are positively related to community involvement. The hypothesis was further tested using Regression to determine the strength of the relationship between Social economic Effects and Community involvement. Results are presented in the table 4.10 below.

Table 4.10: Regression Analysis for Social economic Effects and Community involvement.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.199(a)	.277	.309	1.766

a. Predictors: (Constant), Attitude, Social economic Effects , *Source; primary data (2018)*

A Predictors (Constant), Social economic Effects on the mini oil refinery and Community involvement.

The coefficient of determination (Adjusted R square) value is 0.309 this implied that Social economic Effects on the mini oil refinery process explained 27.7% of community involvement. Therefore from the results the alternate hypothesis earlier postulated stated that there is a significant relationship between Social economic Effects on the mini oil refinery process and Community involvement is therefore upheld (1 upheld).

4.11: Community involvement on Oil Refinery.

Table 4.11 Frequencies for Community involvement on Oil Refinery.

Questions	Responses	Freque ncy	Percent (%)	Mean	Standard deviation
Residents freely access the Refinery Officials for consultation on Oil matters and operations.	Strongly Disagree	30	20.4	2.97	1.324
	Disagree	60	40.8		
	Neither Agree or Disagree	17	11.6		
	Strongly Agree	28	19.0		
	Agree	12	8.2		
Communities were informed about the mini oil refinery initial surveys before the exercise started.	Strongly Disagree	28	19.0	3.10	1.491
	Disagree	35	23.8		
	Neither Agree or Disagree	16	10.9		
	Strongly Agree	31	21.1		
	Agree	37	25.2		
Refinery officials set up programs aimed at sensitizing the public about oil exploration data collection and other related information.	Strongly Disagree	12	8.2	3.66	1.263
	Disagree	16	10.9		
	Neither Agree or Disagree	30	20.4		
	Strongly Agree	41	27.9		
	Agree	48	32.7		
There was documentation of oil refinery process and the community was involved at all levels.	Strongly Disagree	32	21.8	2.39	1.219
	Disagree	69	46.9		
	Neither Agree or Disagree	19	12.9		
	Strongly Agree	11	7.5		
	Agree	16	10.9		
Total				10.12	

Source; primary data (2018)

Analysis on whether residents freely access the Refinery Officials for consultation about the mini oil refinery, respondents strongly disagreed to this question shown by a mean of (*Mean=2.97 disagreed*) respondents with this question indicating that the majority disagreed with the item and standard deviations of 1.324 measuring a level of agreement was computed.

Future more 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, most respondents reported that they heard about it through radio, however, the respondents expressed concern over limited access to information.

On the item whether Communities were informed about the mini oil refinery initial survey's respondents agreed ($Mean=3.10$ agreed) indicating that the majority agreed with the item and of $SD=1.491$ measuring a level of agreement was computed from the respondents. Findings from interviews revealed that community involvement and participation brings the government projects closer to the people. It enables communities to own, set policy goals and priorities, oversee the actions of the people and hold them accountable for their actions, express points of view, share information and point to their needs and problems, get involved in the initial stages, identify additional resources, monitor and evaluate the outcomes of implementing and many other actions. Involving the people on ground (residents) in initial surveys is one of the cornerstone characteristics of project implementation. This implied that community engagement was carried out but needs strengthening. The underlying principle of community engagement is that communities have the chance to influence the decision-making process if all of them can be involved in the planning process. This signified that early impact assessment on land issues will enable the company to have maximum flexibility, build effective partnerships to address potential challenges, and even make other important decisions.

Analysis on whether Refinery officials set up programs aimed at sensitizing the public about the mini oil refinery data collection and other related information was agreed by the residents, most respondents agreed to this question represented by a ($Mean=3.66$ agreed) indicating that the majority agreed with the item and of $SD=1.263$ measuring a level of agreement was computed from the respondents. Some respondents supported the argument that some kind of sensitization about land acquisition should be made. Further the respondents revealed that companies who come from Kampala should first consult them about their land acquisition plans.

Analysis on whether there was documentation of oil refinery process and the community was involved at all levels was agreed by the residents, most respondents agreed to this question represented by a ($Mean=2.39$ disagreed) indicating that the majority disagreed with the item and of $SD=1.219$ measuring a level of agreement was computed from the respondents. The total number of respondents was 147 a total of (46.9%) respondents from interview guide stated that “documents about the plan, size of land needed operational plan of the Mini Oil refinery where not available for them to view”.

Analysis of Variance.

Table 4.12 Analysis of Variance Showing the Results on the Relationship between Attitude, Social economic Effects and Community involvement.

ANOVA^b

Model	Sum of Squares	Df	Mean Square	f	Sig
1 Regression	91.417	2	.115	.434	.511 ^a
Residual	30.549	115	.266		
Total	30.664	116			

a. Predictors: (Constant), Attitude, Social Effects

b. Dependent Variable: Community involvement. *Source; primary data (2018)*

A one-way between subjects ANOVA was conducted to compare the effect of local resident’s Perception and Social economic Effects on community involvement, from the results [$F(2,115) = 0.434, p = 0.511$] There was a significant effect of local resident’s Perception and Social economic Effects on community involvement at the $p > .005$ therefore the hypothesis is up held.

Table 4.13 Summary Statistics showing the Coefficients for Attitude, Social economic Effects and Community involvement

Coefficients^a

Model	Unstandardized Coefficients		Standardized coefficients	T	Sig
	B	Std. Error	Beta		
Constant	1.677	3.865		32.080	.000
Attitude	-2.682	1.394	-0.64	-1.924	.055
Social Effects	-1.091	.091	-0.041	-1.197	.232

a. Dependent Variable: Community involvement *Source; primary data (2018)*

The findings presented show the three predictors, whether they are statistically significant and, if so, the direction of the relationship. Perception ($b = -2.682$) is not significant ($p = 0.055$), the negative coefficient would indicate that Perception is related to community involvement.

Social economic Effects ($b = -1.109, p = .232$) seems to be related to community involvement.

This would seem to be indicating that the percentage of Social economic Effects is an important factor in predicting community involvement. The regression equation above has established that taking all factors into account (adoption of Perception and Social Effects) constant at zero community involvement will be -0.064 and -0.041 respectively. The findings presented also

show that taking all other independent variables at zero, a unit increase in the scores of Perception would lead to a -2.682 and -1.091 respectively for community involvement. At 5% level of significance and 95% level of confidence, community involvement showed a 0.055 and .232 level of significance respectively. Overall, Perception affects community involvement. The t-test of the results is ($t = -1.197$) and ($t = -1.924$) are statistically significant respectively.

Therefore from the results the alternate hypothesis earlier postulated stated that there is a positive significant relationship between Perception and community involvement and positive significant relationship between Social economic Effects and community involvement are therefore upheld (*H₁* upheld).

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION 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 plus areas for further research.

5.2 Summary of Findings.

The findings of the study were that Local residents Perception influences community involvement on the Mini oil Refinery in Asinget village positively, further results also indicated that Social economic Effects influence community involvement on the Mini oil Refinery in Asinget village positively.

5.2.1 Local Resident Perception influences community involvement on the mini Oil Refinery.

The researcher analyzed data using Pearson Correlation Coefficient and results indicated that correlation coefficient was $0.238(*)$ and its significance level 0.009 This implied that Local residents Perception influences community involvement on the Mini oil Refinery in Asinget village positively. Therefore, according to the results there was a positive significant relationship between Local residents Perception and community involvement on the Mini oil Refinery in Asinget village. Therefore, the alternative hypothesis that was earlier postulated is upheld (1).

Therefore the adjusted square value of 0.214 implied that local residents Perception positively affects Community involvement, in other words the attitudes of the local people positively reflects to the activities and processes of the development of the mini Oil refinery.

5.2.2 Social economic Effects influences community involvement on the Mini oil Refinery.

The researcher analyzed data using Pearson Correlation Coefficient and results indicated that correlation coefficient was $0.444(*)$ and its significance level 0.009 This implied that Social economic Effects influence community involvement on the Mini oil Refinery in Asinget village positively. Therefore, according to the results there was a positive significant relationship

between Social economic Effects and community involvement on the Mini oil Refinery in Asinget village. Therefore, the alternative hypothesis that was earlier postulated is upheld (1).

Therefore the adjusted square value of 0.309 implied that Social economic Effect positively affects Community involvement, in other words the Social economic Effects of the local people positively reflects to the activities and processes of the development of the mini Oil refinery.

5.2.3 Community Involvement.

Therefore, according to the results there was a positive significant relationship between Local residents Perception, social economic effects and community involvement on the Mini oil Refinery in Asinget village. Therefore, the alternative hypothesis's that were earlier postulated are upheld. Local residents Perception positively affects Community involvement, in other words the attitudes of the local people positively reflects to the activities and processes of the development of the mini Oil refinery. From the results the alternate hypothesis earlier postulated stated that there is a positive significant relationship between Perception and community involvement and positive significant relationship between Social economic Effects and community involvement.

5.3 Discussion of the Findings

This subsection looks at the discussion of the findings which are discussed according to the respective research objectives as earlier presented in chapter one.

5.3.1 Perception of the community towards the Mini Oil refinery development in Asinget Village Osukuru Sub County.

The study found out that, males greatly participated in the study as represented by 59%, majority of respondents who took part in the study were between 30-40 years (33%) , were married (47%), respondents where either not school or stopped at a lower level making a total percentage of 33%, 46% were found to have stayed in Osukuru Sub-County for over 15 years implying that the biggest percentage had leaved in the Osukuru Sub- County and had settled with their families for a longer time and so the refinery project affected them.

Respondents also strongly agreed that the mini Oil Refinery owners listened to our views, residents will be helped on how to utilize the compensation money given to them by advising them on different investment opportunities, and also this will create a sense of ownership and commitment towards the refinery by the community Consultation.

Future more the study found out that the respondents were concerned about the project construction destroying the wet lands, swamps and changing the water table of the area.

As employment is created, the trade and business will get boosted within the community and the district.

From the study therefore, the more the positive Perception the residents have about the mini oil refinery, the more positive Perception the whole community will welcome the mini Oil refinery project. Upholding the hypothesis that Resident's Perception influences the level of community involvement. The findings revealed that the mini Oil Refinery owners listened to the views of the community during initial stages, the consultation was done widely including the youth, women, men but mostly the local leaders and district officials where most engaged in the consultation at the initial stages. This gave a good relationship about the Oil refinery process with the local communities accepting and welcoming the project in the area Asinget village and the Sub County. Study findings revealed from seismic survey found out that there is speculation about land grabbing, land acquisition for road construction, construction, waste treatment sites, bush clearing sites affecting biodiversity of the area, above all seismic survey activities contributed. In the same way Noble (1982, p.120) argued that unlike surface geophysical analysis, seismic testing does disturb the surface resources and wildlife. With most seismic testing occurring in theseasons when weather permits, there is conflict with other backcountry users, the findings also concur with Joint E&P forum (1997, p.12) that Exploration and production operations are likely to induce economic, social and cultural changes. The extent of these changes is especially important to local groups, particularly indigenous people who may have their traditional lifestyle affected. The key impacts may include changes in land-use patterns, local population levels as a result of immigration, land use conflicts, conflict between development and protection and displacement.

Interview findings revealed that the community members don't feel comfortable with the municipality and District official sitting corruption and bias from both the Mini oil refinery owners and district representatives. In response to this finding, it was noted that oil company officials only could collaborate with municipality officials like the resident district commissioner, police and other security organs to try handling the increasing numbers and its associated effects. Also community members felt the people should not just come into the municipality because like for the case of jobs available the companies cannot absorb or employ local people directly. This is in line with Lubwama (2009) who asserts that there is actually a

relatively short window of opportunity to an ordinary Ugandan to participate and benefit from the oil wealth and oil money. It will be hard for the so called stakeholder local person in the community to participate in the turning of oil wealth into viable public wealth for everyone to have a share in Uganda aimed at permanent poverty reduction. The pay for the birth right to oil land everywhere in Africa is environmental harm.

It was observed that citizen's participation brings the government closer to people. It enables citizens to set policy goals and priorities that benefit them, oversee the actions of the people and hold them accountable for their actions, express points of view, share information and point to their needs and problems, get involved in the decision making processes, identify additional resources, monitor and evaluate the outcomes of implementing policy, and many other actions. The findings are consistent with May & Backer (2001) who state that the idea of citizen engagement and participation has contributed to improved governance and development.

5.3.2 Social economic effects of the development of the Mini Oil refinery on Community involvement in Asinget Village Osukuru Sub County.

Most of the respondents noted that, the mini oil refinery will create more employment opportunities for the local communities at the refinery both at lower level staff and high level management staff. In addition, the refinery will have extensive operations in the mini oil refinery in Osukuru, Tororo District. However, large capital outlays by the company required in the early phases of the Mini oil refinery remains an obstacle for the company and community to get compensated and also make sure the community is fully paid for their land, crops, and property destroyed. Also, most of the respondents argued that, employment in the industry will doubled over in current years especially in Osukuru.

The study found out that SK Engineering Limited establishment of a local oil refinery, as the alternate bidder to RT Global. Simba oil will be involved in a Mini Refinery which proposes to process 6,000 barrels per day of Sarir crude oil using traditional processing, the refinery will include a 5.5MW turbine generator that will be fueled by the light naphtha and approximately 2MW will be consumed internally, the remainder will be fed into the power grid.

The study found out that the number of migrants around the refinery will increase hence insecurity in the community since some people will be coming from out the district.

The study found out that mini oil waste bi products will affect people's health if the refinery does not setup prepare waste disposal centers and methods.

From the study, majority of the respondents agreed that commodities prices will sky rocket once the mini Oil Refinery project begins. This will cause a change in income levels of the community and also boost the business around Osukuru.

From the study social economic effects of the community in Asinget village will change. Therefore, the more positive Social economic Effects the residents get because of the mini oil refinery, the more positive the community will get involved in the mini Oil refinery project. According to the study Social economic effects influences community involvement on the mini oil refinery project.

The interview findings revealed that increased compensated residents in areas of the mini oil refinery will cause inflation in Osukuru. Oil production leads to improvement in incomes of communities and increased migration. This is in agreement with, Fox and Pimhidzai (2013) revealed that a strong, growing, sustainable economy is the goal of every nation in the world. A sustainable economy enhances a nation's standard of living by creating wealth and jobs, encouraging the development of new knowledge and technology and helping to ensure a stable political climate.

The findings also revealed drastic commodity price increments were obvious since commodity owners took advantage of the incoming oil refinery company workers and group of compensated community members in the communities. Young people, women and other marginalized groups (such as workers in the informal sector or unemployed people) are the most affected. This frustration could lead eventually to social unrest and conflicts, for example, for those who lost their properties during surveying and were not satisfied with the compensation which may threaten the stability of the Asinget village and the Sub County.

The increasing commodity prices may have different reasons. Firstly, the businessmen and owners of properties would like to have their share of being now an oil producing area. As soon as the mini oil refinery discovery production was announced, prices for food commodities, rent and services will go up. And also the costs of running businesses in the area will increase immensely as well (rent, taxes, duties, etc.)

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 refined. 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 will be dumped anywhere in Osukuru. This will be mostly hazardous to women and children. According to Kabanda (2008), the International

Covenant on the Civil and Political Rights (ICCPR) 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.

The findings also revealed that according to the religious leaders, oil producing communities in Uganda have remained grossly socio-economically underdeveloped and pauperized amidst the immense oil wealth owing to systematic disequilibrium in the production exchange relationship between the state, the transnational companies, and the people. The money that is beginning to be derived from oil is not yet helping to benefit the ordinary Uganda.

The findings also revealed that population will increase this Osukuru leading to „population potential“ which defines the number of persons within a given distance from a point. Population potential is an indicator of population pressure on a centre or a node assumed to be the point of maximum population concentration which diminishes outwards. The high values of population potential denote a higher concentration of population and vice versa. Sibson (2011) pointed out that the distribution of population and its concentration is a major point of concern when addressing possible effects of seismic activities.

Interview findings revealed that despite the negative effects of oil production, the citizens will benefit in this areas, children in the area will get scholarships to study, employment opportunities are will be provided to the people in Osukuru, trade and business for small scale enterprise will boom. However, empirical evidence indicated that the oil exploration companies have place more emphasis on the provision of physical infrastructural development than human capacity development. Similarly, it was observed by Purdey (2004) that oil exploration companies must on ground have strong CSR programmes to enable citizen“s benefit from their activities. Findings however revealed that the people on ground still complain of the services delivery gotin return of their efforts. Evidently, Osukuru areas do not have access to quality health care services despite the health hazard associated with oil refining.

5.3.3 Level of community involvement towards the mini oil refinery development in Asinget Village Osukuru Sub County.

Findings from interviews revealed that community involvement and participation brings Government projects closer to the people. It enables communities to own, take part in policy

goals and priorities, oversee the actions of the people and hold them accountable for their actions, express points of view, share information about their needs and problems, get involved in the initial stages, identify additional resources, monitor and evaluate the outcomes of implementing and many other actions.

Involving the people on ground (residents) in initial surveys is one of the cornerstone characteristics of project implementation. This implied that community engagement was carried out but needs strengthening. The underlying principle of community engagement is that communities have the chance to influence the decision-making process if all of them can be involved in the planning process. This signified that early impact assessment on land issues will enable the company to have maximum flexibility, build effective partnerships to address potential challenges, and even make other important decisions.

Residents could not have access to the Refinery Officials for consultation and engagements about the refinery project, *however* communities were informed about the mini oil refinery initial survey's, the community was sensitized about the mini oil refinery

Hence local resident's Perception and social effects affects community involvement on the oil refinery project.

The study also found out that Refinery officials set up programs aimed at sensitizing the public about the mini oil refinery data collection and other related information was agreed by the residents, however some respondents supported the argument that some kind of sensitization about land acquisition should be made.

Further the respondents revealed that companies that come from Kampala should first consult them about their land acquisition plans.

Analysis on whether there was documentation of oil refinery process and the community was involved at all levels was agreed by the residents, a respondents was quoted saying "*documents about the plan, size of land needed operational plan of the Mini Oil refinery where not available for them to view*".

5.6 Conclusions:

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

5.6.1 Local Resident Perception on Oil Refinery Activities and Community involvement.

The findings revealed there is a relationship between local residents Perception and community involvement on oil refinery. Therefore, according to the results there was a positive relationship

between Local residents Perception and community involvement on the mini oil refinery in Asinget village. The mini oil refinery and production in Asinget will affect people's social and economic livelihoods. For example the mini Oil Refinery owners listened to community views during initial stages, the consultation was done widely including the youth, women, men but mostly the local leaders and district officials where most engaged in the consultation at the initial stages. This gave a good relationship about the Oil refinery process with the local communities accepting and welcoming the project in the area Asinget village and the Sub County. Initial survey found out that there is speculation about land grabbing, land acquisition for road construction, construction, waste treatment sites, bush clearing sites affecting biodiversity of the area. Community members don't feel comfortable with the municipality and District official sitting corruption and bias from both the Mini oil refinery owners and district representatives. In response to this finding, it was noted that oil company officials only could collaborate with municipality officials like the resident district commissioner, police and other security organs to try handling the increasing numbers and its associated effects. Also community members felt the people should not just come into the municipality because like for the case of jobs available the companies cannot absorb or employ local people directly.

5.6.2 Social economic Effects and Community involvement.

The findings revealed there is a relationship between Social economic Effects and community involvement. Therefore, according to the results there was a positive relationship between Social economic Effects and community involvement on the mini oil refinery in Asinget village. The mini oil refinery and production in Asinget will affect people's social and economic livelihoods. For example drastic commodity price increments is obvious since commodity owners will take advantage of the incoming mini oil Refinery company workers, group of compensated communities and immigrates. The frustration will be felt everywhere no matter where the people are coming from. Especially young people, women and other marginalized groups (such as workers in the informal sector or unemployed people) are the most affected. This frustration could lead eventually to social problems and high inflation, for example, for those who lost their properties during surveying and were not satisfied with the compensation which may threaten the stability of the oil refinery and the Sub county and District. Residents concern 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 refined. 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 will be dumped anyhow in the sub County; this will be mostly hazardous to women and children. Population will increase in Osukuru leading to „population potential“. The high values of population potential denote a higher concentration of population and vice versa. Citizens will benefit in these areas, children in the area will get scholarships to study, employment opportunities are will be provided to the people in Osukuru, trade and business for small scale enterprise will boom.

5.6.3 Community Involvement

The findings revealed community involvement and participation brings the government projects closer to the people. It enables communities to own, set policy goals and priorities, oversee the actions of the people and hold them accountable for their actions, express points of view, share information and point to their needs and problems, get involved in the initial stages, identify additional resources, monitor and evaluate the outcomes of implementing and many other actions. Involving the people on ground (residents) in initial surveys is one of the cornerstone characteristics of project implementation. This implied that community engagement was carried out but needs strengthening. The underlying principle of community engagement is that communities have the chance to influence the decision-making process if all of them can be involved in the planning process. This signified that early impact assessment on land issues enabled the company to have maximum flexibility, build effective partnerships to address potential challenges, and even make other important decisions. The community supported and agreed that sensitization about land acquisition will help in resolving land issues. The findings also revealed that companies who come from Kampala should first consult them about their land acquisition plans.

5.7 Recommendations:

The researcher recommended that,

5.7.1 Local Resident Perception on Oil Refinery Activities and Community involvement.

1. The government should produce and distribute clear and timely communications on the oil sector.
2. These should include information on the Ministry of Energy and Mineral Development should urgently establish Liaison Desks in the Tororo District to enhance access to information as well as quick responses to concerns on a case by case basis.

3. The local Government needs to build the capacity of local civil society to document, monitor and scrutinize the management of natural resources and other public assets and ensure transparent public sector spending on oil.
4. The community should be encouraged to form cooperatives to go into farming of non-traditional export crops on large scale. The assurance that the area would be experiencing an influx of migrants offers a good prospect for a market. For those who would be doing farming and trading alongside any other business, there should be collaboration between the fishermen and the mini oil refinery companies since oil refining has been done in their communities.

5.7.2 Social economic Effects and Community involvement.

1. 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.
2. The Ministry of Energy should oil companies put into consideration the impact mitigation and enhancement framework, as well as a social management plan in order to make those people whose environment has been directly affected to have means of livelihood and a sense of belonging with improvements in the quality of their environment with respect to farmlands, houses and wetlands.
3. The Local Government should consider building more schools, Roads, markets, Health centers and Hospital in the area.
4. The district should come up with a development plan in the area to avoid the growth of a slum and also how the Refinery waste is going to be collected and designate waste collection areas.

5.8 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 collected was from leaders and yet this is small number of people yet the majority where left out.

There was a lot of fear among the people as the matter of oil and gas is always treated with mistrust

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. Uganda Christian 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 institute of petroleum studies Kampala 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.

5.9 Suggestions for Further Research.

The findings of the study on some items of the study conflicted with expectations as per the hypotheses regarding Community involvement. For instance, the study found that to a lesser extent, the oil is a resource curse. 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 Tororo like Lime stone, copper etc.

There is need to carryout study on economic contribution of oil and gas refinery to the community.

Future studies should include the time series collection of data on the Perception of resource curse, there is need to involve all the residents of the community in the research.

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.

REFERENCES:

- Andersen, L. (2008). An assessment of an oil spill in Gladstone, Australia—impacts on intertidal areas at one month post-spill. *Marine Pollution Bulletin* 57, no. 6 (2008): 607-615
- Graham J., Amos B., Plumptre T., (August 2003), Principles for Good Governance in the 21st Century, Policy Brief No. 15 - Institute On Governance, Ottawa, Canada, www.iog.ca/publications/policy.
- Aryeetey, E. & Asmah, E. (2011). Brookings. Retrieved from http://www.brookings.edu:www.brookings.edu/~media/research/files/reports/2011/1/africa%20economy%20agi/01_africa_economy_agi_aryeetey_asmah.pdf
- Biryabarema, E. (2012). Uganda insists planned oil refinery is viable. Reuters. Available at <http://www.reuters.com/article/2012/07/20/ozabs-uganda-oilidAFJ0E86J00Z20120720>. Accessed on 18 March 2013.
- Terry Lynn Karl (2011). Understanding the Resource Curse <http://openoil.net/wp/wp-content/uploads/2011/12/Chapter-2-reading-material>.
- Mbanga, J. (2011). Oil boom: Uganda faces environmental challenges. *The Observer*, Weekly edition, sec. Archive, March 09. <http://www.observer.ug/index.php/index>. Retrieved on 15th January 2015
- Kasimbazi, B.E. (2012). “Environmental Regulation of Oil and Gas Exploration and Production in Uganda” in the journal of energy & natural resources law vol 30 no 2 2012 pp.192- 196
- Kasimbazi, E. (n.d). Legal and Environmental Dimensions of Oil Exploration in Uganda. www.iucnael.org/en/documents/doc_download/365-emmanuel-kasimbazi-legal-and-environmental-dimensions-of-oil-exploration.html accessed on 14th January 2015
- Scott W.R (2001): Institutions and Organizations. Second edition. Sage publications. 2016
- Adomako Ampofo, (A), (2006). “Intimate Bargains: Sex Workers and Free Women Negotiate their Sexual Space”. In *Sex and Gender in an Era of AIDS*.
- Agarwal, Bina. (1989). Rural Women, Poverty and Natural Resources: Sustenance, Sustainability and Struggle for Change. *Economic and Political Weekly* 24 (43): WS46-WS65.
- Akyeampong, Emmanuel, (1997). Sexuality and Prostitution among the Akan of the Gold Coast c. 1650-1950. *Past and Present* 156: 144-173.
- Amin, E. (2005). *Analysing Social Research* 1st edition Kampala: Makerere University Printery
- Auty, Richard, (M). (1993). *Sustaining Development in Mineral Economies: The Resource-Curse Thesis*. London: Routledge.

- Auty, Richard, M and Raymond F. Mikesell(1998). Sustainable Development in Mineral Economies. Oxford: Clarendon. Andersen G, et al. (2008) Hellenic Shipping News. (2013). "Vietnam"s petrochemical oil refinery projects gear up.
- Abjorensen. S. (2014). Oil and Gas Revenue Management Options for Cambodia (Senate Group.6). Parliamentary Institute of Cambodia.
- AFP. (2016, January 18). Iran-Saudi crisis punches another hole in OPEC unity. New Vision. Retrieved January 22, 2016, from <http://www.newvision.co.ug/>
- Auty, Richard M. (2001). Resource Abundance and Economic Development. Oxford: Oxford University press.
- Acemoglu, C. Daron, H. Simon, J. and Robinson, J. (2001). An African success story: Botswana.
- African Economic Outlook.2012.Measuring the pulse of Africa.<http://www.africaneconomicoutlook.org>.
- Amin, M.E. (2005). Social Research Methods, Kampala: Makerere University Printery.
- Andersen, L. (2008). An assessment of an oil spill in Gladstone, Australia–impacts on intertidal areas at one month post-spill.
- Bategeka, F., Kiiza, J. &Ssewanyana. L. (2009)."Managing Oil Revenue in Uganda. A Policy Note." Kampala.
- Baanante, Carlos, Thomas P. Thompson and KonaduAcheampong. (1999). "Labour Contributions of Women to Crop Production Activities in Three Regions of West Africa: An Analysis of Farm Survey Data". Research Review 15 (1): 80-100.
- Bisina, Joel (2004) „Oil and Corporate Recklessness in Nigeria"s Niger DeltaRegion".PambazukaNews167.http://www.pambazuka.org/en/publications/africanvoices_chap05.pdf. Accessed on 8th April, 2008
- Bloomfield, Steve (2008) The Niger Delta: The Curse of Black Gold". The Independent. <http://www.independent.co.uk/news/world/africa/the-niger-delta-the-curse-of-the-black-gold-882384.html>. Accessed on 17th April, 2008.
- Boonstra, Jos, Burke, Edward and Richard Young, (2008) „The Politics of Energy: Comparing Azerbaijan, Nigeria and Saudi Arabia", FRIDE 68 working paper.
- Bainomugisha, A, Kivengyere, H., and Tusasirwe, B. (2006). Escaping the Oil Curse and making Poverty History: A review of the Oil and Gas Policy and Legal framework for Uganda Brophy, K. (2014).Reinforce citizen"s land rights first, justify commercial interest after. Oil inUganda. Retrieved from <http://www.oilinuganda.org>
- Byakagaba, S. (2007). Progress of Oil Exploration in Uganda. In Optimising the Benefits of Oil Banfield, J. (2009). Harnessing Oil for Peace and Development in Uganda. Investing in PeaceBriefing Paper Series 2. No.22. Kampala: International Alert – Uganda.

- Bategeka, F., Kiiza, J. & Ssewanyana, L. (2009). Managing Oil Revenue in Uganda. A Policy Note. Kampala.
- Binh Son Refining and Petrochemical Company Limited (BSR). (2013). "Information about the project." Accessed on 5/7/2013. Available at: http://www.bsr.com.vn/title/119_thong-tin-ve-du-an Exploration in Bunyoro. Kheda publications.
- Collier, P. (2000). Rebellion as quasi-criminal activity. *Journal of conflict resolution*
- Collier, Paul and Anke Hoeffler. (2001). Greed and Grievance in civil war. *Oxford Economic papers* 56.4:563
- Collier, Paul, (2007). *The Bottom Billion: Why the Poorest Countries are failing and what can be done about it.* Oxford: Oxford University Press. Collier, Paul and Anke Hoeffler, (2000).
- Creswell, J.W. (2009). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches* 2nd Edition
- Cronbach, L. (1951). Coefficient alpha and the internal structure of tests: *Psychometrika*.
- Clayton, (2011). Gas hydrate occurrences. Andaman offshore.
- Creswell, G. (1998). *Questionnaire design, interviewing and Perception measurement.* New York: St. Martin Press.
- Dominic, J. (2003). "Considering local interests in oil exploration to prevent conflicts" in *Shifting sands, Oil Explorations in the Rift Valley and the Congo Conflict.* Pole Institute.
- Dedan, C. (2013). *The Comparative Method: Moving beyond Health Systems Strategies.* University of California press 1987.
- Dadiwei, Tari (E), (2003) „Niger Delta Fund Initiative - Women, Environmental Impact Assessment (EIA) And Conflict Issues In The Niger Delta: A Case Study Of Gbaran Oil Filed Communities In Bayelsa State" A Paper Presented at the National Workshop On Gender, Politics and Power: Overcoming the Barriers to the Emergence of Women Political Leaders in Nigeria, Organised by the Centre for Social Science Research and Development (CSSR&D), at the Lagos Airport Hotel, Ikeja, Lagos, Nigeria (July 28th – 30th, 2003).
- Darkwah, Akosua K. 2005. Poverty Trends in Ghana over the Last Fifteen Years. *Legon Journal of Sociology* 2 (1): 81-100.
- Enanga. (2015). Oil refinery in Hoima and evictions. Retrieved January 20, 2015
- Eti, C. (2012). Oil Conflicts-livelihood nexus: a case of Amuru district, Uganda. *Exploration and Production (E&P). Environmental management in oil and gas exploration and production.* Joint E&P forum. UNEP Technical publications.
- Estrella, M. and Gaventa, J., 1998, 'Who counts reality? Participatory monitoring and evaluation: A literature review', IDS Working Paper No 70, Brighton: IDS

- Ezeani, E. (2005). *Social science, research, conceptual, methodology and analysis*. Kampala Makerere University Printers
- Elson, Diane. (2003). *Gender Justice, Human Rights and Neoliberal Economic Policies in Gender Justice, Development and Human Rights* edited by Maxine Molyneux and ShahraRazavi. Oxford: Oxford University Press. Pp. 78-114
- Emeseh. (2011) *The Niger Delta Crisis and the Question of Access to Justice'* in Obi, C.I., and Rustad, S.A.(eds.) *Oil and Insurgency in the Niger Delta: Managing the Complex Politics of Petroviolence* (London: Zed Books, 2011) 55. *Human Rights Dimensions of Contemporary Environmental Protection*.
- Earl-Babbie, M. (2013). *The Practice of Social Research*, 10th edition, Wadsworth, Thomson Learning Inc., ISBN 0-534-62029
- Ezeani, T. (2002). *Quantitative and Qualitative Research Designs*: Ibadan; Ibadan University Press
- Fearon, J.D. and D.D. Laitin, (2003). "Ethnicity, Insurgency and civil war". *American Political Science Review*.
- Freeman, R.E (1984). "Strategic Management: A stakeholder Approach". Boston, MA
- Pitman. Freeman, R.E (2004). "A Stakeholder Theory of Modern Corporations", *Ethical Theory and Business*.
- Freeman, R.E and Evan, W.M. (1990). "Corporate Governance: A stakeholder Interpretation" *Journal of Behaviour Economics*, 19: 337-59.
- Friedman, A.L. and Miles, S. (2006). "Stakeholders: Theory and Practice", Oxford University Press.
- Foster, W. (2009). "Nghì Son Refinery: A strategically important project for Vietnam." Accessed on 5/7/2013. [Nghì- Son-Refinery-Vietnam.pdf](#).
- Foster, W. (2013). *Contract Announcements*. Accessed on 5/7/2013. Available at: [b Gazprom Neft. \(2013\). "Gazprom Neft and PetroVietnam sign agreement to invest in Dung Quat refinery modernization. Foster, W. \(2009\). "Nghì Son Refinery: A strategically important project for Vietnam." Accessed on 5/7/2013. Nghì- Son-Refinery-Vietnam.pdf](#).
- Foster, W. (2013). *Contract Announcements*. Accessed on 5/7/2013. Available at: [b Gazprom Neft. \(2013\). "Gazprom Neft and PetroVietnam sign agreement to invest in Dung Quat refinery modernization](#).
- Greed and Grievance in Civil War. Policy Research Working Paper 2355. Washington DC: World Bank.
- Graham, et al. (2003) Graham, J., Amos, B Plumptre, T. (2003), *Good Governance in the 21st Century*, Policy Brief No.15, Institute On Governance.

- Grasso, P., Sharratt, M., Davies, D.M. and Irvine, D. (1984), “Neurophysiological and Psychological disorders and Occupational exposure to organic solvents”, *Food and Chemical Toxicology*.
- Hannunkari, I., Jarvinen, E. and Partanen, T. (1978), “Work conditions and health of locomotive Engineers. II. Questionnaire study, mortality and disability”, *Scandinavian Journal of Work, Environment and Health*.
- Kasimbazi.(2013) Baseline study on the status and trends in oil and gas exploration and production in the western Indian ocean.
- Kamya, M.O. (2013). *Oil and Gas in Uganda: Survey of Issues, in a pamphlet for papers presented in a one week course at Hotel Africana* compiled by Uganda Management Institute.
- Katebire, D. A. (2007). *Social research methods: An introduction*. Kampala: Makerere University.
- Kasimbazi, B.E. (2012). “Environmental Regulation of Oil and Gas Exploration and Production in Uganda” in the journal of energy & natural resources law vol 30 no 2 2012 pp.192-196
- Kasimbazi, E. (2015). *Legal and Environmental Dimensions of Oil Exploration in Uganda*. www.iucnael.org/en/documents/doc_download/365-emmanuel-kasimbazi-legaland-environmental-dimensions-of-oil-exploration.html accessed.
- Kothari, C.R. (2004) *Research Methodology: Methods and Techniques*, 2nd Edition New Delhi; India, New Age International Publishers
- Krejcie, Robert V, Morgan, Darylew. (1970) *Determining Sample size for Research Activities* Krejcie, B and Morgan R. (2002). *Generalized Scientific guidelines for sample size decisions*; London, Pitman Publishing, Long Acre 5th Edition.
- Kothari, C.R. (2004). *Research methodology: Methods and techniques*. New Delhi: New Age International Publishers
- Kulumba, H. (2012) *Evaluating Finance systems in Local Governments*, Msc Accounting and Finance Dissertation unpublished: Makerere University Kampala.
- Kusek, J. Z. and R. C. Rist. (2004). “Building a Performance-Based Monitoring and Evaluation System: The Challenges Facing Developing Countries.” *Evaluation Journal of Australasia*.
- Liffman, D. (2008) *Research Methodology*, Manchester: University of Manchester
- Lubaale, D (2000) *Decentralized and Financing: The Uganda health Sector experience; the international journal of Public Sector Management*. Volume 14, Number 1. pp 75-88 MCB University Press Manchester UK.
- Meckling, W. H. (1976) *Theory of the Firm: Managerial Behavior Agency Costs and Ownership Structure*. *Journal of Financial Economics*, 1976, Vol. 3, No. 4, pp. 305–360.

- Mugenda, O. M., & Mugenda, A. G. (2008), *Research methods, quantitative and qualitative Approaches*. Nairobi: ACTS Press.
- Mugenda, M. and Mugenda, O. (1999) *Social Research for Higher Institutions of Learning, Nairobi*.
- Mugenda, M. & Mugenda, G. (2003). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: Acts Press.
- Musisi, F. (2016, January 16). Oil sector: Bad prices, job cuts and little activity. *Daily Monitor*. Retrieved January 20, 2016.
- Newcomer(Eds.), *Handbook of practical program evaluation* (2nd ed) European Agency for Safety and Health at Work (1999), *Economic Impact of Occupational Safety and Health in the Member States of the European Union*, Bilbao, Publication of the European Communities. Porter, M. (1991), "America's green strategy", *Scientific American*, 264(4): 96.
- Ragin, C.C. (2011). *Constructing Social Research: The Unity and Diversity of Method*.
- Ragin, C.C. (2007). *The Comparative Method: Moving Beyond Qualitative and Quantitative Strategies*. University of California Press 1987.
- Samuelson, W. (1980). *Responsibility and Contingency Views on Financing-Survey of Theory and Practice*; The University of Stockholm. Student literature.
- Sekaran, B. (2003) *Basic Research for Social Scientists* 2nd edn London: Macmillan Publishing Strickling Lawrence (2001), *Multi stakeholder governance model* accessed 20th may 2016 Ukiwo.(2011) *Ukoha Oil and Insurgency in the Niger Delta: Managing the Complex Politics of Petroviolence*.
- Wholey, J. S. (2004). *Evaluability assessment*. In J. S. Wholey, H. P. Hatry, & K. E.

APPENDICES:

APPENDIX (I) QUESTIONNAIRE

QUESTIONNAIRE FOR ALL

My name is Fred Onyango a student of masters of Business Administration (Oil and Gas) at Uganda Christian University. In partial fulfillment of the requirement for the master’s degree, i am required to conduct a research in an area of my interest. My interest is in this studyexamination of Perceptionand Community response (A case study of the mini Oil Refinery in Asinget village Osukuru Sub-County, Tororo district, Uganda). 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. Thanks for your cooperation.

SECTION A: DEMOGRAPHIC DATA

Please tick in the column below the specified variable.

1	Age	20-30	31-40	41-50	50 Above	
2	Gender	Male	Female			
3	Marital Status	Married	Single	Divorced	Widowed	
4	Level of Education	Masters	Bachelors	Diploma	Certificate	Unschoolled

6. Period of stay in Asinget village Osukuru Sub County

(i) 0-5 years

(ii) 5-10 years

(iii) 10-15 years

(iv) 15 years above

Instructions from question 7-28, please tick the number that best indicates your opinion on the questions using the scale.

Scale	1	2	3	4	5
	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree

SECTION B: Local Resident Perception to Oil Refinery Activities.

		1	2	3	4	5
7	Oil Refinery owners listened to our as a community.					
8	The residents will be helped on how to utilize the compensation got from the land sold.					
9	The mini oil refinery will create more jobs around Asinget					
10	The value of land in the county will increase.					
11	The oil refinery project construction will destroy the wet lands and swamps changing the water table.					

SECTION C: Social Economic Effects on the Oil Refinery Activities.

		1	2	3	4	5
11	The residents will have employment opportunities.					
12	The mini oil refinery waste will affect people's health.					
13	There will be price increase of commodities once Oil Refinery project begins.					
14	The refinery will lead to improvement in incomes of the communities.					
15	There will be increased number of migrate around the refinery.					
16	There will be conflicts.					
17	There will be trade and business boost in Asinget.					

SECTION D: Community Involvement in the Oil Refinery Project.

		1	2	3	4	5
19	Residents freely access the Refinery Officials for consultation on Oil matters and operations.					
20	Communities were informed about the mini oil refinery initial surveys before the exercise started.					
21	Refinery officials set up programs aimed at sensitizing the public about oil exploration data collection and other related information.					
10	There was documentation of oil refinery process and the community was involved at all levels.					