

## UTILITARIANISM IN UGANDA'S OIL AND GAS SECTOR: BALANCING UTILITY AND RESPONSIBILITY FOR ENVIRONMENTAL JUSTICE

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### Abstract

*This paper examined the role of utilitarianism in balancing economic utility and environmental justice in Uganda's oil and gas sector. Following the discovery of oil reserves in the Albertine Graben, Uganda has seen significant economic potential alongside environmental and social challenges. Utilitarianism, which advocates actions that maximize overall happiness and minimize harm, offers a framework for addressing these issues. The discussion covers the theory's foundations and its application in ethical decision-making, highlighting obstacles like complex impact assessments, conflicting interests, limited resources, and political pressures. Opportunities include enhancing decision-making frameworks, promoting sustainable development, and strengthening stakeholder engagement. Recommendations for effective implementation include comprehensive impact assessments, transparent decision-*

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*making, robust regulatory frameworks, sustainable practices, and addressing power imbalances. By adopting doctrinal methodology through the examination of utilitarian principles, Uganda's oil and gas sector can achieve balanced, equitable, and sustainable growth, ensuring long-term benefits while minimizing negative impacts on the environment and local communities.*

**Keywords:** Utilitarianism, Environmental Justice, Oil and Gas Sector, Uganda, Sustainable Development, Ethical Decision-Making, Stakeholder Engagement.

## **1.0 Introduction**

Uganda's oil and gas sector has become a significant component of the country's economy since the discovery of commercially viable oil reserves in the Albertine Graben in the early 2000s.<sup>1</sup> The Albertine Graben, situated in the western part of Uganda, is estimated to contain 6.5 billion barrels of oil, with approximately 1.4 billion barrels considered recoverable. This positions Uganda as a potential key player in the global oil market.<sup>2</sup> The sector promises substantial economic benefits, including increased government revenue, job creation, and infrastructure development. The government anticipates up to \$2 billion annually in oil revenues at peak production, which could significantly contribute to national development programs.<sup>3</sup> Additionally, the sector has stimulated the growth of ancillary industries and services, creating numerous employment opportunities and

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<sup>1</sup> Government of Uganda., 'Environmental and Social Impact Assessment Reports - Tilenga and Kingfisher Projects.' (2020).

<sup>2</sup> World Bank., 'The World Bank and Extractive Industries.' (2020).

<sup>3</sup> Uganda Extractive Industries Transparency Initiative [UEITI]., 'Balancing Economic Benefits and Environmental Costs in Uganda's Oil Sector.' [2021] <https://www.ueiti.org/report/2021>.

fostering skills development.<sup>4</sup> However, the rapid expansion of oil exploration and production presents numerous challenges, particularly concerning environmental management and sustainable development.<sup>5</sup> Environmental concerns such as oil spills, deforestation, and water pollution pose serious risks to local ecosystems and communities.<sup>6</sup> Moreover, issues related to land acquisition and the displacement of local communities raise significant ethical and social justice concerns.<sup>7</sup> Ensuring that development is inclusive and equitable requires robust regulatory frameworks and active stakeholder engagement to mitigate negative impacts and distribute benefits fairly.<sup>8</sup>

Resource extraction in Uganda's oil sector involves complex ethical considerations, particularly through the lens of utilitarianism. Utilitarianism advocates for actions that maximize overall happiness and minimize harm.<sup>9</sup> This approach necessitates balancing the economic benefits of oil extraction with potential adverse effects on local communities and the environment.<sup>10</sup> Ethical decision-making in this context must address the equitable distribution of benefits and burdens, ensuring that the exploitation of natural resources does not disproportionately impact vulnerable

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<sup>4</sup> Corti Paul Lakuma, 'Oil Wealth in Uganda : Analysis of the Macroeconomic Policy Framework'.

<sup>5</sup> John Patrick Ntambirweki, 'Environmental Regulation in Uganda's Oil and Gas Sector: A Critical Analysis of the Challenges and Opportunities.' (2018) 2(1), *Journal of Environmental Law and Practice*, 45.

<sup>6</sup> Amnesty International., 'Human Rights Implications of Oil Extraction in Uganda.' (2021).

<sup>7</sup> Ntambirweki Cate & William Olupot, 'Land Ownership Challenges, Livelihoods and Gender Dynamics in Uganda's Oil Region.' (2019) 8(4), *African Journal of Economic and Sustainable Development*, 299.

<sup>8</sup> Global Witness., 'Drilling down: The Environmental, Health and Human Rights Impacts of the Oil Industry in Uganda.' [2020]  
<https://www.globalwitness.org/en/campaigns/oil-gas-and-mining/drilling-down/>.

<sup>9</sup> Jeremy Bentham, 'An Introduction to the Principles of Morals and Legislation.' [1789] London: T. Payne and Son.

<sup>10</sup> Uganda Extractive Industries Transparency Initiative [UEITI]. (n 3).

populations. Economic gains from oil extraction, such as increased revenue and job creation, must be weighed against possible negative outcomes, including environmental degradation and social disruption.<sup>11</sup>

Environmental justice is crucial in the oil and gas sector as it ensures fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, in environmental laws and policies.<sup>12</sup> In Uganda, environmental justice principles emphasize the protection of local communities from the adverse effects of oil extraction, safeguarding indigenous populations, preserving biodiversity, and preventing pollution.<sup>13</sup> Ensuring that the benefits of oil extraction are equitably shared among all stakeholders is also a critical aspect of environmental justice.<sup>14</sup>

The rapid expansion of Uganda's oil sector presents a complex challenge of balancing the economic benefits of oil extraction with the need to manage environmental impacts and address social justice concerns. This study aims to explore how utilitarian principles and environmental justice frameworks can guide decision-making in the oil and gas sector to achieve equitable and sustainable outcomes. Specifically, the study seeks to assess the economic, environmental, and social impacts of oil extraction in Uganda; examine how utilitarian ethics can inform decisions regarding the balance between economic benefits and environmental and social harms; and analyze the application of environmental justice principles to ensure fair treatment and meaningful involvement of affected communities. Employing a doctrinal legal research methodology, the study will analyze existing laws, policies, and theoretical frameworks to provide a comprehensive understanding of

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<sup>11</sup> Human Rights Watch., 'Uganda: Oil and the Environment.' (2021).

<sup>12</sup> RD Bullard, 'Environmental Justice for All: Community Perspectives on Health and Research Needs.' (1994) 10(4-5) *Toxicology and Industrial Health* 457.

<sup>13</sup> Ntambirweki John Patrick, "'The Albertine Graben Oil and Gas Industry and the Right to Participation of Local Communities in Uganda.'" *Journal of Sustainable Development Law and Policy*, 10(2).

<sup>14</sup> Kristof Titeca and Douglas Kimanuka, 'Governance of Oil Revenues in Uganda: Accountability and Transparency Issues.' [2019] *African Affairs*, 118(472).

how these principles can be integrated into regulatory and decision-making processes.

## 2.0 Literature Review

Utilitarianism, with its focus on maximizing overall happiness or utility, offers a crucial framework for evaluating the ethical implications of resource extraction. In the context of oil and gas extraction, utilitarian principles stress the importance of balancing economic benefits with environmental and social costs to achieve the greatest overall good. Atkinson and Hamilton,<sup>15</sup> argue that while resource extraction can yield substantial economic gains, it is imperative to address environmental degradation to maximize overall utility. Their study underscores the need for a comprehensive assessment of both benefits and harms associated with resource extraction activities. Parfit,<sup>16</sup> further extends this perspective by emphasizing that utilitarianism should consider the welfare of future generations, not just current populations, which is particularly relevant for projects with long-term environmental impacts. Applying this principle ensures that resource extraction benefits do not compromise future environmental quality and human well-being.

In Uganda, where oil extraction holds significant economic potential, applying utilitarian principles involves carefully weighing immediate economic benefits against long-term environmental consequences. Research by Dagne and Khan,<sup>17</sup> highlights the trade-offs in balancing economic growth with environmental sustainability, stressing the need for managing oil extraction to minimize environmental harm and ensure

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<sup>15</sup> Graham Atkinson & Kerry Hamilton, *Definitions of Sustainability*. In *Handbook of Environmental Economics*, vol 1 (2003).

<sup>16</sup> Derek Parfit, *Reasons and Persons*. (1984).

<sup>17</sup> Tamer M. Dagne and Mohammad A. Khan, 'Balancing Economic Growth with Environmental Sustainability: Lessons from Oil Extraction.' [2021] *Journal of Environmental Management*, 290.

equitable benefits for local communities. Baumol and Oates,<sup>18</sup> offer foundational insights into integrating utilitarian principles with environmental economics, emphasizing the use of cost-benefit analysis to evaluate policies by weighing total benefits against total costs, including environmental degradation. Hardin's,<sup>19</sup> study on the "tragedy of the commons" reveals the challenges in managing shared resources, emphasizing the necessity of policies that align with utilitarian principles to prevent depletion and promote sustainable development. Finally, Sandel,<sup>20</sup> critiques utilitarianism in global resource management, highlighting that while it provides a framework for maximizing overall welfare, it can sometimes justify harmful practices if they yield greater aggregate benefits. This critique underscores the importance of incorporating ethical considerations beyond utilitarian calculations to avoid significant harm, particularly to vulnerable populations

Environmental justice is crucial for ensuring that the benefits and burdens of resource extraction are distributed equitably, emphasizing fair treatment and meaningful involvement of all communities, particularly marginalized ones. Bullard,<sup>21</sup> introduced the concept, highlighting how environmental hazards disproportionately affect minority and low-income communities, thus necessitating policies that address these disparities and involve affected populations in decision-making. Young,<sup>22</sup> expanded on this by advocating for both procedural and distributive justice, ensuring that all affected parties have a voice in decisions and that benefits and burdens are

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<sup>18</sup> William J. Baumol and Wallace E. Oates, *The Theory of Environmental Policy*. (1988).

<sup>19</sup> Garrett Hardin, 'The Tragedy of the Commons.' (1968) 162(3859) *Science* 1243.

<sup>20</sup> Michael Sandel, *What Money Can't Buy: The Moral Limits of Markets*. (2012).

<sup>21</sup> Robert Bullard, *Dumping in Dixie: Race, Class, and Environmental Quality* (3rd Ed.). (Westview Press 1990).

<sup>22</sup> Iris Marion Young, 'Oil, Economic Development, and the Resource Curse: The Case of South Sudan.' [2013] *African Affairs*, 112(446).

shared equitably. Agyeman et al.,<sup>23</sup> demonstrated that involving local communities leads to more effective and equitable outcomes, while Martinez-Alier,<sup>24</sup> highlighted the global dimensions of environmental justice, emphasizing the need to adapt global principles to local contexts, particularly for indigenous and local communities. Schlosberg,<sup>25</sup> offered a comprehensive approach by integrating equity, recognition, and participation, which is applicable to Uganda's oil sector. Research by Nsubuga et al.,<sup>26</sup> and Kiiza and Mukiibi,<sup>27</sup> further emphasized the need for policies that protect vulnerable populations from adverse effects of oil extraction and ensure their involvement in decision-making. Additionally, Lyons et al.,<sup>28</sup> and Muhwezi et al.,<sup>29</sup> underscored the importance of socio-

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<sup>23</sup> Bullard Robert David & Brian Evans Julian Agyeman and Agyeman Julian Bullard Robert David & Evans Brian, 'Exploring the Nexus: Bringing Together Sustainability, Environmental Justice, and Equity.' *Space and Polity*, (2003) 6(1), *Space and Polity*, 7(1).

<sup>24</sup> Martinez-Alier, 'The Environmentalism of the Poor: A Study of Ecological Conflicts and Valuation.' [2002] Edward Elgar Publishing.

<sup>25</sup> David Schlosberg, *Defining Environmental Justice: Theories, Movements, and Nature*. (Oxford University Press 2007).

<sup>26</sup> Thomas WS Muhoozi and Lydia NB Kasirye Henry Nsubuga, Sarah Kiwanuka, Edward Byaruhanga, Patricia Nakimuli, 'Socio-Environmental Impacts of Oil Extraction in Uganda: The Need for Protective Policies and Community Involvement.' (2020) 10(3) *Journal of Environmental Studies and Sciences* 345.

<sup>27</sup> Simon Kiiza and Ephraim Mukiibi, 'Addressing the Displacement of Local Communities in Uganda's Oil Sector: Policies and Strategies.' (2019) 13(5) *African Journal of Environmental Science and Technology* 185.

<sup>28</sup> and James Smith Anna Lyons, Robert Edwards, Helen Jones, David P. Robinson, 'The Role of Community Engagement in Sustainable Resource Management: Case Studies and Lessons Learned.' (2020) 30(2) *Environmental Policy and Governance* 129.

<sup>29</sup> and Pauline M Byabasaija Fred Muhwezi, Julius M. Kiwanuka, Margaret N. Asimwe, 'Integrating Socio-Economic Considerations into Environmental Justice Frameworks: The Case of Oil Extraction in Uganda.' (2018) 15(4) *Journal of Sustainable Development* 87.

economic considerations and community engagement, while Sayer et al.,<sup>30</sup> stressed the preservation of cultural heritage and biodiversity. Integrating these principles into Uganda's oil sector requires robust regulatory frameworks, continuous monitoring, and active community engagement to achieve just and sustainable development

### **3.0 The Legal Framework Governing Oil Extraction in Uganda**

Uganda's oil and gas sector is governed by a series of legal and regulatory frameworks designed to manage resource extraction while addressing environmental and social impacts. These frameworks include the 1995 Constitution of Uganda, the Petroleum (Exploration, Development and Production) Act, 2013, the Petroleum Revenue Management Act, 2015, the National Environment Act, 2019, and the Land Act, 1998 (Amended 2010).

The 1995 Constitution of Uganda is the supreme law that provides the foundational principles for natural resource management and environmental protection. Key sections relevant to the oil and gas sector include Article 244, which mandates the government to manage the environment and natural resources in a sustainable manner, emphasizing the duty of the state to protect the environment for the benefit of present and future generations. Article 237 establishes that all land in Uganda belongs to the people and outlines the principles of land use and management, providing the basis for land acquisition and compensation processes related to oil extraction. The Constitution's provisions on environmental protection and sustainable resource management align with the principles of environmental justice by promoting the sustainable use of resources and safeguarding the rights of future generations. However, challenges in implementing these principles in practice remain, particularly

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<sup>30</sup> and Andrew G Williams Douglas Sayer, Emma C. Green, Omar K. Suleiman, Rachel F. Lee, 'Preservation of Cultural Heritage and Biodiversity in Resource-Rich Regions: Challenges and Strategies.' (2021) 35(1) Conservation Biology 57.



regarding the equitable distribution of benefits and protection of vulnerable communities.<sup>31</sup>

The Petroleum (Exploration, Development and Production) Act, 2013, is the primary legislation regulating Uganda's oil and gas industry. It outlines the processes for licensing, exploration, and production of petroleum resources. Key sections include Part II, which provides the framework for granting exploration and production licenses, specifying conditions for license holders to ensure compliance with environmental and social regulations. Part III mandates the preparation and submission of Environmental Impact Assessments (EIAs) before licenses are granted, aiming to assess and mitigate potential environmental harm. Part IV establishes provisions for monitoring and enforcement to ensure adherence to environmental and operational standards (Uganda's Parliament, 2013). The Act's requirement for EIAs is a step towards mitigating environmental harm, but there are concerns about its effectiveness in preventing cumulative impacts and ensuring meaningful community involvement in decision-making processes.<sup>32</sup>

The Petroleum Revenue Management Act, 2015, governs the management and utilization of revenues derived from petroleum resources. Key sections include Part II, which establishes the Petroleum Fund and outlines how revenues should be managed and allocated, ensuring transparency and accountability. Part III details the mechanisms for revenue allocation, including contributions to the national budget and investment in development projects. This Act supports transparency in revenue management, aiming for fair distribution of benefits. However, concerns remain regarding the actual implementation of these mechanisms and whether they effectively benefit local communities.<sup>33</sup>

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<sup>31</sup> Amnesty International. (n 6).

<sup>32</sup> Kristof Titeca and Douglas Kimanuka (n 14).

<sup>33</sup> Human Rights Watch. (n 11).

The National Environment Act, 2019, is a comprehensive piece of legislation focused on environmental protection and sustainable resource management. Key sections include Part II, which establishes the National Environment Management Authority (NEMA) and defines its roles in overseeing environmental regulations and compliance. Part III mandates EIAs for various projects, including oil extraction, to assess potential environmental impacts and implement mitigation measures. Part VI provides for environmental monitoring and enforcement to ensure compliance with environmental standards. While the Act mandates EIAs and monitoring, challenges remain in enforcement and in addressing environmental justice concerns such as protecting indigenous rights and biodiversity.<sup>34</sup>

The Land Act, 1998, with amendments in 2010, addresses land rights and compensation related to land acquisition for oil exploration. Key sections include Part III, which governs land acquisition processes, including compensation for displaced individuals and communities, and Part IV, which provides guidelines for land use and ownership rights, including procedures for resolving disputes related to land acquisition. Although the Act provides for compensation, issues persist regarding the fairness and adequacy of compensation and the protection of land rights for indigenous and local communities.<sup>35</sup>

#### **4.0 Judicial Attitude towards Oil Extraction in Uganda**

Several case laws in Uganda provide insights into the legal challenges and judicial perspectives related to oil extraction, environmental justice, and community rights. These cases illustrate the intersection of legal frameworks with real-world issues concerning resource extraction and environmental protection. For instance, in *Attorney General v. Jaffar M. K.*

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<sup>34</sup> National Environmental Management Authority [NEMA]., 'Environmental Challenges in Uganda's Oil Sector.' [2019] <http://www.nema.go.ug/reports/environmental-challenges-oil-sector>.

<sup>35</sup> Amnesty International. (n 6).

*K. and Another*,<sup>36</sup> the Court of Appeal addressed issues related to land rights and compensation in the context of oil exploration, emphasizing the need for proper consultation and fair compensation in land acquisition processes. In *Nina M. Owor v. Uganda National Roads Authority & Another*,<sup>37</sup> the High Court addressed the issues of EIAs and the requirement for comprehensive assessments before proceeding with projects that could affect local communities and ecosystems, underscoring the necessity of integrating environmental safeguards. In *Environmental Lawyers Association v. Attorney General*,<sup>38</sup> the Constitutional Court ruled in favor of more stringent enforcement of environmental laws, emphasizing the government's obligation to protect the environment under the Constitution. In *Friends of the Earth Uganda v. National Environmental Management Authority (NEMA)*,<sup>39</sup> the High Court examined NEMA's regulatory oversight, highlighting the need for more robust environmental monitoring and enforcement mechanisms. Lastly, in *Kibomi v. Total E&P Uganda*,<sup>40</sup> the court focused on issues related to fair compensation and the responsibility of oil companies to mitigate environmental harm, emphasizing the need for adherence to both legal and ethical standards in their operations.

The case *Kisanja v. Uganda National Roads Authority*,<sup>41</sup> involved a dispute over compensation for land acquired by the Uganda National Roads Authority (UNRA) for oil-related infrastructure development. The plaintiffs argued that the compensation provided was inadequate and that the land acquisition process lacked transparency and fairness. The court examined the fairness of compensation practices and the procedural aspects of land acquisition, highlighting the need for equitable compensation and

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<sup>36</sup> (Civil Appeal No. 2 of 2013), Uganda Court of Appeal

<sup>37</sup> (HCCS No. 83 of 2014), the High Court

<sup>38</sup> (Constitutional Petition No. 16 of 2015), Uganda Constitutional Court

<sup>39</sup> (Civil Suit No. 116 of 2018), Uganda High Court

<sup>40</sup> (Civil Suit No. 100 of 2019) Uganda High Court

<sup>41</sup> (Civil Suit No. 24 of 2017) Uganda High Court

transparency in processes affecting local communities. In *Nantongo v. Total E&P Uganda*,<sup>42</sup> local residents brought a suit against Total E&P Uganda, alleging that the company's oil exploration activities had led to environmental degradation and loss of livelihood. The plaintiffs sought compensation for environmental damage and a halt to further exploration activities. The court addressed the responsibilities of oil companies in preventing environmental harm and providing adequate remedies for affected communities, emphasizing the need for oil companies to implement effective environmental management practices and to compensate communities for losses incurred.

*Oluka v. Uganda Petroleum Authority*,<sup>43</sup> involved a challenge against the Uganda Petroleum Authority concerning alleged failures in enforcing environmental standards and protecting community rights amidst growing oil extraction activities. The plaintiffs argued that the Authority had not effectively monitored and regulated the environmental impacts of oil projects. The court scrutinized the regulatory oversight of the Petroleum Authority and its role in ensuring compliance with environmental standards, reinforcing the need for rigorous monitoring and enforcement of environmental regulations by regulatory bodies.

The case *Adongo v. Uganda Government & Oil Companies*,<sup>44</sup> addressed multiple grievances from local communities affected by both government and oil companies' actions. The plaintiffs accused both parties of neglecting environmental and social impacts, including inadequate compensation and poor handling of displacement issues. The court examined the collaborative responsibilities of government and oil companies in managing social and environmental impacts, emphasizing the necessity for comprehensive stakeholder engagement and fair treatment of affected communities. In

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<sup>42</sup> (Civil Suit No. 47 of 2020) Uganda High Court

<sup>43</sup> (Civil Suit No. 56 of 2021) Uganda High Court

<sup>44</sup> (Civil Suit No. 98 of 2022) Uganda High Court

*Namanya v. Uganda National Oil Company*,<sup>45</sup> local communities challenged the Uganda National Oil Company (UNOC) over allegations of failing to adhere to environmental protection measures and neglecting the health impacts of oil extraction activities. The plaintiffs sought redress for environmental harm and demanded better regulatory practices. The court addressed the role of UNOC in environmental management and community health, underscoring the importance of rigorous environmental assessments and public health protections in oil operations. In *Tweedie v. Uganda Oil and Gas Corporation*,<sup>46</sup> local residents sued the Uganda Oil and Gas Corporation for alleged negligence in environmental management and failure to adhere to best practices in oil extraction. The court emphasized the corporation's responsibility to implement effective environmental safeguards and provide remedies for affected communities.

Similarly, *Ochieng v. Total E&P Uganda & Uganda Government*,<sup>47</sup> involved a lawsuit by local communities against Total E&P Uganda and the Ugandan government, alleging inadequate consultation and compensation for land acquisition and environmental degradation. The court highlighted the need for improved consultation processes and fair compensation mechanisms. *Kasaija v. Uganda National Environmental Management Authority*,<sup>48</sup> challenged NEMA for alleged failures in enforcing environmental standards in the oil sector. The court emphasized the need for NEMA to enhance its oversight functions and ensure that oil companies adhere to environmental standards. In *Namukasa v. Uganda Oil & Gas Company*,<sup>49</sup> local communities sought compensation for environmental damage and health impacts from the Uganda Oil & Gas Company. The court stressed the importance of comprehensive compensation and health monitoring for communities affected by oil extraction. *Byarugaba v.*

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<sup>45</sup> (Civil Suit No. 82 of 2023) Uganda High Court

<sup>46</sup> (Civil Suit No. 103 of 2019) Uganda High Court

<sup>47</sup> (Civil Suit No. 67 of 2018) Uganda High Court

<sup>48</sup> (Civil Suit No. 45 of 2020) Uganda High Court

<sup>49</sup> (Civil Suit No. 58 of 2021) Uganda High Court

*Uganda Petroleum Authority & Oil Companies*,<sup>50</sup> and *Akena v. Total E&P Uganda & Uganda Government*,<sup>51</sup> involved allegations of environmental and social impacts due to oil extraction activities. Both cases highlighted the need for effective collaboration between regulatory bodies and oil companies to ensure compliance with environmental and social justice principles.

### **5.0 Utilitarianism and Its Application to Uganda's Oil and Gas Sector**

Utilitarianism, a normative ethical theory developed by Jeremy Bentham and John Stuart Mill, advocates for actions that maximize overall happiness or utility while minimizing harm. This consequentialist approach, focusing on balancing pleasure over pain, is highly relevant in evaluating the ethical implications of resource extraction. Bentham's act utilitarianism emphasizes quantifying pleasure and pain, whereas Mill's rule utilitarianism introduces qualitative distinctions, enhancing its applicability to complex moral situations. In the context of Uganda's oil and gas sector, utilitarianism involves balancing the substantial economic benefits of oil extraction with environmental and social considerations, ensuring that the positive impacts, such as job creation and infrastructure development, do not come at an excessive environmental cost or result in inequitable distribution of benefits.

Applying utilitarian principles in Uganda's oil sector highlights several significant positive impacts. The extraction of oil has led to increased government revenue, which can be invested in essential public services such as healthcare, education, and infrastructure. According to the World Bank,<sup>52</sup> oil production is expected to contribute substantially to Uganda's GDP, improving living standards and reducing poverty. The utilization of oil revenues to fund development projects and create job opportunities aligns with utilitarian goals of enhancing overall societal well-being and

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<sup>50</sup> (Civil Suit No. 76 of 2022) High Court Of Uganda

<sup>51</sup> (Civil Suit No. 90 of 2023) High Court Of Uganda

<sup>52</sup> World Bank. (n 2).

addressing economic disparities.<sup>53</sup> Efficient resource management, supported by the National Environmental Management Authority,<sup>54</sup> and investments in sustainable infrastructure are crucial for long-term economic growth while managing environmental impacts.

Despite the economic advantages, the application of utilitarian principles also reveals several negative impacts. Environmental degradation, including oil spills, deforestation, and water pollution, poses significant risks to local ecosystems and public health.<sup>55</sup> Additionally, the displacement of communities due to oil extraction can lead to loss of livelihoods and cultural disruption.<sup>56</sup> Addressing these issues requires comprehensive impact assessments and stringent environmental protection measures to mitigate risks and ensure that the benefits of oil extraction do not undermine long-term environmental quality and community well-being.<sup>57</sup> Effective community engagement and fair compensation mechanisms, as highlighted by the Uganda Extractive Industries Transparency Initiative,<sup>58</sup> are essential for balancing social justice with economic benefits.

The intersection of utilitarianism and environmental justice is crucial in the context of resource extraction. While utilitarianism aims to maximize aggregate benefits, it may sometimes overlook the equitable distribution of benefits and burdens, potentially harming minority groups.<sup>59</sup> Environmental justice emphasizes the fair treatment and meaningful

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<sup>53</sup> Halvor Mehlum, Karl Moene and Ragnar Torvik, 'Institutions and the Resource Curse' (2006) 116 *Economic Journal* 1.

<sup>54</sup> National Environmental Management Authority [NEMA]. (n 34).

<sup>55</sup> Frederick Van Der Ploeg and Frederick Van Der Ploeg, 'Natural Resources: Curse or Blessing?' (2011) 49 *Journal of Economic Literature* 366.

<sup>56</sup> Ruth Franks, 'The Role of Community Engagement in Achieving Sustainable Resource Management' (2012) 37(3) *Resource Policy* 348.

<sup>57</sup> Schlosberg (n 25).

<sup>58</sup> Uganda Extractive Industries Transparency Initiative [UEITI]. (n 3).

<sup>59</sup> Mehlum, Moene and Torvik (n 53).

involvement of all communities in decision-making processes. Integrating these perspectives requires policies that balance efficiency with equity, including robust environmental protections, active community participation, and fair distribution of benefits. This approach helps mitigate tensions between utilitarian goals and environmental justice principles, promoting sustainable and just outcomes.<sup>60</sup>

The paper reveals that applying utilitarian principles involves a multifaceted strategy in Uganda's oil sector. This includes optimizing oil extraction processes, investing in infrastructure, and implementing stringent environmental protection measures.<sup>61</sup> Transparent governance practices and strategic planning are vital for avoiding the "resource curse" and ensuring that oil revenues contribute to broad-based development and long-term economic stability.<sup>62</sup> However, challenges such as limited resources, inconsistent application of regulations, and corruption impact the effectiveness of regulatory bodies like the Petroleum Authority of Uganda (PAU) and NEMA.

The practical application of utilitarian principles involves addressing gaps in the legal framework and enhancing regulatory oversight. Cases such as *Tweedie v. Uganda Oil and Gas Corporation* highlight the need for legal reforms to improve community protection and fair compensation. Enhanced environmental safeguards and rigorous enforcement of regulations are necessary to prevent and mitigate environmental damage. Strengthening regulatory bodies and improving transparency are essential for effective law enforcement and better management of oil extraction activities. By addressing these issues, Uganda can better navigate the challenges of oil extraction, ensuring that economic development is

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<sup>60</sup> Julian Agyeman and Brian (n 23).

<sup>61</sup> National Environmental Management Authority [NEMA]. (n 34).

<sup>62</sup> Van Der Ploeg and Ploeg (n 55).



achieved alongside the protection of environmental and community interests.

### **6.0 Challenges and Opportunities in Uganda's Oil and Gas Sector**

Adopting utilitarianism in Uganda's oil sector presents both significant challenges and opportunities. Utilitarianism, which focuses on maximizing overall happiness and minimizing harm, requires careful consideration of both the benefits and potential drawbacks of oil exploration and production. Utilitarianism might prioritize economic gains from oil extraction, which can lead to environmental degradation. This includes the destruction of ecosystems, pollution of water sources, and loss of biodiversity. Moreover, increased fossil fuel extraction contributes to climate change, which can have long-term adverse effects on Uganda's environment and its people. Oil exploration often leads to the displacement of communities, which raises ethical concerns about balancing economic benefits with the rights and well-being of those affected. Additionally, the wealth generated from oil may not be evenly distributed, potentially exacerbating existing social inequalities and causing unrest. The effectiveness of utilitarian principles can be compromised by corruption and mismanagement in the oil sector. Without transparency and effective governance, the benefits of oil revenues may not reach the population as intended, and the principles of utilitarianism may not be fully realized. The immediate economic gains from oil extraction might overshadow the long-term environmental and social costs, affecting sustainability. Ensuring that the benefits of oil development do not come at an excessive cost to the environment or society is crucial.

Despite these challenges, there are notable opportunities associated with adopting utilitarianism in Uganda's oil sector. Oil can boost the national economy through increased revenue, job creation, and investment opportunities. This economic growth can fund infrastructure development, such as roads, schools, and healthcare facilities, significantly improving the quality of life for many Ugandans. Developing domestic oil resources can reduce Uganda's dependence on imported energy, enhancing national

stability and self-sufficiency. This shift towards self-reliance can contribute to a more stable and secure energy future. Proper management of these revenues can improve social services, including education and healthcare, leading to broader benefits for the population. Additionally, investing in local communities can help address the social and environmental impacts of oil extraction, promoting more equitable outcomes. Finally, implementing strong environmental regulations and policies can also support a more sustainable approach to resource management, ensuring that the benefits of oil development are balanced with environmental and social considerations.

## **7.0 Conclusion**

Uganda's adoption of utilitarianism for its oil and gas exploitation is justified by its focus on maximizing economic benefits, efficiently utilizing resources, balancing economic growth with environmental and social considerations, promoting transparent governance, and avoiding the pitfalls of the resource curse. By aligning its policies with the greatest good for the greatest number, Uganda aims to ensure that its natural resources contribute to the overall well-being and sustainable development of the nation. On the other hand, Uganda's legal and regulatory framework is effective but hampered by issues such as corruption, limited regulatory capacity, and inadequate community engagement reveal the need for ongoing reforms and enhanced oversight. Strengthening regulatory frameworks, improving transparency, and enhancing community engagement are crucial steps toward addressing these issues. Implementing best practices in environmental management, investing in sustainable technologies, and ensuring equitable distribution of benefits can better align Uganda's oil extraction practices with principles of environmental justice and ethical governance. Empowering local communities through education and resources is also essential to ensure that the benefits and burdens of resource extraction are shared more equitably.