Oil Discoveries and Political Windfalls: 
Evidence on Presidential Support in Uganda

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Abstract

It is widely believed that oil discoveries cause bad governance and conflict. However, research on the political resource curse argues that oil often increases support for incumbent chief executives while the conflict curse literature suggests it erodes it, especially when discovered in opposition areas. We draw on research on distributive politics to theorize how the effects of oil on incumbent support will vary depending on whether it is discovered in core, swing, or opposition constituencies. Our findings, based on electoral and survey data from Uganda and a difference-in-differences design with heterogeneous effects, show that differential voter responsiveness to targeted oil benefits increased support for the incumbent when oil is discovered in swing constituencies. Ultimately, we highlight how the local political context shapes the effect of oil on the strength of support for the incumbent chief executive, with important implications for understanding the roots of both the political and conflict curses.

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1 Introduction

Recently, a number of oil and gas explorations culminated in dramatic discoveries in several East African countries. In Tanzania, deep offshore explorations have led to the discovery of at least 45 trillion cubic feet of natural gas;\(^1\) in Kenya, a 2012 oil discovery in the Turkana region resulted in the country’s first crude exports in 2019;\(^2\) Rwanda and Mozambique have recently discovered commercial quantities of natural gas and are actively exploring for oil reserves;\(^3\) and in 2019, significant new discoveries were made in South Sudan.\(^4\)

Discoveries of oil and natural gas raise important questions about how new resource endowments impact political and economic development, especially in low-income countries. While resource wealth has the potential to benefit these countries, all too often it leads to undesirable outcomes. A vast literature on the ‘political’ resource curse shows that resource windfalls often strengthen autocratic rule (Beblawi and Luciani, 1987; Ross, 2001), weakens accountability in democracies (Aslaksen, 2010; Ramsay, 2011; Paler, 2013; Brollo et al., 2013), and increases corruption and patronage (Robinson, Torvik and Verdier, 2006). Research on the ‘conflict’ curse emphasizes how natural resource wealth increases the likelihood or duration of separatist or center-seeking civil war by igniting societal grievances, providing the material incentives or means to engage in violent rebellion, and inducing the emergence of political challengers (Humphreys, 2005).\(^5\)

Importantly, past work on the political and conflict resource curses suggest that oil has

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\(^1\)“Oil and gas discoveries place Tanzania within the crosshairs of parasitic imperialism,” Uhuru News, April 8, 2014.

\(^2\)“Kenya’s first crude oil export sparks demands over revenue sharing,” Reuters, August 26, 2019.


\(^4\)“South Sudan Discovers New 300 Million Barrels of Oil,” Chimp Reports, August 21, 2019.

\(^5\)For a review of both the political and conflict curse literatures, see Ross (2013).
contradictory effects on public support for incumbent leaders. On one hand, natural resources can strengthen incumbent support by allowing leaders to avoid taxation or increase spending on goods and services, as often claimed in research on the political resource curse. On the other hand, according to the conflict curse literature, these resources can deepen popular resentment against incumbent leaders and mobilize rebellion. This paper aims to help reconcile these divergent predictions by examining how the local political context conditions the effect of an oil discovery on popular support for the incumbent chief executive. Specifically, we draw on research on distributive politics to argue that whether oil increases or decreases incumbent support depends on whether it is discovered in historically core, swing, or opposition constituencies for the chief executive.

We expect that oil will result in a significant increase in popular support for the incumbent chief executive but primarily when it is discovered in historically swing constituencies. This follows from the logic of theories of distributive politics, which argue that voters in core, swing, and opposition areas differentially reward candidates for targeted benefits, which in turn creates incentives for candidates to target benefits to voters or constituencies that will deliver the biggest political gains most affordably (Cox and McCubbins, 1986; Lindbeck and Weibull, 1987; Dixit and Londregan, 1996, for a review see Stokes et al., 2013). In the wake of an oil discovery, incumbents face similar incentives to target a greater share of the benefits not only to oil (over non-oil) localities but also, in some cases, among oil constituencies for political purposes. We argue that either approach to targeting oil benefits will yield large gains in swing areas but limited or uncertain gains in core and opposition localities.

We test these predictions in Uganda, where oil in commercial quantities was first discovered in 2006 in the Albertine Graben region. Uganda is a relevant and timely case. As a low-income country with relatively weak state capacity, weak electoral institutions, and a history of civil conflict, Uganda is at risk of an emergent resource curse. Additionally, as in many African countries, Uganda has a long-time incumbent chief executive in President Yoweri Museveni, who has used his executive authority to assert control over the nascent
oil sector. While Uganda’s brand of politics can best be classified as electoral authoritari-
anism, there is still meaningful political competition and an active opposition. Moreover, of
particularly relevance for our inquiry, oil in Uganda has been discovered in historically core,
swing, and opposition localities, allowing us to examine the heterogeneous effects of an oil
discovery on presidential support using variation within a single country.

In focusing on Uganda, we examine how oil discoveries, rather than oil production and
the delivery of actual benefits funded by oil revenue, affect incumbent support. Our focus
on the discovery period builds on a growing body of research showing that new resource
endowments, by generating expectations of future benefits, shape political outcomes long
before revenues actually start to flow (Humphreys and Sandbu, 2007; Fynas, Wood and
Hinks, 2017; Weszkalnys, 2014; Stølan et al., 2017). Because political gains in the short-run
can have enduring consequences, it is important to understand the discovery period in its
own right. Moreover, as discussed below, the pattern of effects investigated here could persist
once oil revenues arrive.

Another advantage of focusing on oil discoveries (rather than, say, oil production levels)
is that the locations in which oil is found largely depend on geographic conditions and thus
are plausibly exogenous to political factors (Cotet and Tsui, 2013; Lei and Michaels, 2014).
This is central to our empirical strategy, where our goal is to estimate the causal effect of oil
discoveries on incumbent support and how that effect varies by local political context. We
do this by implementing a difference-in-differences design with heterogeneous effects, which
captures the pre-post change in incumbent support in oil versus non-oil core, swing, and
opposition localities. We classify localities as oil or non-oil based on their proximity to dis-
covery locations and examine the trend in incumbent support between the 2006 presidential
elections (held just months prior to the discoveries) and the 2011 elections (held follow-
ing the major discoveries but still prior to production). To investigate both outcomes and
mechanisms, we use a wealth of individual and local-level data, including election returns,
Afrobarometer survey data, responses from an original nationally-representative survey, and
newspaper reports.

We find that the oil discoveries resulted in greater support for President Museveni in oil relative to non-oil constituencies. Consistent with our predictions, the effects of the oil discoveries clearly follow an inverted U-shape when conditioning on historical levels of incumbent support: they had little effect on incumbent support when located in core or opposition areas and a large positive effect when located in swing areas. These results are robust to alternative specifications, ways of defining treatment (oil) and control (non-oil) localities, and different ways of measuring incumbent support. We then present evidence to support our preferred distributive politics mechanism. We show that oil discoveries increased incumbent promises to oil areas; that expectations of future oil benefits are higher among voters in swing oil constituencies; and that oil discoveries resulted in differentially bigger increases in satisfaction with public goods in swing oil relative to core or opposition oil localities. While we do not find bigger increases in actual benefits to swing oil localities, we believe this is consistent with expectations for the discovery period when presidential promises are viewed as credible. We also rule out electoral intimidation as an alternative explanation.

The main contribution of this paper is to show how the local political context can determine whether oil has a positive or negative impact on incumbent support. As such, it helps to reconcile in one theoretical framework the divergent predictions that emerge from research on the political and conflict resource curses, which is critical to advancing these literatures (Paine, 2016; Carreri and Dube, 2017). In short, by drawing on insights from distributive politics, we show that one dimension of heterogeneity can produce outcomes consistent with either the political or conflict resources curses, helping to shed light on the distributive politics mechanisms by which resources might yield divergent outcomes depending on the type of constituency in which they are discovered.

Moreover, in doing so, this paper emphasizes the importance of subnational politics and local context in shaping the outcomes of oil discoveries. This emphasis has been uneven in
research on the political and conflict curses. In research on the conflict curse, a central finding is that civil war is more likely when resources are discovered in historically opposition areas, namely localities inhabited by ethnic minorities or other politically marginalized groups (Asal et al., 2016; Hunziker and Cederman, 2017). While research on the political resource curse has increasingly recognized that resource windfalls can have deleterious consequences for local politics at the subnational level (Brollo et al., 2013), few studies have examined how and why those consequences vary across resource-rich localities. While there are recent exceptions (e.g. Mahdavi, 2015; Bhavnani and Lupu, 2016), we are unaware of any study that has examined heterogeneous effects across core, swing, and opposition constituencies. This is surprising given the emphasis on core and swing constituencies in the distributive politics literature and on opposition constituencies in research on the conflict curse.

Finally, this paper sheds light on a form of strategic targeting that has been relatively overlooked to date. While previous studies have examined how oil discoveries create incentives for political leaders to spend strategically to buy political support or to co-opt or repress the opposition (Robinson, Torvik and Verdier, 2006; Acemoglu, Robinson and Verdier, 2004; Caselli and Cunningham, 2009), few studies have investigated the strategic incentives to engage in differential targeting of oil benefits to geographic constituencies for political gain and the ways in which voters respond. This is despite the fact that deciding how to distribute oil benefits to subnational units is an important, and often contentious, undertaking for almost all countries where resources are discovered (Ahmad and Mottu, 2003). Our study thus deepens understanding of the political consequences of one of the most common forms of distributive politics in resource-rich countries.

2 Theoretical Framework

How do oil discoveries affect support for the incumbent in oil versus non-oil localities, and how do those effects vary depending on a constituency’s historical electoral loyalty to the
chief executive? We integrate research on distributive politics and the resource curse to develop expectations about how oil discoveries in core, swing, and opposition localities will impact electoral support for the incumbent chief executive.

We focus on support for the incumbent chief executive because they hold disproportionate decision-making power over the oil sector and how oil rents are extracted and spent, especially in Africa (Omgba, 2009). Moreover, executive discretion over resource rents is a key mechanism linking resource wealth to democratic breakdown (Jensen and Wantchekon, 2004). Our focus on the chief executive complements other studies that have examined how local politics affect national-level outcomes due to oil, including the incumbency of members of parliament (Mahdavi, 2015) or the electoral success of the political party of the chief executive (Andersen and Aslaksen, 2013). Our inquiry is thus most immediately relevant to countries with presidential systems in which the president controls allocations unilaterally, although our results might also apply to parliamentary systems with single-party government, what Stokes et al. (2013, 131) refer to as governments with ‘single unitary actors’.

In what follows, we propose hypotheses about how an oil discovery will affect support for the incumbent chief executive. The central logic of the argument is that oil creates incentives for incumbents to target more benefits to oil versus non-oil constituencies and, in some cases, to target differentially among oil constituencies in light of differential voter responsiveness in core, swing, and opposition localities. Because we focus on the discovery period, we are examining how voters respond to promises of future benefits rather than to the receipt of actual benefits. This is consistent with the notion that resource discoveries are sufficient to raise voters expectations about benefits and induce incumbents to make promises about benefits (Stølan et al., 2017). Whether or not these patterns persist beyond the discovery period depend on the extent to which promises to core, swing, and opposition localities are credible and actualized once production is underway, as we return to in the Conclusion.
2.1 Oil and the Logic of Distributive Politics

The literature on distributive politics examines how politicians strategically target benefits to voters in order to win elections (see Stokes et al. 2013 and Golden and Min 2013 for reviews). While the original theories examined how parties distribute benefits to core, swing, or opposition voters within districts (Cox and McCubbins, 1986; Lindbeck and Weibull, 1987; Dixit and Londregan, 1996), subsequent studies have expanded this logic to explain targeting by incumbents to core, swing, and opposition constituencies (Cox, 2009; Arulampalam et al., 2008). We follow Stokes et al. (2013) in defining constituencies heavily populated by loyal supporters of the incumbent as ‘core’; by loyal supporters of the opposition as ‘opposition’; and by independent voters—those who are relatively willing to support either the incumbent or challenger—as ‘swing’. It stands to reason that constituencies with many swing voters are politically competitive and have a history of small win margins.

Theories of distributive politics begin with the notion that core, swing, and opposition voters vary in how they respond to targeted benefits, which creates incentives for a vote-maximizing incumbent to target different kinds of voters and constituencies differentially. One of the central findings in the literature is that incumbents will have few incentives to target benefits to core constituencies unless they are concerned about low turnout among loyal supporters or the emergence of potential challengers, or unless the electorate is highly polarized (Nichter, 2008; Cox, 2009). In contrast, incumbents have strong incentives to target swing constituencies where there is a large pool of voters who can relatively ‘affordably’ be persuaded to support the incumbent. In other words, incumbents will predominantly use “largesse to change people’s votes: swing voters, with no prior commitment to one party or another, will be uniquely responsive” (Stokes et al., 2013, 31). Furthermore, incumbents have weak incentives to target opposition constituencies because the support of voters who are antipathetic to the incumbent is too expensive to buy. The empirical evidence supports the expectations that incumbents will sometimes target core constituencies but primarily adopt a swing constituency strategy (see Stokes et al., 2013, 136-151).
The literature on distributive politics yields insights for theorizing how incumbents might strategically use oil discoveries to strengthen their electoral and political power. While oil can relax a government’s budget constraint, it does not eliminate it entirely. Thus, incumbents in oil-rich countries commonly engage in one of two types of strategic targeting of oil benefits—symmetric and asymmetric. As we argue below, the potential to receive benefits under either mode of oil targeting shapes voter expectations and, consequently, their support for the incumbent, even during the discovery period.

First, incumbents in oil-rich countries often target more benefits to oil over non-oil areas. While oil discoveries raise expectations of future benefits for all citizens, these expectations will be higher in areas that are closer to these resources (Ross, 2012). Citizens who live proximate to oil often feel a heightened sense of ownership over the resource, some entitlement to benefit from its production, and an expectation of compensation for the environmental and other costs associated with resource extraction. Unmet expectations can produce grievances, leading to a loss in popular support for the incumbent, protests, sabotage of oil infrastructure, and even violent rebellion. Incumbents thus face incentives to mitigate the emergence of such grievances, even in opposition strongholds.

It is for these reasons that many countries—from Brazil to Iraq to Nigeria—give a greater share of the benefits to oil localities. One of the most common means for doing so is through derivation-based transfer or tax assignment systems (McClure, 2003), where oil benefits are guaranteed by law or constitutional provision (Bauer et al., 2016). It is widely appreciated that these benefits primarily serve the political purpose of appeasing local populations (Ahmad and Mottu, 2003). While the amounts received by oil localities might vary, these differences are due to objective criteria like production quantities and population rather than political criteria.

In what follows, we refer to targeting in which leaders give more benefits to oil constituencies but do not engage in additional strategic targeting among oil constituencies as symmetric targeting. Symmetric targeting is most common in countries with strong state capacity and
transparent institutions, which maintain the integrity of derivation-based benefits; constrain incumbents from engaging in discretionary, politically-motivated targeting; and make rebellion unlikely. Importantly, in countries with symmetric targeting we still expect to see differential changes in incumbent support in core, swing, and opposition areas. Indeed, the notion of differential voter responsiveness at the heart of the distributive politics literature implies that the delivery of benefits to core, opposition, and swing oil constituencies has the potential to “buy” more support in the latter, as elaborated below.

In some countries, incumbents distribute more benefits not only to oil (versus non-oil) localities but also to some oil localities over others. We refer to this second form of strategic targeting as asymmetric targeting. Asymmetric targeting can be discretionary with the aim of maximizing an incumbent’s electoral and political power. Evidence suggests that incumbents in contexts with weak institutions engage in geographic favoritism with respect to the distribution of oil benefits (Hodler and Raschky, 2014). Such discretionary targeting even occurs in countries with derivation-based tax and transfer systems when institutions are too weak to ensure adherence to formal rules (Banful, 2011). While asymmetric targeting is typically informal, it does not have to be. In countries where some oil constituencies present a more credible threat of rebellion than others, incumbents might seek to target more benefits to those localities to forestall conflict and to make those commitments credible by writing them into law. When incumbents engage in asymmetric targeting, changes in incumbent support will reflect not only different elasticities of voter responsiveness in core, swing, and opposition oil constituencies (as with symmetric targeting) but also that some kinds of oil constituencies will be favored more than others.

In what follows, we develop predictions as to how the effects of oil discoveries on incumbent support vary across core, swing, and opposition constituencies in response to expected

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For instance, in Indonesia, special autonomy arrangements with the separatist province of Aceh allow it to keep 70 percent of its oil and gas revenues; most other provinces can only keep 15.5 percent of their oil, and 30.5 percent of their gas, revenues.
benefits under either symmetric or asymmetric targeting. Importantly, we obtain similar predictions for both types of oil targeting, suggesting that our inquiry is relevant for any country that pursues one of these common means of distributing benefits back to oil constituencies.\(^7\)

### 2.2 Predictions

**Core localities.** Following on the above, we predict that oil will have a null or small positive effect on incumbent support when discovered in core constituencies. Core constituencies already have a large share of supporters loyal to the incumbent; the bigger that share, the greater the ceiling effects on further increases in incumbent support. Thus, while a chief executive might promise benefits to core oil constituencies to reward loyalty or buy turnout, or to try to win the support of swing voters within core districts, the room for gains will invariably be muted. This implies that, under symmetric targeting, oil benefits will result in at best a small positive increase in incumbent vote share that will be inversely related to the size of the loyal population in previous elections. The limited scope for political gain also means that, under asymmetric targeting, an incumbent would have little incentive to direct more benefits to core (relative to, say, swing) oil localities.

We expect voters in core constituencies to reward the incumbent chief executive for promised benefits even during the discovery period because such promises will likely be perceived as credible. This follows on the distributive politics literature, which often assumes that electoral promises to core (and swing) constituencies are credible because it is in a candidate’s interest not to renege (Dixit and Londregan, 1996). Consistent with this, recent research highlights how maintaining relations with core constituencies are part of a long history of mutually beneficial and reciprocal support (Gottlieb et al., 2019). Voters have also proven willing to support candidates at the polls in advance of elections and even when candidates are thought to be over-promising (de la Cuesta, 2020; Stølan et al., 2017). All in

\(^7\)Since the mode of targeting does not affect our predictions, it is beyond the scope of this paper to try to explain why some countries opt for symmetric over asymmetric targeting.
all, if oil increases incumbent support in core constituencies, we expect the shift to precede the delivery of actual benefits.

**Swing localities.** We further predict that oil will result in large increases in support for the incumbent chief executive when discovered in swing constituencies. Under symmetric targeting, we expect to observe bigger gains in swing, relative to core or opposition, oil constituencies because the marginal returns to benefits will be higher in the former. Under asymmetric targeting, incumbents have incentives to direct the biggest benefits to swing oil constituencies. Doing so also helps incumbents prevent the rise of new political challengers in swing constituencies. It is often argued that oil discoveries increase the value of holding political office in resource-rich localities, which in turn encourages the entry of new candidates (Caselli and Cunningham, 2009). Incumbents are particularly vulnerable to such challenges in highly competitive swing constituencies where independent voters could be willing to support new challengers. An incumbent that does not curry favor in swing constituencies thus runs the risk of turning these important localities into opposition constituencies.

As with core constituencies, we expect that voters in swing constituencies will reward the incumbent during the discovery phase because they view promises as credible. We also note that the hypotheses outlined here do not preclude the possibility that a vote-maximizing incumbent will also try to target more oil benefits to non-oil swing constituencies to try to gain votes. Our prediction of bigger increases in incumbent support in oil versus non-oil swing constituencies holds as long as the former get relatively more benefits than the latter, which they should precisely because the threat posed by new political challengers enticed to run for office by oil is unique to those localities.

**Opposition localities.** Predictions are more ambiguous when oil is discovered in localities that historically support the opposition. According to the distributive politics literature, a budget-constrained candidate will generally not target benefits to opposition voters or localities because it is too expensive to buy their support. Yet, incumbents do sometimes disproportionately target opposition localities to co-opt challengers and forestall potential
conflict, especially in weak democracies (for example Bates, 1981; Treisman, 1996; see the discussion in Golden and Min, 2013, 81-82). These latter findings dovetail with literature on the conflict curse, which has long emphasized that incumbents have incentives to target disproportionate benefits to opposition oil localities to mitigate the threat of secession or a political challenge (Dal Bo and Powell, 2009; Paine, 2019).

In fact, there is good reason to believe that opposition oil localities will receive targeted benefits through either symmetric or asymmetric targeting. While the distributive politics literature predicts that opposition constituencies will rarely, if ever, receive targeted benefits, this is not the case when it comes to symmetric oil targeting where—for the reasons discussed above—opposition constituencies will not be excluded. Symmetric targeting is perhaps most likely in contexts where political contests are primarily electoral. In contexts where opposition constituencies pose a credible threat of rebellion, however, incumbents have survival incentives to engage in asymmetric targeting to forestall civil war (Dal Bo and Powell, 2009). In other words, in circumstances where secession or civil conflict are real possibilities, incumbents often disproportionately target benefits to opposition oil localities not to win elections but rather to prevent destabilizing conflict that could ultimately jeopardize their control over valuable territory.

Importantly, we obtain similar predictions regardless of whether an incumbent promises benefits to opposition localities under symmetric or asymmetric targeting. Promised benefits, if sufficiently big and perceived to be credible (for instance if put into law), could mitigate the emergence of societal grievances and at least maintain status quo levels of incumbent support. Promised benefits could even increase incumbent support in oil opposition areas if they succeed in buying even expensive voters or increase support among core or swing voters within opposition constituencies. Yet, promised benefits are also less likely to be perceived as credible in opposition localities insofar as these are historically marginalized areas. Indeed, evidence suggests that incumbents often do not succeed in forestalling conflict when oil is discovered in areas inhabited by ethnic or political minorities (Ross, 2012; Asal et al., 2016;
Hunziker and Cederman, 2017), due in large part to the fact that incumbents cannot credibly commit to delivering promised benefits (Paine, 2019; Asal et al., 2016). Consequently, oil discoveries could induce fears of exploitation or unfair treatment in opposition areas, further eroding incumbent vote share in oil relative to non-oil opposition constituencies during the discovery period. In sum, because outcomes in opposition constituencies under symmetric or asymmetric targeting depend on the credibility of promises, it is difficult to predict whether oil discoveries will have positive, negative, or neutral effects on incumbent support, although the empirical record on conflict suggests that the latter outcomes are most likely.

**Summary of predictions.** The discussion above suggests several predictions that merit testing. We expect that oil will have a large positive effect on incumbent support in swing constituencies while having little effect or a small positive effect in core constituencies. The prediction for opposition areas is indeterminate and a matter for empirical investigation. These predictions imply that the effects of oil in swing localities will be significantly different from those in core and opposition localities. Finally, we note that, due to the theorized heterogeneity, it is difficult to anticipate the effect of oil discoveries on overall incumbent support. While we investigate this empirically below, our hypotheses underscore how examining the impact on incumbent support on average could obscure important variation in political changes at the local level.

3 The Uganda Context

We examine these predictions in Uganda, an eastern African low-income country ruled by an electoral authoritarian regime. Uganda’s President Yoweri Museveni, who came to power in 1986 following a civil war, is the world’s sixth longest-ruling (non-royal) national leader. Museveni’s ruling party, The National Resistance Movement (NRM), firmly controls the national legislature: currently 69% of parliament members are NRM affiliates. National elections for president and parliament are held in Uganda every five years; the general elec-
tions in February 2006 were Uganda’s first multi-party elections in 25 years. While elections in Uganda are not marred with massive fraud, they are also not fully free and fair; harassment of opposition leaders is common, as is vote buying (Tripp, 2010). Important to our study is the fact that President Museveni has been able to continue winning at the polls in part by exerting tight control over major resource allocation decisions and by explicitly tying benefits to supplying political support.  

Oil was discovered in Uganda in June 2006, just months after the 2006 presidential elections, and publicly announced in October of that year. According to current estimates, Uganda has more than 6.5 billion barrels of oil (about 1.3 billion of which is recoverable) across 21 discoveries. Most of these discoveries are located in the Albertine Graben, an area about 500 kilometers long and 45 kilometers wide on the country’s Western border, spanning from Lake Edward in the south to South Sudan in the north.

Uganda’s oil discoveries were primarily driven by exogenous factors like geography rather than endogenous factors like pre-existing support for the president. In the period from 2006-2007, eight wells discovered commercially viable oil in the Albertine Graben. The fact that oil was discovered in areas that ranged in their support for the president testifies to the fact that exploration was not politically motivated. No fewer than five distinct cultural regions constitute the oil region. Extending east from the western shores of Lake Albert is Bunyoro Kingdom, which is unequivocally a Museveni stronghold. The traditionally swing Alur Kingdom (the birthplace of Idi Amin) lies to the northwest of Lake Albert. Similarly, Rwenzururu and Toro kingdoms lie on the southern tip of Lake Albert and have been characterized by intermediate levels of support for Museveni. By contrast, the northeast corner of the oil region is Acholi land, which is an opposition area and was home to the notorious Lord’s Resistance Army rebel group. Strong supporters of former President Obote, whom Musev-

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8 “Museveni to Kampala: Money Cant Reach You When You Vote Wrong People.” Chimp Reports, April 10, 2019.

9 “Uganda Announces Oil Discovery”, The Associated Press, October 9, 2006
deposed, the Acholi have been marginalized by Museveni for decades. Our empirical analysis, described below, leverages the fact that Uganda’s oil discoveries were both plausibly exogenous and located in historically core, swing, and opposition areas, allowing us to investigate how varying levels of political competition condition the effect of the discoveries on incumbent support.\footnote{While more than a dozen additional discoveries were made between 2008 and the 2011 election, they were all located in the three contiguous exploration blocks (1, 2, and 3A) in which—and were in very close geographic proximity to—the original 8 discoveries and thus do not affect our empirical strategy.}

While the discoveries were plausibly exogenous, the subsequent fight for control over the oil sector and the distribution of future benefits has been highly political. According to Bukenya and Nakaiza (2009), fractures in Museveni’s ruling coalition in the early 2000s encouraged the pursuit of oil as a “reliable source of revenue that can be deployed to serve political ends.” Given the potential for oil revenue to increase his already considerable power, Museveni aggressively asserted executive control over the oil sector through the legal and regulatory framework that emerged after the oil discovery (see Appendix A.1). Importantly, this framework lays the foundation for symmetric targeting of benefits to oil localities. The Public Finance Management Act of 2015 guaranteed that local governments and kingdoms in the ‘oil region’ would receive 6% and 1% of all royalties respectively, with specific amounts determined by production levels and population (though which districts constitutes the oil region is not defined). However, ample opportunities also exist for asymmetric targeting among oil constituencies through less formal channels. Experts have argued that “most of the laws passed by Parliament concentrate powers in the hands of the executive” (Mbabazi and Muhangi, 2009), and that “experience so far indicates that President Museveni is able to use the oil money in any way he wants” (Bukenya and Nakaiza, 2009).

This is perhaps unsurprising given that the allocation of public goods in Uganda is explicitly transactional. The president frequently makes public statements linking benefits
provision to votes. Not only does the president acknowledge in campaign speeches that receiving government resources can be a reward for supporting him and his party, he also describes provision as an inducement to increase support.

Uganda’s large discovery generated significant expectations of future oil wealth among both leaders and the public. Media coverage confirms that communities on the North, South, and East of Lake Albert expected larger shares of oil revenues, citing both cultural entitlement and fear of land loss or degradation. This was even true for opposition areas, where Acholi leaders both tried to create the impression of a credible threat of rebellion and expressed expectations of obtaining benefits from the discoveries. Correspondingly, text analysis of legislative speeches shows that Members of Parliament representing oil counties are more likely to raise issues related to oil in parliamentary speeches (see Appendix A.2). These hopes also did not arise in a vacuum; we present evidence below that they were in response to increased promises made by Museveni to oil localities following the discovery. Together, these sources speak to heightened expectations of oil benefits in beliefs and discourse at the elite and mass levels, which motivates our formal investigation below.


12 As of 2018, Uganda’s gas reserves are estimated at 672 billion cubic feet of gas, with 499 billion barrels of non-associated gas and 173 of associated gas. There is still considerable potential for discovering more petroleum, given that less than 40 per cent of the total area in Albertine Graben with potential for oil and gas production has been explored.


14 “Is Acholi claim of exclusion in the oil sector a time bomb?” The Observer, June 29, 2016.
4 Empirical Strategy

We turn to estimating the causal effect of oil discoveries in core versus swing versus opposition localities. We do this using a number of individual and local-level data sources and a difference-in-differences design with heterogeneous effects to examine the pre-post discovery change in incumbent support in oil versus non-oil core, swing, and opposition constituencies.

We classify localities as oil versus non-oil based on their geographic proximity to one of the eight oil wells discovered in 2006-2007. We create our distance measure by geo-referencing the location of Uganda’s oil wells and calculating the distance of each of Uganda’s more than 4,000 parishes (based on a parish centroid) to the nearest oil well. For ease of analysis, we then create a binary ‘treatment’ indicator where all parishes within 100km of an oil well are considered oil constituencies. We chose this cutoff because it encompasses most constituencies in the 25 oil districts defined in early versions of Uganda’s oil laws, although we discuss below robustness checks in which we vary how we define the treatment.

In our main analysis, we define control parishes as all parishes that are within twice the distance to oil of the treatment parishes. In other words, for treatment parishes within 100km of an oil well, all parishes between 101 and 200 kilometers are treated as control. This approach excludes parishes that are distant from the oil wells and thus more likely to differ on both observed and unobserved characteristics. Figure 1 shows the distribution

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15Parishes are the second smallest administrative unit in Uganda (just above villages), containing an average population of about 5,000 residents and five to seven villages. Parishes also provide a relevant administrative unit for the study of distributive politics. The Government of Uganda aims for each parish to have one low-level primary care health facility and one primary school, although this is not always the case in practice.

16See also “Oil Production In Uganda: Is The Nation Ready?” UG Pulse, September 15, 2006 for justification of our bandwidth choice.

17In Appendices C and D we show that we obtain the same results when including all non-
of treatment and control parishes, where all red parishes (regardless of shading, explained below) are denoted as treated and all blue parishes are control.

Our main outcome of interest is the change in support for President Museveni between the 2006 (pre-discovery) and 2011 (post-discovery) presidential elections. Election results come from the Ugandan electoral commission and have been aggregated to the parish level from the polling station level. We use these data to create two main outcomes: Museveni’s vote share at the parish level and his win margin, calculated as the vote share for Museveni minus the vote share of the closest runner up. Below we also use data from multiple rounds of the Afrobarometer survey to corroborate results.

Our main analysis of interest centers on identifying how the effect of the oil discovery on incumbent support varies heterogeneously across core, swing, and opposition localities. We thus care not only about differencing across oil and non-oil localities over time but also about how those differences vary by the historical level of incumbent support in a parish. In effect, we implement a difference-in-differences design within parishes classified as core, swing, and opposition and then further difference across those political contexts.

To classify constituencies as core, swing, or opposition, we use Museveni’s vote share in the 2006 presidential elections. Conceptually, we consider all parishes where more than 60 percent voted for Museveni as core, where 40-60 percent voted for him as swing, and where less than 40 percent voted for him as opposition. In our regression analysis, however, we use treatment parishes as controls.

\textsuperscript{18}We refer readers to Appendix C.3 for analysis that investigates longer-run effects using 2016 presidential election returns.

\textsuperscript{19}Because there has been substantial proliferation of administrative units during the period under analysis (Grossman and Lewis, 2014), polling stations must be aggregated into an administrative unit that is stable over time. To accomplish this, we use polling station coordinates to identify the home-parish of each station using the 2002 parish boundaries (see Appendix B).
a continuous version of the variable and include both linear and quadratic terms to allow for non-linearities (Hainmueller, Mummolo and Xu, 2019). The red and blue shading in Figure 1 shows the distribution of Museveni’s 2006 vote share across our oil and non-oil parishes, where color intensity is increasing in support for the president. The map shows that there is variation in the local political context in both oil treatment and control areas.\(^{20}\)

The regression model takes the following form:

\[
y_{it} = \beta_1 \text{oil}_i + \beta_2 \text{post} + \beta_3 (\text{oil}_i \times \text{post}) + \beta_4 \text{voteshare}_i + \beta_5 \text{voteshare}^2_i + \beta_6 (\text{post} \times \text{voteshare}_i) + \beta_7 (\text{post} \times \text{voteshare}^2_i) + \beta_9 (\text{oil}_i \times \text{voteshare}_i) + \beta_9 (\text{oil}_i \times \text{voteshare}^2_i) + \beta_{11} (\text{post} \times \text{voteshare}^2_i \times \text{oil}_i) + \eta_i + n_t + \epsilon_{it}
\]

where \(y_{it}\) is either Museveni’s win margin or overall vote share in parish \(i\) at time \(t\) (2006 or 2011). \(\text{oil}_i\) is a dummy that identifies oil parishes, \(\text{post}\) a dummy identifying the post-discovery period, and \(\text{oil}_i \times \text{post}\) the standard difference-in-difference interaction term. To capture the possible heterogeneity of the effect of the oil discovery across parishes, we also include necessary interaction terms with Museveni vote share and its square. The terms \(\eta_i\) and \(n_t\) are parish and year fixed effects. Standard errors are clustered at the parish level.

Given that we include parish and year fixed effects, several of the constituent terms and interactions in the full specification are collinear and drop in the actual estimation. The

\(^{20}\)Rug plots superimposed on the main results figures below show that we have common support across a almost the full range of our conditioning variable (Hainmueller, Mummolo and Xu, 2019).
specification thus simplifies to:

\[ y_{it} = \beta_3 (oil_i \times \text{post}) \]

\[ + \beta_6 (\text{post} \cdot \text{voteshare}_i) + \beta_7 (\text{post} \cdot \text{voteshare}_i^2) \]

\[ + \beta_{10} (\text{post} \cdot \text{voteshare}_i \cdot \text{oil}_i) + \beta_{11} (\text{post} \cdot \text{voteshare}_i^2 \cdot \text{oil}_i) \]

\[ + \eta_i + n_t + \epsilon_{it} \]

where \( \beta_3, \beta_{10}, \) and \( \beta_{11} \) are the main coefficients of interest and jointly capture the average marginal effect of the oil discoveries as well as the effects of the oil discoveries within core, swing, and opposition localities. We note that while we aim to identify a causal effect of the oil discoveries, the conditioning variable \( \text{voteshare} \) is not itself causally identified. While the inclusion of fixed effects in our main specification controls for potential confounders, we also conduct robustness checks (described below) in which we use a matching strategy to address concerns about possible confounding.

Causal inference in our estimation approach derives from the assumption that trends in incumbent support in oil and non-oil core, swing, and opposition localities would have been the same in the absence of the oil discovery. In other words, within constituencies designated as core, swing, or opposition, there would have been no divergence in incumbent support trends across oil versus non-oil constituencies had oil not been discovered. We present evidence to support the parallel trends assumption across oil and non-oil localities in general as well as within core, swing, and opposition localities using geo-tagged responses from Afrobarometer including three pre-treatment (2000, 2002, 2005) rounds. We use Afrobarometer data rather than election results since the presidential elections in 2006 were the first in which opposition parties were allowed to compete. Figure 2 shows average approval of President Museveni’s job performance for respondents in oil and non-oil villages overall and disaggregated into core, swing, and opposition villages.\(^{21}\) In each case, trends in support for

\(^{21}\)The question asks: “Do you approve or disapprove of the way that the following people have
Figure 1: This figure shows pre-treatment variation in President Museveni’s vote share in parishes that are within 100km (red scale) of an oil discovery and parishes that are not (blue scale). Dark grey parishes indicate parishes that are more than 200km from an oil discovery. Museveni were similar prior to the discovery in 2006. The figures also indicate a divergence in the post-2006 period, which is what we estimate formally.

Unbiased causal inference in our setup requires that a number of other assumptions hold, including that our treatment is not confounded with other possible ‘treatments’ underway at the same time and that there are no omitted time-varying variables that could differentially drive changes in incumbent support in core, swing, or opposition localities. We investigate these below as robustness checks to our main results.

*performed their jobs over the past twelve months, or havent you heard enough about them to say?” [Strongly approve, approve, disapprove, strongly disapprove].
Figure 2: Panels show trends in average approval of President Museveni’s job performance (4-point scale) over time across core, opposition, and swing areas. ‘Oil’ respondents are located in villages within 100km of the nearest oil discovery and control respondents are in villages 100–200km from the nearest discovery. Dashed vertical lines indicate the month of the 2006 and 2011 general elections. The solid vertical line indicates the month of the first reported oil discovery. 2006 vote share is measured according to the vote share or the parish in which each village is located. Source: Afrobaromter rounds 1–6.
5 Main Results

We first examine the average marginal effect of the oil discovery on presidential support. Figure 3 shows the average effect of proximity to an oil discovery on Museveni’s win margin and vote share, with corresponding regression results in Appendix C. As discussed in Section 2, it is difficult to predict whether oil discoveries will have a positive, negative, or null effect on incumbent support on average in light of the heterogeneity by local political context theorized above. Nevertheless, we find that oil discoveries increased President Museveni’s vote share by about 1.6 percentage points on average, an effect that is statistically significant at the 95 percent confidence level. The effect size is also substantively meaningful, showing, for instance, an increase in Museveni’s win margin by over four percentage points. Overall, Museveni has gained in oil, relative to non-oil, constituencies after 2006.

Figure 3: Difference-in-differences estimates for the average marginal effect of the oil discovery on electoral support for President Museveni for the 2006 and 2011 elections. Treated parishes are located within 100km of the nearest oil discovery and control parishes are within 101–200km.

Moreover, as expected, this average effect obscures significant variation in the effect of oil discoveries when disaggregating results by constituency type. Figure 4 presents our main results, showing the pre-post effect of the oil discovery across the range of the continuous
measure of 2006 vote share. We find that the biggest pre-post increases in win margin and vote share for Museveni across oil versus non-oil parishes occurred in swing parishes, or those parishes in the range from 40–60 percent vote share for the NRM in the 2006 election. This political windfall is also substantively large. At its peak, the gains for the president represent an almost 10 percentage point increase in vote share in the wake of the oil discovery. These findings for swing areas contrast with those for core and opposition areas. For core areas (above 60 percent vote share), we see modest positive gains that are decreasing as vote share increases (consistent with a ceiling effect). In opposition areas, the effects of oil become slightly positive in the 20-40 percent range, consistent with the notion that there is room for oil benefits to persuade opposition loyalists to switch support or to increase support among core or swing voters within opposition constituencies. The inverted U-shape of the results suggest that the effects of oil discoveries in swing areas are indeed different from those in core or opposition localities. Results using a binned estimator recommended by Hainmueller, Mumolo and Xu (2019) and reported in Appendix C.2, reinforce that the effects of oil discoveries in swing areas are different from those in core constituencies.

Strikingly, we find similar results when using the Afrobarometer survey data. We employ the measure of job approval used to assess parallel trends in Section 4 from the 2005 and 2008 waves (the waves conducted immediately before and after the discovery). Figure 5 shows a very similar pattern to the one above: the oil discovery has a bigger effect on increasing incumbent support in swing relative to core or opposition localities. While the curve peaks around 35 percent vote-share, which is borderline opposition/swing, the inverted U-shape is unmistakable.

\[\text{Figure 5 shows a very similar pattern to the one above: the oil discovery has a}
\[\text{bigger effect on increasing incumbent support in swing relative to core or opposition}
\[\text{localities. While the curve peaks around 35 percent vote-share, which is}
\[\text{borderline opposition/swing, the inverted U-shape is unmistakable.}]
\]

\[\text{22See Appendix D for a detailed description of the estimation and evidence that we}
\[\text{obtain the same results when including multiple pre and post-treatment waves,}
\[\text{alternative bandwidths, and a battery of covariates.}
\]
\[\text{23The Afrobarometer data is a repeated cross-section rather than panel, and therefore}
\[\text{does not provide the same causal leverage as the election data results.}
\]
Figure 4: Triple Difference-in-difference estimates for the marginal effect of the oil discovery on electoral support for President Museveni across levels of pre-treatment support. Treated parishes are located within 100km of the nearest oil discovery and control parishes are within 101–200km, and results are presented for the 2006 and 2011 elections. Shaded region is the 95% confidence interval. Data rug indicates the distribution of treatment parishes by their presidential vote share in 2006.
Figure 5: Marginal effect of the oil discovery on Museveni’s job approval across levels of pre-treatment support. Treated parishes are within 100km of an oil discovery. The sample is restricted to exclude responses from parishes more than 200km from the oil. Shaded region is the 95% confidence interval. Data rug plots indicate the distribution of treatment parishes by their presidential vote share in 2006.

5.1 Robustness Checks

We increase confidence in the results presented above by conducting a number of robustness checks. We first test the robustness of results to different ways of defining the treatment and control groups. We test the sensitivity of our bandwidth to five different distances between 75km and 115km from the nearest oil well (with a corresponding adjustment to the control group to remain two times the distance of the treatment group). The results in Appendix E.1 show that our findings are highly robust to the precise cutoff.

It could also be that the observed changes preceded the oil discovery in 2006 such that we are not detecting the effects of the oil discoveries but rather changes that were underway for different reasons. We examine this by implementing a simple placebo test using the Afrobarometer measure of job approval in which we restrict our analysis to pre-oil waves (2000, 2002, and 2005) and produce a placebo treatment assignment indicator that defines treatment as occurring between 2002 and 2005. As shown in Appendix E.2, this placebo
treatment assignment produces consistently null findings.

Bias in our estimates could also arise if there were time variant factors driving differential changes in incumbent support in oil and non-oil localities within core, swing, or opposition areas. While our support for the parallel trends assumption helps to alleviate these concerns, it cannot completely eliminate them. To address this, we use a rich range of parish-level covariates drawn from the 2002 census and implement an entropy weighting matching algorithm to improve balance in covariates across oil-and non-oil constituencies, helping to ensure that the control group is an appropriate counterfactual to the treatment group (Hainmueller, 2012). As reported in Appendix C, we obtain the same patterns when using the entropy weighted data.

Another assumption for causal inference is that there was no other shock during our treatment period that could have differentially affected the western region of the country where our oil localities are predominantly located. One potential concern is that Uganda’s oil is located in the region that was also most affected by the insurgency propagated by the Lord’s Resistance Army, which ended with a truce in August 2006. It is possible that the changes we are detecting are due to developments in the immediate post-conflict period rather than oil. This seems unlikely insofar as many of our control localities in the north were also affected by the conflict and therefore would also have been affected by time-varying factors related to the end of hostilities. Nevertheless, we conduct two additional tests, ruling out the possibility that our results are driven by more aid rather than by the oil discoveries (see Appendix E.3) or by differential migration into (or out of) swing oil localities following the end of the conflict (see Appendix E.4).

We also conduct a number of additional tests to ensure that our outcome measure of electoral support for Museveni is capturing the full range of dynamics theorized in Section 2. One possibility is that the results are being driven by changes in support for the NRM rather than by changes in support for the president himself. Drawing on Afrobarometer data on self-reported identification with the NRM, we find only weak evidence that oil discoveries
increased identification with the NRM in swing communities (see Appendix E.5). This reinforces that gains went primarily to the chief executive.

We also consider whether the weaker results in core and opposition areas might be because changes in incumbent support are manifesting in ways other than changes in vote share. For instance, as suggested by theories of distributive politics, it could be that the primary effect of strategic promises to core areas is increased turnout. We show in Appendix E.6 that there is little evidence that oil discoveries affected turnout in core, swing, or opposition constituencies. For opposition areas, it is possible that the oil discovery affected incumbent support not as expressed through electoral politics but rather through unconventional modes of participation like protests and violence. If so, we might be missing changes in incumbent support not expressed at the ballot box. We examine in Appendix E.7 whether the oil discoveries differentially affected protest activity and violence in core, swing, or opposition localities and find little evidence of this.

All in all, the results presented above provide robust evidence that oil differentially increased incumbent support in swing relative to core or opposition oil constituencies. In what follows, we provide evidence for our preferred mechanism—that these changes in incumbent support reflect voter responsiveness to strategic promises of future oil benefits.

6 Support for the Distributive Politics Mechanism

Our theory suggests that differential increases in presidential support in swing relative to core or opposition localities should be driven by greater voter responsiveness to promised benefits under either symmetric or asymmetric targeting. Given our focus on the discovery period, it is not possible to examine actual transfers. We thus triangulate data from a number of sources.

First, we examine whether the oil discoveries induced Museveni to make more promises to the oil region. To do this, we collected newspaper data on district-specific campaign
promises and visits by Museveni made in 2005 (prior to the 2006 elections) and in 2010 (prior to the 2011 elections). We find that between the 2005 and 2011 election campaigns, the president increased promises to non-oil districts (those between 100–200km from an oil discovery) by 155 percent while increasing promises to districts within 100km of an oil discovery by 321 percent. Similarly, the president increased visits to non-oil districts by 15 percent while increasing visits to oil districts by 44 percent (see Appendix F.1 for more detail). This lends support to the notion that the oil discoveries induced the kinds of strategic promises theorized in Section 2. One limitation of the newspaper data is that we do not have enough observations to look at differential promises to oil versus non-oil swing, core, and opposition localities. We thus look for further evidence by focusing on expectations at the individual-level.

Expectations are important to examine because higher expectations could drive incumbent promises; alternatively they could reflect the belief that promises made are credible. Regardless, if our distributive politics logic is correct, we would expect to see higher expectations of future benefits in oil versus non-oil swing constituencies as well as relative to core or opposition oil localities. We examine this using original survey data collected from a nationally representative in-person survey of 2,714 Ugandans conducted in 2014 (see Appendix F.2 for details on the survey methodology). While this data is observational and cross-sectional and as such does not capture the causal effects of the oil discovery, it allows us to examine descriptively how expectations differ across oil and non-oil core, swing and opposition localities.

We focus on questions from the survey that speaks most immediately to respondents’

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24 Due to the nature of media coverage of presidential campaigning, it was infeasible to collect these data at a lower administrative level than the district. Because there were only 36 districts with centroids within 200km of an oil discovery, we rely on descriptive tables rather than regression models.

25 There were only four swing districts within 200km of an oil discovery.
views about whether they will benefit from oil. Specifically, the survey included two questions that asked: “Do you think that the benefits from oil for [Uganda/for you or your household] will be very big, somewhat big, not too big, not big at all?” The results presented in Figure 6 show that individuals in swing oil constituencies are more likely than those in non-oil swing constituencies to say that they expect ‘very big’ benefits. Moreover, the difference in expectations between oil versus non-oil swing constituencies is bigger than that in oil versus non-oil core or opposition localities.26 These findings suggest that voters in swing oil constituencies expected to receive more benefits and, consequently, might have been more willing to reward the incumbent than those in swing localities without oil.

To gain more leverage on whether the oil discovery caused bigger increases in incumbent support in swing relative to core or opposition areas, we turn to Afrobarometer data. Specifically, we implement our difference-in-differences estimation with heterogeneous effects with dependent variables that capture satisfaction with government performance on the delivery

26 We also find a stronger sense of ownership overall in oil localities, see Appendix F.2.
of public goods, namely education, health care, sanitation, and food security. The results in Figure 7 shows the same inverted U-shape that we find in our main results. Specifically, we find that the oil discoveries caused bigger increases in satisfaction with the delivery of all four goods in swing relative to core or opposition areas. We obtain a similar pattern when using measures of improved perceptions of household welfare (see Appendix F.3).

**Figure 7: Marginal effect of the oil discovery on perceptions of government performance in public goods provision across levels of pre-treatment support.** Treated parishes are located within 100km of the nearest oil discovery and control parishes are within 101–200km. Shaded region is the 95% confidence interval.

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27Because Afrobarometer is a repeated cross-section (rather than panel), we drop unit fixed effects. The relevant question asks “How well or badly would you say the current government is handling the following matters: Improving basic health services, Addressing educational needs, Providing water and sanitation services, Ensuring everyone has enough to eat.”
However, using a wide variety of data sources, we do not find evidence that the oil discoveries resulted in increases in actual goods provision or benefits for swing areas in the discovery period. Additional analysis in Appendix F.4 shows that the results above are not mirrored in Afrobarometer data on actual access to public services at the village and sub-county levels. We also find no evidence of increased access to health care or improved health outcomes using household, mother, and birth-level data from Uganda’s 2006 and 2011 Demographic Health Surveys. Similarly, neither 2008 and 2013 data from the Ugandan Bureau of Statistics on roads and highways, nor 2006 and 2013 nightlights data from NOAA, reveal differential improvements in infrastructure or economic development in swing constituencies proximate to oil discoveries. We also find no evidence swing oil constituencies were more likely to receive district status than their non-oil counterparts (see Appendix F.4). This null result is telling because splitting larger administrative units into smaller ones is a tactic commonly used in Uganda and elsewhere to credibly commit to future transfers to new political groups from which incumbents are trying to win political support (Gottlieb et al., 2019).

All in all, our results indicate that oil discoveries increased presidential promises to oil localities; that swing oil localities harbor the highest expectations of future oil benefits; and that satisfaction with public goods provision increased more in swing relative to core or opposition oil localities, even in the absence of changes in actual public goods provision. While it might seem surprising that we observe increases in expectations and satisfaction even without commensurate increases in actual benefits, these results are consistent with the logic of distributive politics laid out in Section 2. Our theory predicts that, in the discovery period, voters in swing oil areas will differentially reward the incumbent for credible promises of future oil benefits. It is also possible that respondents in swing oil areas are over-estimating improvements in public goods provision as a result of stronger identification with the chief executive (Carlson, 2016).

We also consider alternative explanations for our key results. One possibility is that voters in swing oil constituencies engaged in ‘strategic signalling’—preemptively voting for
Museveni in 2011 in order to send a credible signal of willingness to reward for future oil benefits. Strategic signalling, often referred to as ‘voting wisely’, is relatively common in Uganda.\textsuperscript{28} Such behavior might be particularly effective at attracting promises from Museveni when it occurs in swing constituencies. While strategic signaling could explain why we find changes in incumbent support before any increases in actual benefits, we emphasize that this mechanism is consistent with our distributive politics story. While strategic signalling alters which player moves first, voters and incumbents are still playing a distributive politics game and the same predictions apply: oil discoveries will result in differential increases in incumbent support to swing relative to core or opposition localities due to voters’ unique responsiveness to expected future oil benefits.

It is also possible that there are other, non-distributive politics mechanisms that could explain our results. It could be that bigger increases in incumbent support in oil-rich swing localities were driven not by promises of future benefits but rather by more threats and intimidation. Yet, intimidation is not consistent with the newspaper evidence that Museveni made more promises to oil constituencies. We also find no evidence (albeit self-reported) that the oil discovery increased concerns about electoral fairness or reduced trust in the electoral commission in swing oil constituencies (see Appendix F.6). All in all, while we cannot entirely rule out intimidation as an alternative mechanism, it does not necessarily better explain the observed pattern of results than the distributive politics story.

7 Conclusion

Research on the resource curse remains centrally concerned with understanding why oil strengthens incumbent governments in some contexts while weakening them through unrest and violent rebellion in others. The main contribution of this paper is to show how the political context at the local level—namely the extent to which constituencies have histori-

\textsuperscript{28}“Museveni to Masaka: vote wisely to get roads,” The Observer, December 18, 2018.
cally supported the incumbent chief executive—shape the trajectory of incumbent support in the wake of an oil discovery. Drawing on theories of distributive politics, we argue that whether oil discoveries increase or decrease incumbent support will depend on whether they are located in historically core, swing, or opposition constituencies, which determines how responsive voters will be to targeted oil benefits. We show, using data from a number of local and individual-level data sources, that oil discoveries increased support for the chief executive in Uganda but only when discovered in swing constituencies. We also provide evidence to support the claim that the effect of oil discoveries in swing (relative to core or opposition) constituencies arises from greater voter responsiveness to promises of future oil benefits. All in all, the theory and evidence presented here shed light on how oil and distributive politics intersect to deepen or threaten the political fortunes of an incumbent chief executive.

While this paper seeks to explain dynamics during the discovery period, the theory and evidence presented here are also relevant to understanding more enduring consequences of oil discoveries. For one, decisions made during the discovery phase—e.g. over the governance of the oil sector and the allocation of future benefits—can have path dependent effects (Karl, 1997). Incumbent chief executives who enjoy popular support could face less public pressure for checks on their authority, which in turn could help to solidify the incumbency advantage so often observed in resource-rich countries. The discovery period can also be quite protracted. Tellingly, our results persist when we extend our analysis from the 2011 to the 2016 general elections (see Appendix C.3), showing that oil allowed Museveni to strengthen his political power over at least ten years and two general elections.

Moreover, we believe that the predictions developed here apply not only to the discovery but also the production period. It is in the interest of incumbent chief executives to deliver on promised benefits to oil constituencies once resource wealth arrives, resulting in the kinds of electoral rewards in core and swing constituencies theorized here for the discovery period. For opposition constituencies, the delivery of oil benefits could still have an indeterminate effect on incumbent support precisely because the difficulties associated with maintaining credible
commitments to those localities will persist after production is underway (Paine, 2019; Asal et al., 2016). For opposition constituencies, the main difference between the discovery and production periods might be the form that citizen political action takes. While citizens might adopt a ‘wait-and-see’ approach during the discovery period—expressing dissatisfaction with the incumbent at the polls—reneged promises during the production period could incite a political response that exceeds normal electoral politics and takes a violent turn. Examining how oil discoveries affect incumbent support in core, swing, and opposition localities once production is underway is an important avenue for future research.

Future research should also investigate how the results presented here generalize beyond Uganda. We expect similar outcomes to obtain in other countries in sub-Saharan Africa and beyond where the chief executive is strong and capable of acting as a ‘single unitary actor’ with respect to distributive decision-making, and where issues of partisan alignment between central and local governments is not a central concern (Stokes et al., 2013; Arulampalam et al., 2008). The effect of oil discoveries on support for the incumbent chief executive will likely be less pronounced in countries or where other actors—whether legislatures, local governments, or oil companies—can make decisions over distributions or claim credit for delivering oil benefits. Additionally, we expect distributive politics to be less important in fully authoritarian countries where the opportunity to secure political power through repression is more possible. Ultimately, while external validity can only be established through more research, this paper underscores the value of continuing to examine how variation in local political context shapes the impact of oil discoveries, with potentially important implications for whether and how both the political and conflict curses evolve.
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