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## **THE MOTIVATIONAL EFFECT OF OIL EXPLORATION IN SOMALI AND THE HABITUAL AFRICAN RESOURCE CURSE**

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### **Abstract**

**Purpose:** The abundance of natural resources is usually considered the blessing for the countries that own such resources. However, such wealth is often associated with poverty and a slower economic growth. This phenomenon is called the resource curse, and it shows that most countries that are rich in natural resources have markedly reduced economic growth and development, and it shows that the wealth of natural resources adversely affects their economies, although it is intuitively expected to be the opposite i.e. that such wealth would have a positive impact on the country's economic development. The general objective of the study was to find out the motivational effect of oil exploration in Somali and the habitual African resource curse.

**Methodology:** The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main themes and to extract knowledge gaps.

**Findings:** The study found out that Oil resource exploration has led to progress in some developed economies such as Canada which was able to avoid the resource curse. This is because oil revenues helped Canada among other countries make investments in capital, build employment and grow. Other countries such as Russia and Japan have not been able to avoid the resource curse. African countries in general where the majority of oil producing nations are, have an inverse correlation between oil production and industrial development. Examples of African countries that have been affected by the resource curse are Nigeria, Angola, South Africa and Zimbabwe. Empirical results indicate that, Somalia motivation for oil exploration is for economic development. However, it has not been spared the resource curse because the presence of oil has led to civil wars and terrorisms as groups seek to control the areas with oil fields. In addition, Somali and Kenya have involved diplomatic warfare over oil reserves that are located in the Indian Ocean near their borders.

**Recommendations:** The study recommends that the government should enact laws which will govern petroleum operations, as well as empowering the Somali Petroleum Authority,(SPA) which will act as a regulatory body overseeing oil and gas activity.

**Keywords:** *Resources, Curse, Oil Exploration,*

## INTRODUCTION

### 1.1 Background of the Study

The resource curse is a term used to describe a paradoxical situation in which a country underperforms economically, despite being home to valuable natural resources. The resource curse may also be called the resource trap or the paradox of plenty (Fernando, 2020). The resource curse is a phenomenon that is experienced by both the developed and developing countries. The resource curse has been reported to some of the countries and others have not reported like Canada. The country is a major net exporter of natural gas and coal. If one includes the Alberta oil sands (which were pre-shale considered cost prohibitive to develop), the country holds what is estimated to be the world's second largest oil reserves (Saudi Arabia being number one). The country is also a major mining power, being the third largest producer of primary aluminum and diamonds, and in the top five for cadmium, molybdenum, nickel, platinum group metals, salt, titanium concentrates, elemental sulphur and uranium. Despite this, Canada has so far managed not to become a victim of the resource curse. Some of this may have to do with the way regulations and oversight are implemented and applied. Much of the royalties, taxes, incentives, permits and licensing for oil and natural gas are done through provincial bodies, while a federal National Energy Board oversees regulation and is partnered with respective provinces in offshore drilling. Importantly, the NEB also reports to Parliament (Fernando, 2020).

Notably, the resource curse has also affected developed countries like Russia. Alexei Kudrin a European economist argues that the Russian economy and its post-2000 growth have been heavily dependent on natural resources, especially hydrocarbons, and are bound to remain so for some time to come. Given that many economists have come to view rich natural resource endowments as a "curse" that undermines development, the question arises as to whether Russian economic development is doomed. The author argues that while the challenges posed by resource dependence are serious, they can be overcome, or at least substantially mitigated, if accompanied by the right economic policies. The Russian economy has been expanding or shrinking with the price of oil and gas (Adelaja, 2016).

Africa constitutes of 54 countries and is richly endowed with natural resources: However, some scholars have indicated that these resources have been more of a curse than a blessing because they are believed to be the cause of many conflicts in the continent, a concept known as "resource curse" or the "Dutch Disease." More often than not, these conflicts have been blamed on African leaders. The African leadership has so far demonstrated lack of vision and commitment to building and creating the critical capacity and the requisite human capital that would be used to transform the enormous African resources into different products that would add value to the process of economic development and structural transformation of the African economies. In most cases, the conflict between the government and opposing groups over the control of such resource has been the major cause of conflicts (Lujala, 2010).

The discovery of immense oil resources in Africa brought a new curse into the continent as post-independent African states content with the control and distribution of immense oil and gas resources. In African history, the oil discoveries occurred during the colonial period when African indigenous people had no idea and or, capacity to extract it. This left the extraction and

marketing of oil resources in the hands of foreign-dominated multinationals such as the “Anglo-Dutch Shell, Italian Agip, American Chevron, French Elf and so on”. This came with conflicts since of unanticipated scale although oil exploration has been identified as the source of many conflicts in the world (Bamberger & Skovsted, 2016).

It is worth noting that although conflicts are unavoidable in the access, exploration, exploitation and management of natural resources, the situation is aggravated by political patronage in oil exploration activities (Wesonga, 2017). As already stipulated, oil exploration is also accompanied by the resource curse particularly in low and medium-income countries. As much as this “resource curse” literature theorizes that “the negative impact of the exploitation of oil resource is felt after the actual oil production, there is evidence that even in the initial stages of oil exploration there are conflicts that arise.” According to Bamberger and Skovsted contradictory modes of governance and overlapping territorial claims are the major contributory factors to conflicts in oil exploration locations (Douglas, 2012).

Since conflicts have impact on development, it is in the interest of the government to ensure that there is stability in the country. In this light, it is important to undertake studies that investigate the nexus between oil and conflicts in Africa, seeing that failure to understand these conflicts could thwart development efforts in any country. “The government’s responsibility in managing natural resources extends to providing for the management of conflicts between resource exploiting companies and the communities inhabiting the region where the resource is found (Muigua, 2011).

### **Oil in Somalia**

Of all the countries surrounding the Red Sea and the Gulf of Aden, it was noted that Somalia stepped up as a country with a very promising future in terms of hydrocarbon potential in the area, second only to Sudan. It is obvious, as mentioned above that Somalia is abundantly equipped with natural resources and is committed to exploit its oil and gas reserves. The notion of the "resource curse", nevertheless, that an excess of natural resources, while beneficial in the short term, holds down the growth of a nation in the longer term, still persists in the thoughts of the majority (Balthasar, 2014).

Oil resource exploration can lead to progress. This is because oil revenues helping countries make investments in capital, build employment and grow. This has not always been the case, nevertheless, particularly in African countries where the majority of oil producing nations have an inverse correlation between oil production and industrial development. The 'oil curse' has been dubbed this case. A country has to have efficient structures to prevent the 'oil curse' and also facilitate openness and efficiency in the distribution of oil blocks and the control of oil income. In tandem with this, investment in the productive sectors of the economy should be made to improve economic productivity and expand jobs (Balthasar, 2014).

### **1.2 Statement of the Problem**

As a modern ‘frontier region’ Somalia is one of the most promising countries blessed with oil and gas in the Eastern part of Africa. However, it is faced with political upheavals, weak state structures, physical insecurity, and property rights full of ambiguities; this makes it a challenge to exploit the country of its hydrocarbons (Fernando, 2020). A critical question for its growth is

whether in the short and medium term, Somalia's market can be substantially and sustainably stabilized with consideration to its stability, economic and political environment in order to enable industrial production of oil. While the potential course of Somalia has been anything but independent of oil exploitation potential, a similarly important issue is how far the growth of its oil and gas industry will pose a threat to the ambitions to become a resilient economy and state. Very clearly, the dilemma that exists is whether the oil and gas riches of Somalia could become a blessing or a curse. This is important because there is a need for Somalia to guarantee that it is not swept up in the 'resource curse disorder'(Balthasar, 2014)

In a survey done by Sala-i-Martin and Subramanian (2013) conducted a study on addressing the natural resource curse with a basis in the nation of Nigeria and concluded that waste and corruption from oil rather than Dutch disease has been responsible for its poor long run economic performance.. Movchan, Zotin and Grigoryev (2017) researched on the management of the resource curse strategies of oil-dependent economies in the modern era in Russia and noted that the increase in oil revenues, along with state investment in industry, led to growth in production capacity. However, this process was accompanied by a fall in capacity utilization and productivity of the economy. Ahali & Ackah, (2014) researched on oil resource governance in Somalia and its susceptibility. The research found that oil resource exploration can lead to progress. This is because oil revenues helping countries make investments in capital, build employment and grow. Stiftung & Office (2011) researched on fuelling the world-failing region and oil governance development in Africa's gulf of Guinea. The study found out that Guinea's economy is still marked by low levels of manufacturing and industrialization, apart from a flourishing livestock-producing economy. These studies failed to establish if Somalia motivation for oil exploration was for economic development. However, the reviewed studies expose knowledge gaps as far as literature on developing countries are concerned. Therefore this study narrows the research gap by finding out the motivational effect of oil exploration in Somali and the habitual African resource curse.

### **1.3 Objectives of the Study**

The general objective of the study was to find out the motivational effect of oil exploration in Somali and the habitual African resource curse.

### **1.4 Justification and Significance of the Study**

The study is beneficial to the government and mining stakeholders in Somalia. They may use the study findings to manage and control exploration activities in order to benefit both the sector and manage the resource curse effectively. Additionally, the findings of this study enrich existing knowledge by adding to the pool of information available in regard to the topic under study. Hence, it is of interest to both researchers and academicians who seek to explore and carry out further investigations.

## LITERATURE REVIEW

### 2.1 Theoretical review

Two theories were found to be relevant to the motivational effect of oil exploration in Somali and the habitual African resource curse. The theories that were found to best inform the research constructs were Resource Curse Theory and Theory and Hypotheses of Exploration-Exploitation Framework.

#### 2.1.1 Resource Curse Theory

The resource curse refers to the paradox that countries with an abundance of natural resources, specifically non-renewable resources like minerals and fuels, tend to have less economic growth, less democracy and worse development outcomes than countries with fewer natural resources (Kisembo, 2009, p. 25). Literature available on resource curse (Sachs & Warner, 1995, p.50; Auty, 2001, p.360) and the paradox of plenty (Karl, 1997, p.23) relate both resource abundance and resource dependence to low levels of human development, corruption, repression, poor economic performance. However, even with the vast and varied nature of literature on socio economic effects an identifiable oversight in their research findings are that Karl (1997) based his premises only on formal sectors. He gave little consideration to the non-formal sector, non-state institutions and non-formal authorities like farming traditional institutions and community leadership which in one way or another are affected by extractive activities. This theory is critiqued because it neglected the study of peace and war. The results of macro qualitative comparison for a reduced sample of highly dependent oil exporters are even clearer cut, compared to oil poor countries and in contradiction to the rentier state theory, the institutions of oil wealthy countries do not seem to be particularly characterized by patronage and clientelism.

#### 2.1.2 Theory and Hypotheses of Exploration-Exploitation Framework

The theory was developed by Levinthal and March (1991). The two argued that, the exploration-exploitation framework distinguishes two broad patterns of learning behaviors. March (1993) defined them as follows: Exploration includes things captured by terms such as search, variation, risk taking, experimentation, play, flexibility, discovery, innovation while exploitation includes such things as refinement, choice, production, efficiency, selection, implementation and execution. Levinthal and March (1991) further added that exploration involves a pursuit of new knowledge, whereas exploitation involves the use and development of things already known. However, more recently researchers have elaborated these ideas by considering their implications not only for intra but also for inter organizational learning. They have recognized that collaboration with partners facilitates learning by accessing new knowledge residing outside a firm's boundaries and by collaboratively leveraging existing knowledge with partners. Thus, collaborations, which are voluntary arrangements among independent firms involving exchange, sharing, or joint development or provision of technologies, products, or services have become a noteworthy vehicle for exploration and exploitation (Gulati, 2003).

The theory has focused on three domains of Exploration-Exploitation. First is Function exploration-exploitation domain. This domain defines the nature of alliance relationships. Subsequent research by (Koza, Lewin, 2000) in supportive of this domain has further focused on the value chain function that these domains serve. They argued in line to the theory that firms that

engage partners in R&D that may lead to innovative technologies and applications can be said to participate in exploration, whereas firms that rely on alliances for commercializing and using existing technologies or employing complementary partner capabilities undertake exploitation. In this sense, exploration projects engage in upstream activities of the value chain, enabling partners to share tacit knowledge and develop new knowledge. In contrast, exploitation projects engage in downstream activities such as commercialization and marketing that leverage and combine partners' existing capabilities through exchanges of explicit knowledge (Levinthal, 1991). The distinction between acquiring and generating new knowledge through exploration and accessing, integrating, and implementing existing knowledge through exploitation has been thus linked to firms' polar tendencies to engage in R&D alliances versus marketing alliances (Rothaermel, Deeds, 2004).

The first domain framework of exploration-exploitation discussed by the theory is the Structure exploration-exploitation domain. This structure domain of exploration-exploitation takes into account the network positions of a firm's partners. Recurrent alliances between firms are considered a form of exploitation, and alliances formed with new partners are considered exploration. When a firm forms recurrent alliances with a select group of partners, it can rely on existing arrangements and channels to facilitate access and transfer of knowledge already prevailing in its immediate alliance network. In this regard, Levinthal and March (1991) argued that forming additional alliances with existing partners is a form of exploitation in which a firm reinforces its existing relationships in order to use its current knowledge base. Hence, the proximate network position of partners facilitates the flow of knowledge and information and enhances the efficiency of collaboration. By forming alliances with familiar partners, firms can also rely on prior experience and inter-firm trust to enhance the predictability and reliability of collaboration. Such a pattern of alliance formation corresponds to March's (1991) notion of exploitation. In contrast, when partners have no prior ties to a firm, the firm cannot rely on direct experience with these partners, but it can broaden its reach and seek knowledge that cannot be channeled through its immediate network.

The second domain focused by the theory was Attribute exploration-exploitation. Unlike the function domain, which defines the nature of alliance relationships, and the structure domain, which relates to the prior network positions of partners, the attribute domain refers to intertemporal variance in the organizational attributes of a firm's partners. Following March (1991), the theory associate exploration with experimentation and variation in routines, processes, technologies, and applications. Exploration enhances adaptation to environmental changes by increasing variance in these organizational attributes and by supporting "long jumps" or reorientations (Levinthal, 1997) that enable a firm to adopt new attributes and attain new knowledge outside its domain). A deviation from a systematic pattern of alliance formation with partners that share certain organizational attributes is thus considered an exploratory behavior. (Rosenkopf, Nerkar, 2001)

In addition, when a firm persistently forms new alliances with partners that are similar to its prior partners with respect to attributes such as size and industry focus, it can apply established heuristics and effective governance mechanisms for assimilating external knowledge (Darr, Kurtzberg, 2000) and can also efficiently accumulate and apply its partnering experience in the learning process. Such persistence in alliance formation leads to repetition based improvement, experiential learning, and specialization, which are associated with exploitation (Levinthal & March, 1993). Within the attribute domain, firms' alliance networks range from exhibiting

consistency in partners" attributes (exploitation) to showing frequent deviation from such a pattern (exploration).

In relation to the study, helps in understanding the core normative behavioral balance perspective between exploration and exploitation. The notion of balance refers to equilibrium between conflicting tendencies that is, the exploration by the company and the community exploitation. Existing research reveals a striking contrast between normative assumptions and behavioral tendencies with respect to the balance between exploration and exploitation. On the one hand, researchers have normatively assumed that firms should seek to balance exploration and exploitation because both short-term productivity and long-term innovation are essential for community livelihood development, success and survival (March, 1991). Rivkin and Siggelkow (2000) highlighted further that there is need for companies to strike the balance between exploitation and exploration. Despite the undesirable outcomes and self-destructive nature of adaptive processes (March, 1991), failure and success traps may lead to excessive exploration or exploitation, resulting in imbalance (Levinthal & March, 1993). Thus, it is to this context that the research is therefore seek to unveil such in line with what influence the exploration projects have on the livelihood development of marginalized communities where they are part and person of the exploration and exploitation projects defined there in by the theory.

## **2.2 Empirical Review**

Ahali & Ackah, (2014) researched on oil resource governance in Somalia and its susceptibility to the resource curse. The research found that oil resource exploration can lead to progress. This is because oil revenues helping countries make investments in capital, build employment and grow. This has not always been the case, nevertheless, particularly in African countries where the majority of oil producing nations have an inverse correlation between oil production and industrial development. The 'oil curse' has been dubbed this case. A country has to have efficient structures to prevent the 'oil curse' and also facilitate openness and efficiency in the distribution of oil blocks and the control of oil income. In tandem with this, investment in the productive sectors of the economy should be made to improve economic productivity and expand jobs. The study further found that Somalia currently lacks the required structures to boost efficient control of expenditure on oil revenues. The nation which does not have an oil refinery. Without oil refineries, much of the technical advantages associated with oil cannot be attributed to Somalia. The study recommends the study recommends the existing governance structure should be strengthened.

Stiftung & Office (2011) researched on fuelling the world-failing region and oil governance development in Africa's gulf of Guinea. Guinea's economy is still marked by low levels of manufacturing and industrialization, apart from a flourishing livestock-producing economy. Unfortunately, there is a shortage of access to electricity in Guinea, a common and essential prerequisite for achieving greater economic diversification. In order to fight the politically and commercially adverse consequences of the phenomenon of abundance, Guinea barely has the well-trained team of technocrats and regulators required. In their work highlights four factors that cause revenue rents to trigger the 'resource curse': primarily, the exceptionally huge scale of oil rents, which can induce similarly large government expenditures; second, the source of revenues, which do not come from taxes but from foreign companies; third, the instability of

revenues caused by commodity price volatility; and finally, the secrecy of mining revenues, which breeds corruption. The study concludes that “rentier-states” are generally more inclined to rent-looting and corruption.

Movchan, Zotin and Grigoryev (2017) researched on the management of the resource curse strategies of oil-dependent economies in the modern era in Russia. The increase in oil revenues, along with state investment in industry, led to growth in production capacity. However, this process was accompanied by a fall in capacity utilization and productivity of the economy. Government plans for industrialization, which were supposed to create the conditions for inclusive growth and rising living standards, did not lead to the desired result in the first forty years of independence. Without oil refineries, much of the technical advantages associated with oil cannot be attributed to Russia.

Sala-i-Martin and Subramanian (2013) conducted a study on addressing the natural resource curse with an illustration from Nigeria. The Nigerian experience provides telling confirmation of this aspect of natural resources. Waste and corruption from oil rather than Dutch disease has been responsible for its poor long run economic performance. Although the oil resources of Nigeria alone is unlikely to achieve a prosperous and decent quality of life, the capacity of the country to achieve economic diversification is critical in order to pave the way for income-generating opportunities, tackle unemployment, and foster better resilience to volatile budgets triggered by natural resources inflation expectations internationally. To date, no attempts have been made by the Nigeria government or the international community to make developments in this respect. The study proposed a solution for addressing this resource curse which involves directly distributing the oil revenues to the public. Even with all the difficulties of corruption and inefficiency that will no doubt plague its actual implementation, our proposal will, at the least, be vastly superior to the status quo. At best, however, it could fundamentally improve the quality of public institutions and, as a result, transform economics and politics in Nigeria.

Di John (2007) researched on oil abundance and the resultant effect from violent political conflict. This paper addresses one of the empirical claims of the ‘resource curse’ argument, namely that oil abundance raises the probability of political violence. The study argue that the two main theoretical premises of the oil-civil-war link, rent-seeking and the rentier state model, fail to provide a convincing argument as to why oil economies are more vulnerable to the onset of civil war. Further, three often-mentioned mechanisms as to why oil economies succumb to political violence not convincing; that oil economies are poor economic performers; that oil economies generate high corruption; and that oil economies tend to produce authoritarian regimes.

Gundel (2020) researched on oil and gas in the political marketplace in Somalia. This analysis illustrated the increasing importance of hydrocarbons to the strategic status of Somalia and to the political market conditions in turn. The formation of the federal government in Mogadishu in 2012 has transformed the structure of this sector to put it under a central authority where agreements have been made with regional authorities for years before; this development has eventually triggered or led to conflicts in the organizations in charge, noticeable since the end of 2018. The development of the legislative and regulatory system and agencies is still incomplete, but the operation of the political marketplace is now framed, with power over the Ministry of

Petroleum and the Somalia Petroleum Agency being the main motives of political elites and related negotiations. Regulation of these 'institutions' provides access to informal sources of capital as well as gives control over the distribution of sub-contracts, which are likely to have come from the various grants and loans.

### **Research gaps**

Geographical gap is a knowledge gap that considers, the untapped potential or missing/limited research literature, in the geographical area that has not yet been explored or is under-explored. For instance, Sala-i-Martin and Subramanian (2013) conducted a study on addressing the natural resource curse with a basis in the nation of Nigeria. Movchan, Zotin and Grigoryev (2017) researched on the management of the resource curse strategies of oil-dependent economies in the modern era in Russia. Ahali & Ackah, (2014) researched on oil resource governance in Somalia and its susceptibility. Stiftung & Office (2011) researched on fuelling the world-failing region and oil governance development in Africa's gulf of Guinea. These studies presents a geographical gap in that the study will be based in Somalia, which have a different economic situation than Nigeria, Guinea and Russia.

Conceptual gap arises because of some difference between the user's mental model of the application and how the application actually works. Di John (2007) researched on oil abundance and the resultant effect from violent political conflict while this study aims at assessing the concept of motivational effect of oil exploration. Gundel (2020) researched political marketplace of oil and gas in Somalia. Therefore, this study focuses on motivational effect of oil exploration and existence of the resource curse.

Methodological gap is the gap that is presented as a result in limitations in the methods and techniques used in the research (explains the situation as it is, avoids bias, positivism, etc.). Di John (2007) researched on oil abundance and the resultant effect from violent political conflict and adopted a literature review method to obtain the findings for the study.

### **METHODOLOGY**

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to motivational effect of oil exploration in Somali and the habitual African resource curse. Three sorting stages were implemented on the subject under study in order to determine the viability of the subject for research. This is the first stage that comprised the initial identification of all articles that were based on oil exploration and resource curse from various data bases. The search was done generally by searching the articles in the Article title, abstract, keywords. A second search involved fully available publications on the subject of resource curse and its effect on economic development in Somalia. The third step involved the selection of fully accessible publications. Reduction of the literature to only fully accessible publications yielded specificity and allowed the researcher to focus on the articles that related to motivational effect of oil exploration in Somali and the habitual African resource curse which was split into top key words. After an in-depth search into the top key words (oil exploration, resource curse, natural resources). The drawing and interpretation of research findings and sense which is not a quantitative impact evaluation, was important in this context, which implies that qualitative and thematic analysis was most suitable in this study.

## **SUMMARY, CONCLUSION AND POLICY IMPLICATION FOR FURTHER STUDY**

### **Summary**

The study found out that Oil resource exploration has led to progress in some developed economies such as Canada which was able to avoid the resource curse. This is because oil revenues helped Canada among other countries make investments in capital, build employment and grow. Other countries such as Russia and Japan have not been unable to avoid the resource curse.

African countries in general where the majority of oil producing nations are, have an inverse correlation between oil production and industrial development. Examples of African countries that have been affected by the resource curse are Nigeria, Angola, South Africa and Zimbabwe

Empirical results indicate that Somalia motivation for oil exploration is for economic development. However, it has not been spared the resource curse because the presence of oil has led to civil wars and terrorisms as groups seek to control the areas with oil fields. In addition, Somalia has been involved in diplomatic warfare with Kenya over the oil reserves that are located in the Indian Ocean. All these are indicators of the presence of the habitual resource curse among African countries.

A potential solution to the oil curse in Somalia is to ensure that the country has efficient structures to prevent the 'oil curse' and also facilitate openness and efficiency in the distribution of oil blocks and the control of oil income. In tandem with this, investment in the productive sectors of the economy should be made to improve economic productivity and expand jobs.

### **Conclusion**

The study concluded that the presence of oil in a country can have major benefits and it does not automatically lead to the oil curse, an example is Canada. But if not managed properly or efficiently by the host government, the massive influx of oil revenues can distort a country's economic fundamentals, fuel corruption, and create conditions that trigger conflict. Countries with oil are twice as likely to experience civil war as those without. Therefore, improving governance and reducing corruption would increase stability. This in turn would reduce operating costs, increase production, raise standards of living for the people in these countries that experience resource curse, and create new demand and markets.

### **Recommendations**

The study recommends that the government should enact laws which will govern petroleum operations, as well as empowering the Somali Petroleum Authority, which will act as a regulatory body overseeing oil and gas activity.

The study recommends that Somali authorities need to devise a strategy on how to actively manage public expectations emerging in relation to natural resource exploitation. The management of public expectations is critical in order to minimize potentially negative consequences that accrue from a disappointed public.

The study recommends that the community participation should be considered in making key decisions during oil exploration in Somalia as it has the potential to make suggestions that can reduce the impacts of oil exploration on the communities.

### **Recommendations for further study**

There exists a research gap in motivational effect of oil exploration in Somali and the habitual African resource curse. Another study can be conducted on factors that causes resource curse in Africa such as Dutch Disease, Revenue Volatility and Governance.

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