



Escaping the Resource Curse

Findings from comparative energy impacts research in the Bakken, Powder River Basin and Marcellus



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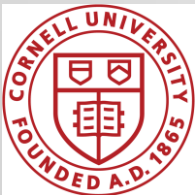
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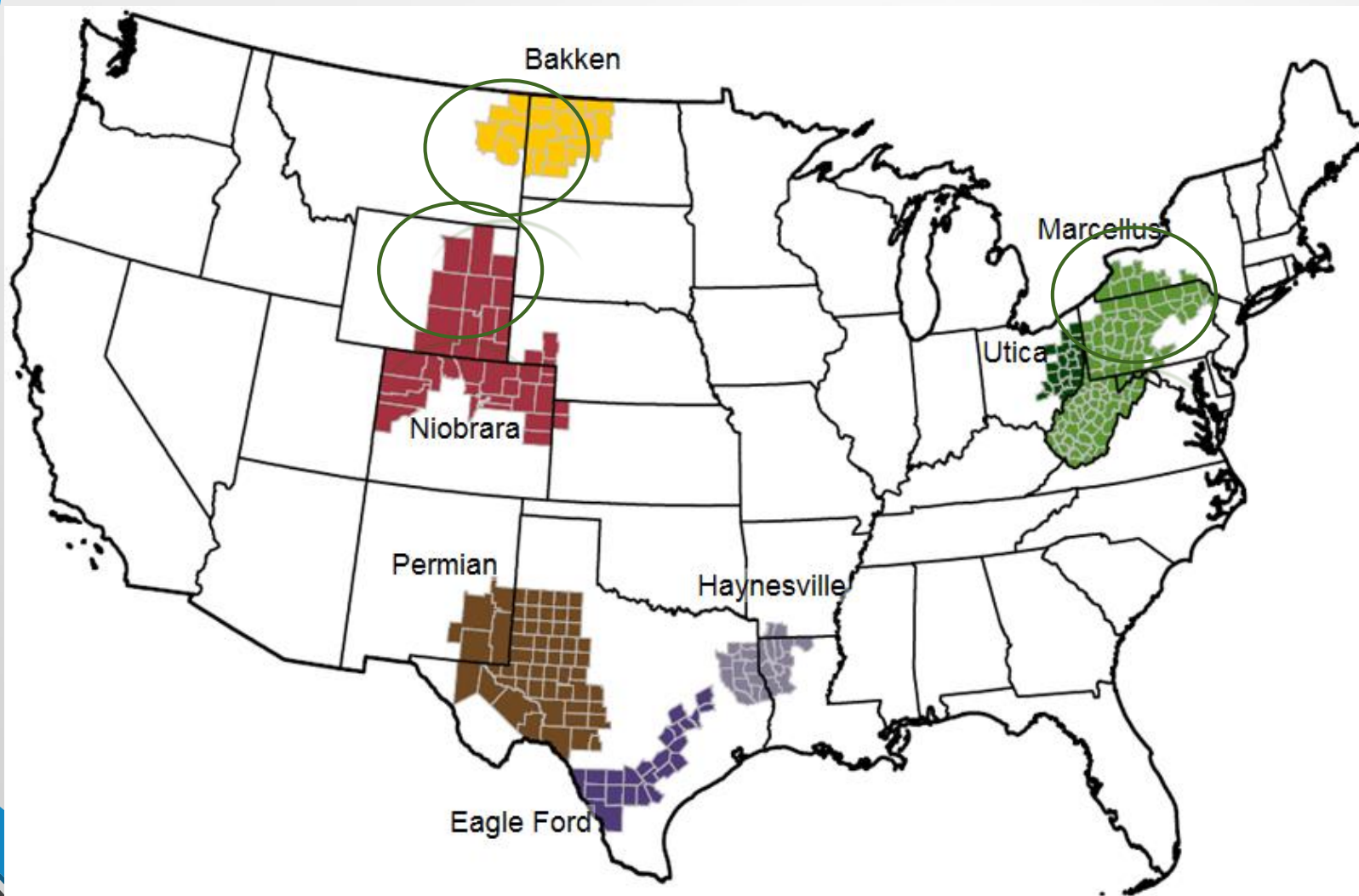
Objectives

- How do rural communities and local stakeholders in agriculture assess the costs and benefits of unconventional oil and gas development?
- Explore institutional developments
- Pilot & evaluate model community development interventions
- Evaluated communities in engaged at different stages of development:
 - Before the development starts, during the development, and Post development



Regions of Study

“playing in the Play”



Escaping the Resource Curse Approach

Comm. Development Extension

- National inventory
- Pilot intervention – Richland Co., MT

Mail Survey: Costs & benefits

- 1,000 Landowners
- 1,600 Business Owners
- 4 counties (PA, WY, ND, & MT)

Case Studies: Innovative local institutions

- Landowner and local government responses – 6 examples
- In-depth interviews and governance histories

STATUS:

- Year 3 out of 3
- Extension work ongoing
- Analyzing survey data
- 2 out of 6 case studies completed

2 Case Studies

METHODS:

Exploratory site selection with advisors

SEMI-STRUCTURED INTERVIEWS & ARCHIVAL RESEARCH

GOAL: IDENTIFY LOCAL IMPACTS OF DEVELOPMENT & ASSESS
RESPONSES

EXAMPLES:

LOCAL GOV'T COORDINATION IN POWDER RIVER BASIN

LANDOWNER COALITION IN NORTH DAKOTA

Overall Effect on Businesses, by Sector

Sector	During peak <i>Percent</i>			After decline <i>Percent</i>		
	Positive or very positive	Neutral	Negative or very negative	Positive or very positive	Neutral	Negative or very negative
Agriculture	36.4%	36.4%	27.3%	22.7%	36.4%	40.9%
Oil/gas	100%	0%	0%	20%	0%	80%
Construction	53.8%	38.5%	7.7%	16.7%	41.7%	41.7%
Manufacturing	33.3%	66.7%	0%	33.3%	33.3%	33.3%
Trade	83.3%	0%	16.7%	15.4%	23.1%	61.5%
Services	56.7%	36.7%	6.7%	13.3%	53.3%	33.3%
Hospitality	75%	12.5%	12.5%	25%	37.5%	37.5%
Other	45.8%	41.7%	12.5%	20.8%	62.5%	16.7%
Total	59.1%	29.1%	11.8%	18.9%	40.2%	40.9%

Peak Business Strategies

Strategies	% of Businesses Using Strategies	Examples
Diversification	18%	<i>Diversified services offered, service area, or locations</i>
Capital adjustments	24%	<i>Upgraded equipment, purchased or renovated land or building</i>
Lowered costs	10%	<i>Reduced inventory, reduced services, did not buy on credit</i>
Financial management	12%	<i>Saved, increased fundraising, paid off debt</i>
Employment	18%	<i>Hired more employees, more training, paid bonuses, advertised for skilled workers in another state</i>
Behavioral	6%	<i>Communicated daily with industry, treated customers well</i>
Other	12%	<i>Master Service Agreements, active marketing of mineral rights, increase workers comp access</i>
Total	27.7%	

Working output and personnel investments

Mentoring and training: 3+ Graduate Students

Manuscripts:

- Summary of extension activity on O&G submitted to JOE
- Article on planning model for boomtowns, in press at Impact Assessment & Project Appraisal
- Two Graduate Student led book chapters on Northwest Landowners and reclamation
- 3-4 more in process (incl. research fatigue in communities)