**Polycentric Governance of Economic Development: A Case Study of Oil and Gas Developmental Impacts in the Marcellus and Utica Shale Region**

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**ABSTRACT:** Hydraulic fracturing has taken a newfound, prominent presence on the energy stage. With ample reserves in the United States, the natural gas industry has encouraged economic growth, the promise of increased job availability, and greater national security. Already dotted with coal mines and traditional oil wells, that has taken advantage of its substantial reserves, experiencing a major boom in natural gas and oil production since the mid-2000s. Conflicting ideas of best practices in governing natural gas development call into question the effectiveness of multi-level forms of governance. A comparative case study of Ohio, Pennsylvania, and West Virginia provides an opportunity to examine different forms of polycentric governance of economic development associated with the oil and gas industry. Utilizing content analysis of interviews with key policymakers, stakeholders, and policy experts, we assess the extent to which states assert power over the governance of development and provide opportunities or restrictions for local and regional engagement in oil and gas governance. Each of these states has taken different de jure policy strategies, but our analysis illustrates that de facto policies are quite similar across the states. Our investigation highlights how lack of bureaucratic capacity hinders the ability of local governments to engage in governance of economic development within the region, even when given resources and power to do so by the state.

**METHODS**

**BACKGROUND DATA COLLECTION**

Secondary data analysis of current oil and gas policies in Ohio, Pennsylvania, and West Virginia. Identification of key public and private stakeholders.

**PUBLIC AND PRIVATE OFFICIAL INTERVIEWS**

Ethnographic interviews of public and private stakeholders to determine the effects that oil and gas policies have on local governments. The goal of these interviews is to determine local government's capacity to regulate natural gas development externalities.

**INTERVIEW CONTENT ANALYSIS**

Interviews are transcribed and analyzed for common themes.

**POLYCENTRIC GOVERNANCE**

- Term refers to multiple overlapping forms of governance, going beyond federalism to encompass public, private, and voluntary sectors. This is shown in Figure 2.
- We argue that this method of governance best fits the natural gas social-ecological system.
- Constitutionally, Ohio, Pennsylvania, and West Virginia should be able to regulate fracking as they have been able to regulate other sectors of the oil and gas industry.
- Figure 3 shows the current governance strategy. The federal government has removed its from natural gas regulation, leaving it to the states to manage the industry. Municipal governments have little to no power, shifting their regulatory ability to one that must go through the state legislature. Regional actors only have influence at the state level due to the restricted abilities of municipal governments.

**REFERENCES**

