FRACKING SHIFTS US POLITICS TO THE RIGHT: In places with shale booms, conservative Republican candidates benefit at expense of Democrats

Voters in US congressional districts that experience shale oil and gas booms are more likely to kick out Democrat politicians and replace them with less environmentally friendly Republicans. That’s the key finding of research by Viktar Fedaseyeu, to be presented at the annual congress of the European Economic Association in Geneva in August 2016.

His study analyses election results since fracking began in the United States in 2003, and finds that the probability that a district would change its representative rose from 16% to 29%. But the change favours only one party: losses by Democrats increase by almost 23 percentage points, whereas shale booms have no effect on Republican incumbents, as longstanding Democrat voters switch sides. The new office-holders vote more conservatively on environmental protection, tax policies, civil rights and labour policies.

The author explains: ‘Republicans, traditionally representing business interests, have supported fracking, while Democrats, traditionally representing environmental interests, have been more negative. As a result, local residents in shale areas may have increased their support for Republicans.’

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Shale oil and gas booms in the United States have shifted electoral preferences towards Republican candidates and triggered large changes in political outcomes across a wide range of issues. When a congressional district moves from its pre-boom to post-boom years, the probability of a change in incumbency rises by 13 percentage points, a near doubling relative to the unconditional rate (16%).

Even more striking, losses by Democrats increase by almost 23 percentage points, whereas shale booms have no effect on incumbents who are Republican. Following shale booms, office-holders vote more conservatively on issues related to environmental protection, tax policies, civil rights and labour policies. Thus, changes in political attitudes stemming from one kind of shock (energy development) spill over into other arenas. All of these changes occur because voters replace politicians: incumbents who get re-elected after shale booms do not change their voting behaviour.

Shale booms stem from combining horizontal drilling with hydraulic fracturing (‘fracking’), thus allowing energy companies to exploit previously uneconomic shale oil and gas reserves. Shale development began in 2003 with natural gas, and continued through the end of the decade with oil.

The development of shale reserves has become a politically contentious issue, partly due to environmental concerns. Republicans, traditionally representing business interests, have supported fracking, while Democrats, traditionally representing environmental interests, have been more negative.

As a result, local residents in shale areas may have increased their support for Republicans. Beyond the divide on environmental grounds, wealth windfalls may have
shifted preferences away from redistributive policies, another area of sharp partisan divide.

Exit polling data illustrate the effect of shale on individual voter preferences. The share of self-reported Democratic Party members who vote for the Republican candidate nearly doubles in congressional districts with shale development, relative to other congressional districts. In contrast, there is little difference in Republicans voting for Democratic candidates.

Consistent with large changes in voter preferences, in areas experiencing shale booms, the Republican vote share increases in US House elections, US Senate elections, US presidential elections and state gubernatorial elections. In all four election types, party matters: voting patterns change only when the incumbent local office-holder is a Democrat, meaning that voters support a switch from a Democrat to a Republican after booms. Economically, the advent of shale booms nearly doubled the probability of a change in incumbency, almost entirely at the expense of office-holders who are Democrats.

Using interest-group ratings, the researchers find that these electoral shifts resulted in more conservative voting by congressional office-holders from shale areas. Following shale booms, ratings for congressional office-holders increase from the conservative groups and decrease from the liberal ones. But there is little evidence that office-holders themselves alter their voting following shale booms: almost all of the changes occur because voters replace incumbent politicians.

That US shale booms lead to large political changes complements existing research on the link between natural resources and political outcomes, which finds that oil booms can lead to more patronage and government spending and can create an incumbency advantage in local elections. Unlike in developing countries, where governments largely control natural resources, the benefits of shale in the United States accrue directly to individual landowners. This mechanism may diminish politicians’ ability to extract rents, thus enabling voters to initiate political change.

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