

Oil and Politics in North Dakota

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ABSTRACT

In the past decade, North Dakota has experienced a substantial shift in economic and political activity due to oil. In addition to jobs and revenue, corporate interests have surged into the state with a dominating force. As players in a highly valued industry, oil companies have worked hard to protect and uphold viable markets in the state. These interests are observed in relationships with key politicians, especially among those regulating the oil industry as members of the North Dakota Industrial Commission (NDIC). Critics label this development as misguided, as an example of big business manipulating government. This thesis, on the other hand, contends that such arguments are predicated on prevailing, yet unhelpful standards, and offers an understanding of how ND's government operates in the real world through the use of qualitative and quantitative methods. By testing the relationship between political contributions and oil spills in North Dakota and interpreting the results using three political theories—liberalism, realism, and elite theory—the case study shows the allegations against key politicians and the oil industry are not substantiated. Instead of a case of political corruption, the thesis shows that the case of the NDIC is in fact a paradigmatic example of how liberal-democracy really works.

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GENERAL AUDIENCE ABSTRACT

In the past decade, North Dakota has experienced a substantial shift in economic and political activity due to oil. In addition to jobs and revenue, corporate interests have surged into the state with a dominating force. As players in a highly valued industry, oil companies have worked hard to protect and uphold viable markets in the state. In particular, by developing relationships with key politicians, especially among those regulating the oil industry as members of the North Dakota Industrial Commission (NDIC). Critics view these strong relationships between oil companies and politicians as imbalanced and corrupt. In response, this thesis questions the criticisms at hand and offers an understanding of how ND's government operates in the real world. By testing the relationship between political contributions and oil spills in North Dakota and interpreting the results using three political theories, the thesis shows that the case of the NDIC is not a case of corruption but how liberal-democracy really works.

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I. Introduction

Boom. This has been the word used to describe oil activity in North Dakota (ND) and for good reason. In a state with more cattle than people, horizontal drilling and hydraulic fracturing has changed life on the prairie drastically. Since 2006, 11,000 new oil wells have been drilled in the Bakken geological formation (Well Search – NDIC 2015). The resulting influx of development has been a source of great economic activity, prosperity, and revenue. Consequently, it has also invoked serious political controversy. In particular, accusations have been made that interests associated with the oil ‘boom’ have somehow tainted ND’s liberal-democratic institutions, and have allowed politicians with significant stake in the industry to simultaneously regulate it. These allegations have focused specifically on the dominating interests of the oil industry shaping the actions of the state’s natural resources regulatory body, the NDIC or the North Dakota Industrial Commission. This subsidiary of the ND government has been accused of serious corruption and misguided political activity, linking oil interests to inappropriate modifications of and exceptions to regulatory standards (Sontag and Gebeloff, 2015).

A. Background

Having grown up in South Dakota (SD), only ten miles from the North Dakota border, reading statements accusing my northern neighbors of political corruption hit home for me. For my entire life, I had always believed ND was very similar to my own home state. Generally unassuming and often overlooked, this rural area has rarely been the place of provocation. Founded by pioneers who settled the land in the late 1800s, the Dakotas are full of industrious and diligent individuals primarily focused on agriculture to drive the economy and support the lives of its

citizens. In both ND and SD, small communities are scattered throughout the plains and original homesteads are widespread, reinforcing the traditional and ‘old-fashioned’ way of life. Pride in family history and devotion to land are values that make the Dakotas quite unique from the rest of the United States. Residents often cherish hard work and integrity above all else. Accordingly, when I read allegations stating the political behavior in ND was corrupt, I was taken by surprise. Although I was aware drastic changes had recently occurred in ND, I was under the impression they were mostly for the good, or at least made with the best interests of the residents of ND in mind.

Beginning in 2006, hydraulic fracturing gave access to vast amounts of oil in the Bakken Formation. Population expanded, development emerged, and economic growth skyrocketed. By 2011, ND had a reported unemployment rate of 3.5% and a state budget with a billion-dollar surplus (McChesney, 2011). Job creation was a huge reason for the success of the boom. For every oil rig, an estimated 120 jobs were created. With the state operating over 200 active rigs during peak production, the oil industry created nearly 25,000 jobs in ND (McChesney, 2011). Furthermore, the influx of money into the state was tremendous, with billions of dollars lying below the plains in the Bakken shale. Understandably, individuals in the area were thrilled to experience the ‘boom’ and celebrated the event. As one ND resident described the development, “It’s unexpected, a blessing. It’s like winning the lottery” (Stone, 2008).

Today, ND residents are not the only stakeholders reaping the benefits. At the epicenter of American energy independence, ND has become an attractive place for both business and government. With trillions of barrels of oil resting in the Bakken shale, ND has given the United States serious political leverage on a global scale (Isidore, 2015). As a result, major corporations and key political players have become enmeshed in the boom with the goal of capitalizing on

prolific and viable markets, working to gain power both nationally and internationally. Although lucrative for the state and national economy, the public has reacted with mixed emotions.

Along with media reports commending the oil industry's activities in ND, there are also those that condemning the measures taken to get there. In particular, *The New York Times* (Sontag and Gebeloff 2014) has expressed distaste with key representatives leading the charge on the ND oil boom. These articles suggest ND has failed in its regulatory responsibility of the oil industry by allowing individuals with strong connections to the business to also regulate it. More recently, the topic has resurfaced in media reports covering current ND gubernatorial campaigns (Nowatzki, 2016). In these articles, criticisms focus on the North Dakota Industrial Commission (NDIC) and the members heading it. Specifically, the statements allege that the NDIC is failing to protect the citizens of the state by allowing key commissioners to hold regulatory roles that are interwoven with their interests. In the past decade, the three individuals in charge of the NDIC have received strong financial support from top oil industry executives, through contributions made directly to their campaigns or through Political Action Committees (PACs) (Nowatzki, 2016).

Serving as the governing body for the oil industry, the NDIC has functioned as an industry developer and regulator in the state since 1919. Today, its specific purpose is to conduct and manage certain utilities, industries, enterprises and business projects. In particular, the Department of Mineral Resources, Oil and Gas Division, established in 2005 as a subsidiary of the NDIC, regulates oil and gas drilling and production in the state. The roles of this specific department are stated below.

The Oil and Gas Division regulates the drilling and production of oil and gas in North Dakota. Our mission is to encourage and promote the development,

production, and utilization of oil and gas in the state in such a manner as will prevent waste, maximize economic recovery, and fully protect the correlative rights of all owners to the end that the landowners, the royalty owners, the producers, and the general public realize the greatest possible good from these vital natural resources (NDIC - About the Commission, 2015).

The above mission statement leaves room for interpretation of what the duties and goals of the NDIC are. What can be labeled as ‘correct’ action or fulfillment of the mission is fully dependent on the meaning of certain words in the statement. When the NDIC writes that their mission is to “...*fully protect the correlative rights of all owners to the end that the landowners, the royalty owners, the producers and the general public realize the greatest possible good,*” they assume that the individual reading it knows what the specific rights of all owners are, and furthermore, what the greatest possible good is for the general public (NDIC - About the Commission, 2015, italics added). However, I ask, what qualifies as full protection of correlative rights? Who defines what the greatest possible good is? Who determines what means are necessary to reach the ends? Through asking these questions it becomes difficult to respond with succinct answers, and more importantly, it becomes difficult to determine whether or not the NDIC is meeting their own standards.

It is fair to say that the reports questioning the NDIC and its regulatory trustworthiness express a “public opinion”. Such opinion seems to express a particular implicit or tacit understanding of environmental policy and political institutions in ND, and in the US more broadly. This view is more or less synonymous with that detailed in theoretical liberalism. Not to be confused with the contemporary political identity of being liberal-as-opposed-to-conservative, theoretical liberalism is a political philosophy that embodies much more than the common

understanding of the word, and has informed many Americans' fundamental beliefs on the way government works. That is, opinions about the power of governmental institutions and their role in regulation. Just as *The New York Times* article voiced concern and discontent with the close relationships between politicians and oil executives in ND, the public holds a similar distrust in a broader sense as well.

Most recently, the 2016 campaign for Governor in ND stirred up grievances about the relationships between the NDIC and top oil company executives. The two candidates vying for the Republican nomination were Attorney General and NDIC member Wayne Stenehjem, ND Attorney General and NDIC member, and entrepreneur Doug Burgum. Burgum believed it to be a conflict of interest when Stenehjem was receiving contributions from the energy sector while standing for the governorship and was adamant that it was inappropriate to that such a figure accept donations from those they regulate: Burgum stated, "If you're a member of the NDIC and you're asking for someone's support, and you regulate that industry and they know you're going to continue to regulate them, [I ask the public to] think about the power dynamic" (Nowatzki, 2016). While Burgum did not receive overwhelming support from the oil industry, Stenehjem collected \$50,000 from oil companies' PACs, oil executives, and others with strong ties to the industry (Nowatzki, 2016). Other candidates have expressed similar concerns. Building on Burgum's remarks, Democratic contender Marvin Nelson stated in an address to oil industry representatives, "The public doesn't trust the state government and that's a big problem for us and for your [the oil] industry," he said (Dalrymple, 2016).

These statements are consistent with data pulled from public opinion polls on how Americans view their government. According to the Pew Research Center, the American public's trust in government has remained very low for numerous years (Smith, 2015). Only 19%

of the American public say they trust the federal government to do what is right always or most of the time. Furthermore, “Fewer than three-in-ten Americans have expressed trust in government in every major national poll conducted since July 2007 - the longest period of low trust in government seen in over 50 years (Smith, 2015). Additionally, According to the Hart Center for American Progress, less than one half of voters trust the government or oil and gas companies on environment and energy issues. Only 40% of voters trust Democrats in Congress, 35% of voters trust Republicans in Congress, and a mere 27% trust oil and gas companies to take the ‘right’ environmental policy approach (Hart Research Associates, 2014).

Although a public discontent with American political institutions is nothing new, these statements and polls relay another implicit message about the public’s opinion. Not only do they offer criticism, but they also shed light on how the public perceives big business and political involvement in political affairs: notably, as *corrupt*. By claiming ND has flaws within one of its political institutions, the pundits and, through the polls, the public, have unintentionally expressed a belief in the possibility of the opposite behavior as well – the possibility that politics can and should take place in a *right* or *impartial* way. That is, public opinion seems to conjure a moral ideal of state neutrality that resembles in many respects political theorists’ conception of classical liberalism or pluralism. Although my preliminary research for the proposed project suggests that there is indeed a relationship between political donations made by the oil industry and oil spills, whether that relationship should be defined as ‘corrupt’ or as ‘how politics has always worked’ is something I wish to further investigate.

B. Motivations and Intellectual Puzzle

The intellectual puzzle motivating the proposed research stems from my understanding of how political scientists and the reasonable public, using a nominally ‘liberal-moralist’ approach, would explain the NDIC case, as opposed to how those using a ‘critical realist’ or ‘elite theory’ approach would explain it. Simply put, my study is designed to explore and answer the question: Is the NDIC case an example of ‘corruption’ (of the democratic process) or an example of how contemporary liberal-democracy in one state of the United States *really* works? If, as I suspect, it is the latter, then I believe that it is important to tell this story and fit it into an account of actually existing democracy in ND from 2010-2014. That is, an account that avoids unintentionally or implicitly favoring an ideal or moral way to organize politics and instead, providing a realistic account of how politics can be organized in order to favor certain interests over others.

An additional motivation driving this study is to understand how big business influences political decision making and democratic norms. Extensive literature and research exists on elite theory and special interest groups dominating government in the US. In this example, I find it intriguing to use ND and its oil regulatory body as a case study for the elite theory framework. Clearly, connections between key industry players and political actors have already been formed in ND. What is more interesting, however, is to delve deeper into the relationship and determine how the close association between big business and regulation has changed the state and its democracy.

C. Significance of Research

The overall purpose of this thesis is to heighten understanding for the American citizen on the regulatory set up in ND by discovering and explaining some of the driving forces behind the

dominating political power in the state. It is my assumption that the reasonable public commonly sees democracy through a ‘liberal-moralist’ lens, which although has been academically contested, has not been challenged to a similar degree in public discourse. This framing observation has been demonstrated in the abovementioned media reports of “failure” on the part of the NDIC. However, I suggest the liberal view of democracy is fueled by unhelpful and outdated understandings, which in turn, lead one to view current oil regulation in ND as the corrupt exercise of power within the industry. Instead, through the realist and elite theories, a more helpful interpretation of democracy can be understood. By synthesizing liberal ‘moralist’, critical realist, and elite theories into analytic frameworks based on the works of Geuss (2002), Mills (1956), Cairney (2011), Hacker and Pierson (2009), Philp and David-Barrett (2015), and others, I hope to offer the citizens of ND a more nuanced set of ideas. Instead of judging the behavior of the NDIC through the assumptions of classical and so, moralizing, liberalism, in which the equilibrium of power is expected in democracy’s optimal state, I believe the NDIC can be better understood through the more ‘realistic’ expectations of critical realism and elite theory. Rather than coining the NDIC as ‘corruption,’ the case can be better understood as efficient use of political roles in a democratic system.

Whether this case can be justified as morally ‘right’ or ‘ethical’ is a completely separate matter outside the realm of this study. To be clear, my goal in this thesis is not to argue whether or not the behavior of the NDIC is morally justifiable, but to determine if the NDIC is an example of democracy at work and to discover what may be an alternative, more helpful way to conceptualize democracy. If I were to only focus on the ethics of the NDIC, I would be limiting any further understanding of what is actually occurring in the ND political scheme. To only determine whether the actions of the political leaders in ND are ‘right’ or ‘ethical’ does not

further an understanding of how politics and the government really works. My goal is to not only offer criticism, but to also gain knowledge and utility. Therefore, the objective is to explain the NDIC outside of the theory of liberalism. If no alternate theory proves to be reasonable, then the NDIC is not an example of democracy at work and corruption does exist. If, however, the case can be explained outside of the theory of liberalism and can fit into a different understanding of politics, then it follows that deeper structural changes may be required to change the system. This underlines the significance of this analysis if change proves to be necessary in the future.

To reiterate, my proposed study is twofold: to quantitatively test the link between political contributions and oil spills in order to see if the relationship between the NDIC and oil companies is significant, and to qualitatively explain the case using the political theory of critical realism. These two components—the qualitative argument about realism and the quantitative test of the relationship between contributions and oil spilled—will fit together on the basis of my assumption that a political study anchored by both a historical context and statistical analysis best meets the needs of my research question and is more representative of what is actually occurring in society than either approach would be alone.

I will first show whether or not the NDIC is an objective and independent regulatory body by testing the relationship between political contributions from actively drilling oil companies in ND and the three politicians in control of the NDIC. Second, I will explain this phenomenon by looking at the political theories of liberalism, elite theory, and realism to understand and challenge this case. In a state where political authority and power is a derivative of oil interests and natural resources, discovering the driving forces behind its regulation can lead to a better understanding of the factors establishing political coercion and how the NDIC has configured its regulatory set up to use their upper hand effectively.

II. Literature Review

The following literature review mainly informs the qualitative narrative of my analysis; however, it is also important to note that the quantitative narrative cannot be interpreted comprehensively without a preceding qualitative understanding as well. The NDIC functions as the primary regulator of the oil industry in the state, and by looking at the connection between oil companies and the ND government, a quantitative analysis can show the significance of a relationship statistically. However, a qualitative breakdown can provide an understanding as to how and why the NDIC has developed these relationships in the current way. In light of the power dynamic at play between the energy sector and the NDIC, a review on liberalism, realism, and elite theory is helpful to understand how this power has been formed in a democracy.

A. Liberalism

Theoretical liberalism has served as the foundation on which the traditional American view of government has been built. Originally derived from the concept of liberty and equality, the theory of liberalism spans far beyond a simple understanding of those two words. In a broad sense, liberalism is a political theory that informs an epistemological comprehension of value, ethics, and society (Gaus et al., 2015). Different from today's political identity of being liberal, or an advocate of social freedom and big government, theoretical liberalism is a political philosophy that encompasses a much more extensive framework. Raymond Geuss writes, "Liberal ideas permeate our social world and our everyday expectations about how people and institutions will and ought to act; they constitute the final framework within which our political thinking moves" (2002). Inspiring the groundwork of revolutionary freedom, including the Declaration of Independence and the Constitution, liberalism has been an essential philosophy

permeating every aspect of American life.

Beginning in elementary education, the concept of liberalism is taught by explaining the traditional view of American government. In short, the idea of American democracy relies on the concept of checks and balances to achieve equilibrium and consensus, two ideas valued highly in the theory of liberalism. At the federal level, three branches of government exist to create a separate but equal political relationship. These branches work as tools of compromise to protect and advocate for the people. At the state level, a similar hierarchy exists as well and a balance of power among authoritative roles is achieved through separation. In a liberal sense, in order to achieve fairness and a democratic form of governance, power must be dispersed among the government and its people, hence the construction of the separation of power. C. Wright Mills states, “As developed by the men of the eighteenth century, equilibrium, or checks and balances, thus becomes the chief mechanism by which both economic and political freedom were guaranteed...” (1956). Interestingly, the separation of powers creates an understanding that in a liberal democracy politicians act impartially and equally, or at the very least, the net effect of the separation of powers results in government that is impartial and equal.

The voice of the people is also highly considered in a liberal democracy. Through the election process, voters choose a candidate based on political platforms and expected future policy decisions (Hacker & Pierson 2009). The elected official then acts on behalf of the informed and interested voter, serving as a voice of the people in order to deliver policies and laws to benefit those he or she represents. Under this conception of the political system, elected officials act in a manner that is reactive to voters, and in turn, voters choose representatives based on the politician’s actions (Hacker & Pierson, 2009). In this idea of democracy, first presented by Anthony Downs, the politician is a reactive actor and by forming a mutual

relationship with voters, the leader can respond to voters' needs and opinions by taking stances on policy decisions. According to Downs, rationality and utility are prime drivers of political action. In Down's ideal model of democracy, "a circular relation of mutual interdependence" between politicians and their constituents exists, enforcing the idea of equality and consensus (Hacker & Pierson, 2009). The liberal perspective of the way American government works provides an understanding that politics operates under a balancing system of power where interests compete and compromise to eventually reach consensus and develop policies. Furthermore, when consensus is achieved and powers are balanced, a harmonious government is created and political actions have operated in an optimal way.

The ideas of checks and balances and separation of power are only a slight introduction to the theory of liberalism. Encompassing much more than just these concepts explaining the American government and the interaction between politicians and voters, liberalism reaches far beyond into political theory and societal ideas. In fact, "most inhabitants of the West are now *conscripts* of liberalism: the scope of the tradition has expanded to encompass the vast majority of political positions regarded as legitimate" (Bell, 2014). Undoubtedly an extensive political framework, liberalism has served as the guiding hand in developing modern democracies.

"Today there is little that stands outside the discursive embrace of liberalism... and most who identify themselves as socialists, conservatives, republicans, greens, feminist, and anarchists, have been ideologically incorporated, whether they like it or not" (Bell, 2014). Geuss expresses similar sentiments in his analysis. He writes, "We know of no other approach to human society that is at the same time as theoretically rich and comprehensive as liberalism" (2010). Clearly, liberalism has informed a broad scope of political theory and understanding, and has played a significant role in developing American government and society. Although pivotal in history the

theory does not serve as an explanatory framework for what I would say is most Americans' everyday experiences of democracy. Equality, fairness, and balance are liberal principles consistently repeated in political rhetoric, but hardly ever tangible in actual policy outcomes. Not only can the average citizen see that the liberal ideals are not always present in today's politics, but numerous political theorists, like Geuss, Mills, Hacker, Pierson, and Rossi, question these assumptions as well. Liberalism may provide a strong foundation when the units of power remain independent entities; however, when those power interests begin to intertwine, the theory begins to crumble. Rossi contends that liberalism fails because it operates under a 'conceptual claim' rather than a 'contingent observation' (2015). In other words, the theory only explains what *should* happen or how the government and elected officials *should* respond to their representative constituents, rather than possessing the ability to explain what *did or does* happen in changing scenarios.

The 'conceptual claim' is also found in liberalism's definition of corruption. "Corruption might be seen merely as one of a number of potential failures of realization (Philp & David-Barrett, 2015). A liberal moralist knows what values should be envisioned by politics but also knows that those values are not always carried out in reality. Therefore, failure to adhere to moral standards or values is viewed as corruption. In other words, liberalism embodies a political moralism that "has a conception of the common good that is specified independently of the exigencies of politics" (Philp & David-Barrett, 2015). Under liberal moralism, corruption is viewed as a problem of implementation and a result of behavior that undermines the institution, equilibrium, and the idea of fairness.

This is why resting one's own political theory only on the foundations of liberalism is not the most helpful tactic when trying to understand the policy making process and the power

dynamics in today's politics. Even in the 1950s, it was said that, "Americans cling to the idea that the government is a sort of automatic machine, regulated by the balancing of competing interests" (Mills, 1956). However, this assumption that politics can be both 'regular' and 'balanced' through competition is, I argue, an unrealistic idea. Instead, what has been shown through historical events and trends is that a far more complex environment exists among special interests, politicians, and public citizens in the US government. The idea that these actors balance each other out is not always true. Today, political and industry actors do not act independently of one another. Instead, the 'balancing' powers of the government have become deeply interconnected and dominant forces of society. Therefore, if we use only the theory of liberalism to explain political theory, then we are left confused. Why has the current polity deviated from the supposed optimal separation of power to today's consolidated and entangled web of power?

B. Realism

After dissatisfaction with liberal ideas of consensus and equilibrium, which have failed to explain dynamic incidents in the political spectrum, the theory of realism was established to understand real life experiences. Philp & Dávid-Barrett explain the principles of realism in their study on political corruption. They clarify that unlike liberalism, "political realism recognizes the openness of political judgment, in particular the extent to which it is decisionist (i.e., what makes it right is what we do to make the decision stick and work), draws on multiple motives, and is inevitably, on some dimensions, partial" (2015). Realism's core principles are directly opposite of liberal ideals. According to a realist, the politician derives motivations from various sources and holds a partial or biased view while making decisions. While according to liberalism, the

politician is supposed to be an agent for the people, not for the self, and decisions are made impartially. Again, Philp and David-Barrett underline the importance of contingency in realism. “For realists there is no single, objective account...and the very nature of politics is the attempt authoritatively to impose order where there are competing and incommensurable values and interests” (Philp & Dávid-Barrett, 2015). Hence, power is not always balanced and politicians do not always operate in equilibrium.

Hacker and Pierson also contest the theory of liberalism and offer a different outlook on the underlying factors that influence the actions of politicians. By offering a robust empirical framework for critical realist analysis, they bring political philosophy to the level of an empirically applicable formal political theory. They do this by presenting a policy-focused approach, which avoids loading moralistic assumptions about system equilibrium onto the analysis. In their model, it is not voters or elections that influence politicians, but rather policies and the institutions that policies ‘fix’ in place. Simply put, policies and the actors who care about them make politics. They explain, “focusing on policy as prize moves the actors who care most about policy—organized interests—to the heart of the drama. [Liberal] Downsians have placed politicians and voters at center stage, pushing interest groups to the periphery (2009).” However, Hacker and Pierson do not explain their theory on the political environment like the Downsian model, where the politician reacts to voters and the constituent opinion. Rather, politicians assume a more proactive role in policy formation and work to gain positions that will allow them to cultivate policies that are in line with their own interests and personal motives. When the “actors who care most” are moved to the focal point of the scene, policy formation becomes a tool in which politicians can configure a series of events to unfold in the future that will further benefit them and their goals.

Working from that idea, Hacker and Pierson write, “the goal is not short-term shifts in advantage, but durable victories won through the reconfiguration of governance” (2009). In order to exploit certain issues, as Schattschneider argued decades ago, and make sure political focus is reconfigured to address those matters, as Hacker and Pierson contend, it is important to identify political actors as they look for long-term shifts in governance through policy-centered work.

This approach reverses the liberal idea of politicians responding to voters in a reactive manner in order to receive ideological support. In realist thought, the relationship between the politician and his or her constituents is not mutual or linear. Rather the role in office serves as a means to reach the end goal of achieving policy goals that further benefit their interests and the interests of their supporters. In this democratic system, policy-change rather than electoral triumph is the ultimate prize – resulting in lasting victories that extend outside the election or governmental arena (Hacker & Pierson 2009, p. 652). Furthermore, Hacker and Pierson explain the policy-focused theory justifies those who participate in politics and what impact they will have (p. 645). By using this theory in the case of the NDIC, I expect those with interests and stake in the oil industry will be compelled to run for positions which could create and pass policies that further expand their already highly focused concerns and interests. “In particular, it advantages actors with extended time horizons, high levels of information, and substantial organizational capacities—characteristics associated with organized interests rather than ordinary voters” (Hacker & Pierson 2009, p. 645).

Unlike liberalism, realism concludes that politicians seek election based on personal backgrounds and interests that may extend into varied sectors and organizations. For example, a liberal theory presumes an individual elected to a political position subsequently may be given the responsibility and authority to make influential decisions over a random sector of society.

Instead, a realist perspective supposes an individual with highly specified knowledge of and stake in a certain industry will seek election for a position that holds an influential role in molding and regulating said industry he or she holds deep ties to and strong interests in.

Therefore, realism explains how in the absence of some countervailing influence, power can and will be configured in order to serve special interests. As Hacker and Pierson contest, the ‘actors who care most’ are moved to the front line of battle. In response, I have designed the proposed research to test the accuracy of Hacker and Pierson’s theory, as well as notions put forth by Philps and David-Barrett (see, Yin 2009). If we apply critical realism to the case in ND, the explanation of the NDIC becomes more analytically precise and less normatively loaded than the mainstream liberal view offers. Instead of looking at the NDIC being controlled by three Republican elected officials as an error in political design, it can be explained as the result of policy-centered goals and long term shifts in political configuration that have allowed for some politicians to exploit certain issues and mobilize bias in favor of organized interests. If the NDIC is at the forefront of regulating the oil industry and can hold the most power to ultimately challenge and thwart oil progress, then the ‘actors who care most’ would attain those roles intentionally.

A realist view of corruption also differs from that seen in liberalism on a fundamental level. Philp and David-Barrett delve into this comparison by explaining how, for realists, “the very nature of politics is the attempt authoritatively to impose order where there are competing and incommensurable values and interests” (2015). This understanding is very different from that offered by proponents of liberalism. Realists explain that imposing order cannot be a neutral or objective process, “because every outcome has winners and losers and gives priority to some values over others” (2015). Therefore rational consensus cannot impose order. Rather, it must be

“forged through power, manipulation, rhetoric, argument, and incentives” (2015). While liberal moralism classifies corruption as *failure*—as failure on the part of a government otherwise oriented to acting impartially and therefore rationally—realism acknowledges the open-endedness of politics. For realists, historical context and actors’ prior interests can be and always are woven into institutional decisions and the values held by those holding power within them.

When we use the realist theory, we understand that specific interests are embedded in the political hierarchy. Rather than believing every politician acts in an impartial and objective way, a realistic perspective considers inherent biases and predispositions first, before presuming impartiality, objectivity and rationality. Because of this, we cannot assume that equilibrium exists, instead we must view policies as a result of winners and losers (Philp & Dávid-Barrett, 2015). Therefore, as Rossi contends, the issue is not how to achieve a perfect balance of power. He writes, “the key question for political theory is not whether we should have political coercion, but what distinguishes good from bad, better from worse coercion” (2015). In the case of the NDIC, we can now build on the understanding that interests and biases exist in the regulation of the oil industry in ND. However, rather than criticizing that occurrence, we can use the realist theory to comprehend the interests at play and interestingly, analyze in a more nuanced way, whether that coercion is used in a democratic way.

C. Elite Theory

In addition to realism, another political theory, elite theory, offers useful empirical tools to understand political power in current times because it is more fine-grained than critical realism. Different from the publicly accepted ideas of liberalism and democracy, elite theory contends the minority, rather than the majority, dictates how most decisions are made. The minority is labeled

as the ‘elites’ and is a small class of rulers and decision-makers that perform key political functions and monopolize power over a larger, more passive class of individuals (Barry, 2012). Derived politically, economically, or socially, elites hold a more influential role in shaping society than the non-elite masses (Gilens and Page, 2014). Because their power originates from other sources of prosperity, for example high corporate positions or key roles in social or political institutions, prior interests are embedded in the individuals’ value set. Similar to the realist theory on democracy, elite theory acknowledges the internal special interests and biases at work in politics.

Two key elite theorists, C.Wright Mills and E.E. Schattschneider, explained the intricacies of this special subset of decision makers in America. According to Mills, even in the 1950s the economy and government had become so interconnected that large corporations and big business interests emerged as an elite ruling class. He writes, “...the new society is clearly a political economy in which political and economic affairs are intricately and deeply joined together” (Mills, 1956). Unlike liberalism, “The American government today is not merely a framework within which contending pressures jockey for position and make politics...this government now has such interests vested within its own hierarchical structure, and some of these are higher and more ascendant than others” (Mills, 1956). Contrary to liberal democracy, Mills contends the organization of power in American government is not dispersed and instead, only the ‘elites’ are in true control.

To Schattschneider, the power bestowed upon the elites had become a necessary tool in modern democracy. He states that the government is best run if most decisions are made on behalf of the people, with minimal public involvement and only a few very important decisions

with maximum public involvement (Cairney 2011). Updating E.E. Schattschneider's 'classical' elite theory, Paul Cairney asks us to consider the following scenario:

Imagine two very different starting points to consider democracy. One is to say that politics is 'broken' and that we need to rediscover popular democracy. The other is to say that almost all decisions are made, *necessarily*, by a very small number of people out of the public spotlight – and that no political reform will change this fact (2013).

This is to argue that the majority of power does not rest in the hands of the majority of the people for an empirically verifiable reason. If we use the literature from Schattschneider and Mills, and expand the explanation of the elite power in government to the case in ND, then the composition of the NDIC makes sense. Instead of arguing that the NDIC is corrupt, elite theory describes it as an example of individuals with focused interests strategically procuring democratic positions in order to further develop their motives and goals. Furthermore, because today's society has become a conglomerate of both the political and economic spectrum, the power bestowed upon the NDIC is highly centralized and deeply intertwined to the oil industry.

Although C. Wright Mills wrote *The Power Elite* sixty years ago, his elite theory analysis of the American government allows us to understand the current political setting in ND.

If governmental policy is the result of an interplay of group interests, we must ask: what interests outside the government are important and what agencies inside it serve them? If there are *many* such interests and if they conflict with one another, then clearly each loses power and the agency involved either gains a certain autonomy or is stalemated... Thus regulatory agencies, as John Kenneth Galbraith has remarked, 'become, with some exceptions, either an arm of the

industry they are relating or servile (p.258).

This excerpt speaks volumes to the case in ND and allows a much different understanding of dynamics at play. When we consider a non-equilibrium of power, or rather, a scenario where both the government and the oil industry remain autonomous entities constantly challenging each other's motives, it is probable that both agencies would be stalemated. That is, not optimal but frozen in a suboptimal state, more or less permanently. Indeed, the prospects for some kind of optimal equilibrium all but disappear. In the liberal belief of equilibrium, government institutions are autonomous from regulatory entities, and impartial and independent from each other. Therefore, motives do not align and progress does not occur easily. Following that with Galbraith's belief that regulatory bodies, can either choose to join the industry or become submissive to them, it becomes understandable why relationships materialize. In an attempt for regulators to avoid a submissive or passive role, they can choose to join the industry as an extension of their interests.

In elite theory, the attainment of progress comes at a price. To elitists, the liberal idea of equilibrium and impartiality results in a stalemate. In a society where economic and political worlds have collided, growth or development occurs when individuals with relationships to all spectrums of influential institutions gain power. Mills writes, "Those having real power in the American state today are not merely brokers of power, resolvers of conflict, or compromisers of varied and clashing interest – they represent and indeed embody quite specific national interests and policies" (1956). Politicians and key policy makers are not third party negotiators, but are representatives of the interests they promote and protect. They are highly invested in specific policies and interests and as Mills states, 'embody' those goals. [Thus, it is necessary to reflect on the current arrangements I observe might be creating the future of ND.]

III. Methodology

A. Specific Research Questions

This project combines qualitative with quantitative research questions. The qualitative component of the proposed project centers on three questions:

1. How do interests guide the direction of policy and influence political power?
2. What criteria deem these political drivers corrupt?
3. How does the liberal moralist understanding of democracy differ from the realist perspective and do either of these theories explain the NDIC case more accurately than the other?

I will answer the research questions that will be asked in this thesis, defend the purpose of such a study, give an overview of relevant literature on the topic, outline the specifics of the research questions and the methods in which those will be addressed, and finally present limitations that may be encountered during my study. Encompassed within the qualitative component is the quantitative component. This component is designed as an empirical test of whether or not the decisions made by the ND Industrial Commission may be driven and pressured by oil interests. This study tests the relationship between political contributions from oil companies and gallons of oil spilled. Below, I explain the quantitative analysis. At this point, I offer the hypothesis I have developed to facilitate the quantitative test using an OLS Regression Analysis. The hypothesis simply tests the relationship between total gallons spilled to political contributions made by the respective companies and determines its significance.

B. Quantitative Hypotheses

H₁: Oil companies that make the highest political contributions also have the greatest number of gallons of oil spilled.

- a. Independent Variable: Oil Spilled in Gallons
 - i. Total gallons of oil, brine, chemicals, and water as classified by the NY Times Database which was formed from NDIC Incident Reports
 - ii. Type of spills range from Valve, Blowout, Overflow, Pump, Tank Leak, Treater, Fire, Truck/Rail, Pipeline, and Other
- b. Dependent Variable: Political Contributions in Dollars
- c. Control Variable: Number of Wells Operated in ND

H_0 = All else equal, oil companies that make the highest political contributions do not also have the greatest number of gallons of oil spilled.

C. Qualitative Hypothesis

H_1 : The ND government functions under a centralized form of political power, shaping key interests from big businesses holding significant investments and operations in the state.

H_0 = The ND government does not function under a centralized form of political power, and does not shape key interests from big businesses holding significant investments and operations in the state.

IV. Methods

A. Mixed Methods Research

Utilizing both quantitative and qualitative data and not just the numerical or narrative explanation alone to understand the social story in its entirety allows a fuller understanding of

the research problem. In the case of the NDIC and ND politics, a complex web has been woven between industry interests and governmental regulation, substantiating the need for a mixed methods analysis. As stated by Hesse-Biber, “results from one method...help develop or inform the other method” (2010). Because there is an existing plurality between the energy industry and political dynamics in ND, the mixed methods research approach is the most appropriate technique.

B. Quantitative Methods

My discussion in this section concentrates on the quantitative aspect. In developing the pilot study, I collected the number of gallons spilled from each oil company in 2012. *The New York Times* created a database from the ND Industrial Commission, which posts daily reports of oil activity in ND. From these reports, a database of oil spilled in ND from 2006-2014 was created. I selected 2012 because it was also a gubernatorial election year. This is particularly important due to the close connection between Governor of ND and oil companies in the state. Not only does the governor, currently Republican Jack Dalrymple, work closely with the companies because of the strong presence of the oil industry in ND, but as mentioned earlier, as Governor he also assumes the role as the Chairman of the NDIC.

About 2.3 million gallons were spilled in ND in 2012. Newfield and Continental Resources spilled the most in 2012, totaling slightly less than 90,000 gallons; however, this is quite minimal compared to spills in previous years. In 2006, Zenergy experienced a pipeline leak spilling around 1 million gallons. In 2014, Arrow had a valve leak that spewed similar amounts, and in January 2015, a pipeline managed by Summit Midstream Partners, LLC leaked almost 3 million gallons of brine into ND soil (Garcia Cano, 2015).

In the pilot study, I controlled for the number of wells operated by each company. This was not done perfectly, as I could not efficiently collect data on oil wells in operation in 2012. This data does exist but it is not organized in a systematic time that was efficient for this project. The ND Industrial Commission has records of each well in operation in 2012, but it is by county rather than company. With thousands of wells in operation, I instead, used wells operated in ND history as a proxy. I collected the data from the ND Industrial Commission (Well Search – NDIC 2015), and I was able to estimate the company's presence in ND by searching for the number of wells each company has operated in the state throughout history and then entered those numbers into the data set as the number of wells for each company.

Some companies had as few as one well and some had as many as two thousand. This gave a sense for the production capacity and size of each company. It is reasonable to conclude that as the number of wells increases, so does production and consequently spills. This way the number of gallons could be controlled for in the regression equation. In addition, some companies that had spills in 2012 did not operate any oil wells because they are only involved in the transportation of oil and not drilling.

Many of the contributions from oil companies were made to the ND Oil Political Action Committee (PAC), ND Republican Party, or Dalrymple for Governor. In turn, ND Oil PAC and the ND Republican Party contributed to Attorney General Wayne Stenehjem, and Agriculture Commissioner Doug Goehring. For some companies, contributions were much more frequent and dispersed. For example, Marathon Oil PAC had 44 contributions to various representatives or elected government officials, mainly of the Republican Party. For others, like Continental Resources, contributions were made to only one candidate.

Furthermore, not all companies that made contributions had spills in 2012; Armstrong Inc. and Chesapeake are examples. However, it is also important to note these companies did have spills in previous or subsequent years. In addition to 126 companies that had spills in 2012, there are 224 more companies that had spills in the six previous years and the two latter. It is worth stating that a majority of companies that had spills in 2012 did not make contributions. Of 128 companies included, 126 had spills, and 28 made contributions.

After my pilot study, I expanded the research to include more data over the course of five years. I used similar methods as described above while collecting the oil spilled and political contribution data for the years 2010 to 2014. For the oil spilled in those years, I used the database previously mentioned, which I accessed through *The New York Times*. This database was created from public oil spill reports through the North Dakota Department of Mineral Resources. I then collected contribution data for each year by accessing the public campaign finance information portal on the North Dakota Secretary of State's website. I totaled each company's political contributions and synthesized the data with the aforementioned oil spill data.

I also collected data for the control variable – size. Logically, a company that drills and produces more oil will have a higher chance of oil spills and will therefore spill more oil. In a perfect model, I would have been able to include each company's level of production in ND in my dataset. This data does exist but it is not organized in a systematic time that was efficient for this study. Daily production reports are put out by the NDIC but are organized by county and not company. With thousands of wells in operation, I instead, used wells operated in ND history as a proxy. I collected the data from the ND Industrial Commission (Well Search – NDIC 2016), and I was able to estimate the company's presence in ND by searching for the number of wells each company has operated in the state throughout history and then entered those numbers into the

data set as the number of wells for each company. This served as a good marker of each company's prevalence in ND and gave an idea of production capacity for each oil producer.

C. Qualitative Methods

The qualitative aspect of my thesis focuses on a case-study of the NDIC in order to complement and help better enrich the analysis of the quantitative aspect. In fact, the qualitative analysis encompasses the quantitative analysis. Case-based research according to Yin is “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (2009). In this study, this definition fits perfectly to understand the real-life context of oil regulation in ND. Boundaries are not specifically defined and the dynamic is continually changing. Furthermore, case studies offer a more nuanced grasp of what is happening and put forward a comprehensive method for interpretation. This type of methodology is fitting “for those interested in the richness of actual cases, understanding a good story, staying close to naturalistic events, exploring new areas and discovering new phenomena, and applying our understanding to therapeutic ends” (Carroll and Johnson, 1990).

In addition to using a case study for the qualitative component of my study, my analysis is thus rooted in the assumptions of post-positivism. Post-positivism “favors a multilayered understanding of social reality that some critics of this perspective say borders on a relativistic view of the social world that obviates all of the scientific methods' claims to truth (Hesse-Biber 2010). Complementing the idea of the case-based research, the post-positivist methodology I employ assumes that a more comprehensive and nuanced theory of politics and power can explain what is happening in ND. Hence, the goal of post-positivist research is “to question these

discourses of universal truth in order to reveal the multiple layers of social life, the limitations attached to any given view of reality, and the operation of power in discourse” (Hesse-Biber, 2010). In this study, liberalism, realism, elite theory is used to understand the quantitative analysis. Furthermore, a post-positivist tactic will be employed to uncover more holistic and accurate theories on power and politics to better grasp the reality.

Through the qualitative analysis and the previous information already discussed, my hope is this quantitative data will help inform the more nuanced theoretical concepts to provide a more complete understanding of politics in ND. In order to fulfill my qualitative argument and align with ‘real’ political theory, my strategy is to use a mixed-methods analysis in order to inform and test my hypotheses. As stated previously, the results from one method will be able to inform the results from the other method, and vice versa. Not only does this deepen the understanding of both the qualitative and quantitative methods, but it presents ideas in multiple forms that I believe will allow me to better understand social science research and more specifically, uncover what is happening in ND.

D. Analytical Framework

To reiterate and simplify the theories discussed in the literature review, Figure 1.1 categorizes the characteristics of both liberalism and realism to expose the differences between them. As the literature informs us, liberalism is a theory based on balance and neutrality of powers, highly valuing the system of checks and balances and competition of power configured to achieve equilibrium. Realism is much different. In a theory where power is the primary objective achieved through policies and institutions, interests and partiality play a huge role in shaping democracy. Furthermore, not all political instances can be explained in a linear way, but rather

realism acknowledges the necessity of contingency in understanding and emphasizes the existence of change.

Figure 1.1: Key Features of Liberalism and Realism

	<i>Liberalism</i>	<i>Realism</i>
Objective	Power oriented to equilibrium	Power oriented, if to anything, stalemate
Tools to achieve objective	Competition	Policies & Institutions
Concentration of Power	Separation of power through checks and balances which equalize the government	Centralized power shaped through political and economic interests
Ontological Conditions	Entities are autonomous or achieve a net result of neutrality	Entities are intertwined and neutrality does not exist
Representatives	Mutual Interdependence - Act on behalf of their constituents	Draw motives from interests, industry, society
Democratic Values	Consensus, Impartiality	Contingency, Partiality
Perspective on Corruption	Issue of implementation and behavior, proximity to rational equilibrium	Issue of substance and the fundamental nature of politics, matter of degree of force

In addition to liberalism and realism, elite theory was the third theory discussed in the literature review. Although strikingly different from liberalism, elite theory parallels many of the ideas in realism. As such, I assume that elite theory reviews and operationalizes a number of critical realist assumptions in analytically workable terms. In Figure 1.2 and Figure 1.3, I explain the political process using both. As is shown, both theories elucidate how special interests influence policies and institutions, but there are distinctions between them. Whereas realism contends individuals with special interests gain power in order to further those interests, elite theory argues that elite individuals, who most likely have special interests from their elite background, gain power and are then shaped by external special interests to use or alter policies furthering those interests. Interests come first in the realist model, whereas interests come later in the elite model.

Figure 1.2 – Realism:

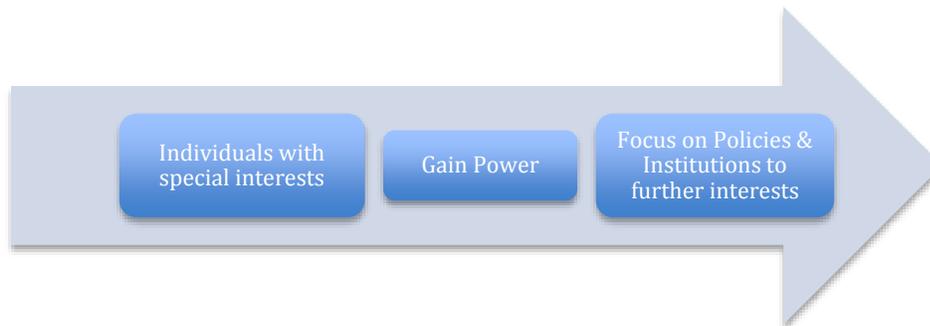
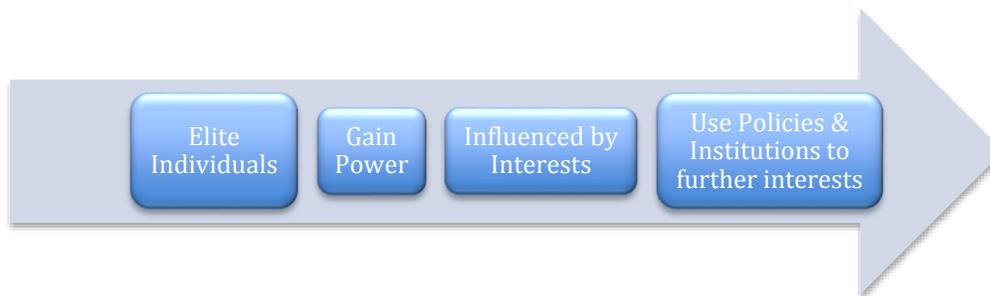


Figure 1.3 –Elite Theory



Elite theory thus deepens the critical theory approach. By using these three theories: liberalism, realism, and elite theory, we can apply characteristics and assumptions of each to the case of the NDIC and see how the relationships to special interests of the oil industry can be understood.

V. Discussion

The discussion gives a detailed report of the results of the quantitative and qualitative aspects of this study. The quantitative portion ended up having three separate and equally significant stages. The first portion, the primary quantitative results, details the results of my pilot study that only used 2012 to test the relationship between political contributions and oil spills in ND. The second portion, or the secondary quantitative results, explains the results of the expanded pilot study model that tests the relationship between political contributions and oil spills in ND from 2010-2014. For the final portion of the quantitative breakdown, I fit the model to my theoretical

understanding of the hypothesis. After consideration of my first two regressions, it became apparent my method was not taking into the account the sequence or timing of the relationship. Do political contributions cause an increase in oil spilled or does an increase in oil spilled subsequently cause an increase in political contributions? I contend the latter, and in order to test that, the last portion of my quantitative study tests the relationship between oil spilled in year t and political contributions in year $t+1$. These regressions show whether or not a significant relationship between contributions and oil spills exists, and also provides data to apply to qualitative frameworks in further analysis. The following discussion informs the reader of the specifics of each breakdown.

A. Primary Quantitative Results

The initial statistical analysis of the data from 2006 shows a statistically significant relationship between political contributions and oil spills. The OLS regression analysis resulted in a constant of 5, 187 gallons spilled per company. When political contributions increased by \$1, oil spilled increased by 1.45 gallons. This beta coefficient is statistically significant, with $p < .05$. Furthermore, as the company increased a well in operation by one, the gallons spilled increased by 77 gallons. This beta coefficient is highly statistically significant, with $p < .005$. This allows us to reject the null hypothesis and conclude that as political contributions increase, so do gallons of oil spilled.

Although this regression is straightforward, with only three variables and no transformations of the data, I contend this strengthens rather than weakens the significance of the findings. The tables and plots illustrating the regression are included in the Appendix. The analysis demonstrates a statistically significant relationship between political contributions and oil spills. In my interpretation of this relationship, this result disproves my null hypothesis, which

stated, “Oil companies that make the highest political contributions do not also have the greatest number of gallons of oil spilled.” Not only does this result show a relationship between spills and political contributions, but also it further highlights a relationship between political contributions and the elected officials who control the NDIC. In my analysis, it is clear that oil companies are significant political pressure groups in ND and have power in the political realm through the politicians which they support.

B. Secondary Quantitative Results

For the secondary data results, I used a similar model to the one used in the pilot study but I expanded the data to include all years from 2010-2014. The results of this regression did not come back parallel to the results of the pilot study. In the model including all years, only the number of wells came back significant. In the model that only considered 2012, the results were strong and statistically significant. In order to double check whether 2012 was significant, dummy variables were placed in the model and interacted with contributions. If 2012 was in fact different from the other years, then the `contr2012` variable would have been statistically significant but it was not. Therefore, this analysis shows there is an outlier or two in 2012 driving the results of the data in the regression that only considers that year, and that those outliers are not present over all five years of data. Thus, the average contribution amount in 2012 must be larger than the other years (2010, 2011, 2013, 2014) or the average oil spill must be smaller, or both.

After digging deeper, it is clear the average contribution amount in 2012 was larger than the average amount in the other four years. Certain companies that had not made contributions in prior or subsequent years made significant contributions in the year 2012. For example, Hess

Corporation contributed \$25,000 in 2012 but did not contribute in the other four years. This makes sense as 2012 was an election year for the Governor of ND (also chairman of the NDIC). Average oil spilled, on the other hand, was not greater than the other years and was in fact on the lower side of the range. These results help explain the variances in the data and although I initially chose the year 2012 for my pilot study because it was a gubernatorial election year, that has now surfaced as a limitation of this model instead of an asset.

C. Tertiary Quantitative Results

The third regression tested a slightly different model that better fit the theoretical foundation. If oil companies that make the highest political contributions also have the greatest amount of oil spilled, then a cause and effect relationship is implied. Therefore, the theory reasons that either political contributions are the cause and oil spilled is the effect, or that oil spilled is the cause and political contributions are the effect. I chose the latter presumption as the best fit for my theory - first an oil company spills oil and then, for various objectives, may be in hopes of lesser penalties or fines, makes a contribution to a politician who holds a role in the regulatory decision making process. This process is not immediate, however. If an oil company spills oil, the penalty or fine is not imposed instantly upon them. First, they must report the spill, and then the NDIC has to go through their own process to decide what the penalty will be. Therefore, it is reasonable to conclude that this process can take months and does necessarily happen in the same year as the spill.

To test this theory, my regression was set up differently than the first two. In the final regression, the independent variable was oil spilled in year t and the dependent variables were political contributions in year $t+1$, number of wells, and oil price, with the final two variables

being control variables. For example, if the data for oil spilled was collected for the year 2010, then the contribution data was collected for the year 2011, implying a reactive characteristic of an oil company to make a contribution post spill. After running this regression, which included oil spill years of 2010-2013 and political contribution years of 2011-2014, this regression came back statistically significant.

Based on the model, the significance of the findings is driven by the years 2012 and 2014. Both of these years show a strong positive relationship alone and when the model is taken in full, the relationship is even stronger. Notably, the years 2011 and 2013 do not show a significant relationship when alone, suggesting variance in the data; however, the regression for the 2011-2014 is highly significant. For the model including contributions, oil spilled, and the number of wells, all variables are highly significant with $p < .01$. Political contributions were at a constant of \$540, and for a \$1 increase in contribution, gallons of oil spilled increased by .006 and the number of wells increased by 2.6. To put that in perspective, for every \$1000 of contributed money, 6 gallons of oil are spilled. At first glance these numbers are insignificant. Oil companies spill millions of gallons every year without batting an eye so the actual algebraic equation does not make much common sense. However, the strength of the positive relationship and the inability to dismiss the theory altogether, is the component of the hypothesis that is much more telling than the actual numbers.

VI. Analysis

The analysis answers questions that arise in both the quantitative and qualitative studies. Quantitatively, the results are fleeting and inconsistent. I identify two reasons as to why this is the case. Qualitatively, realism and elite theory offer understandings that are more helpful and

suitable to the specific case of the NDIC than the theory of liberalism. Together, with both the quantitative and qualitative components, we can understand that a significant relationship exists between oil companies and their regulators, and how that has developed through democratic methods.

A. Quantitative Understanding

In summary, two of my three quantitative models produced a statistically significant relationship between oil spills and political contributions, but only the last model proved to be robust. When I ran the regression testing the relationship between oil spills in year t with political contributions in year $t+1$, operating under the assumption that an oil company makes a contribution in reaction to a spill, a statistically significant positive relationship resulted. However, this begs an important question - why do the results only hold when the regression considers contributions the year after oil spilled as opposed to the year of? And why are the years 2012 and 2014 driving the results?

To answer the first question, if we look at the historical trend in oil spilled in ND in 2010-2014, the years 2011 and 2013 are the two years with a higher amount of oil spilled than previous or following years. This alone does not tell us much, but it may inform some understanding of why political contributions would be higher for 2014 in particular. With 7.8 million gallons of oil spilled, nearly 4 million greater than the average spill over the course of this time period, contributions may have been a way to reduce fines or penalties. This is purely speculation and, of course, correlation does not mean causation, however it is an empirical trend worth noting. If the amount of oil spilled serves as a motive for political involvement, including contributions, then we would expect 2014 would have an increase in money contributed.

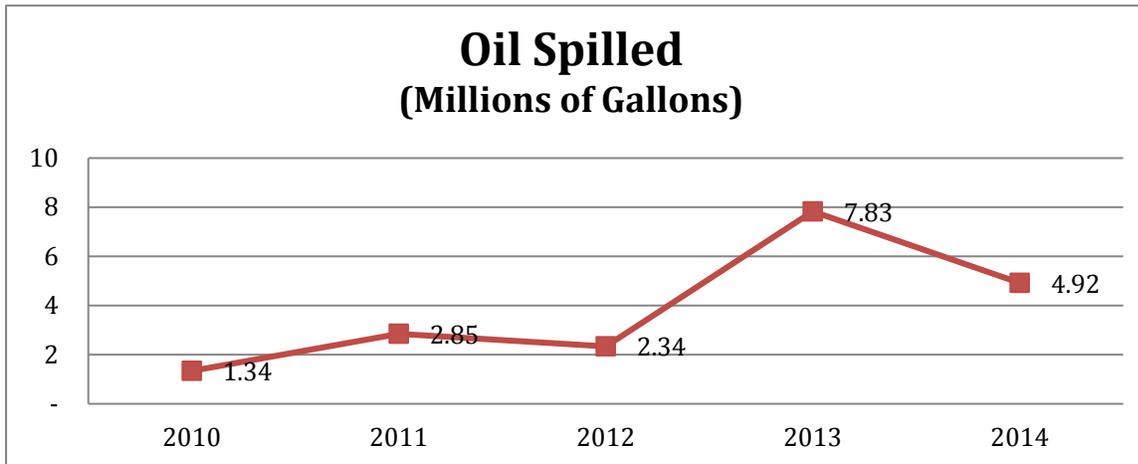
When looking at the data, it is reasonable to conclude that there is an outlier amongst the data points for oil spilled in 2013. The largest spill was reported by WPX at 1,902,877 gallons,

over twice the amount of any other company. Although they had the largest spill, WPX did not have the greatest financial contribution in that year, coming in at the 7th highest amount. However, compared to the prior year, WPX contributed nearly \$15,000 more than they had in 2013. This could be a significant driver of the results. However, 2012 did not have any outliers in regards to oil spilled, but did have significant political contributions compared to the other years. For example, Chesapeake contributed \$50,000, over \$30,000 more than any other company. The BNSF firm contributed the second highest amount at \$17,200. Interestingly, neither of these companies had any reported oil spilled in the year 2012. Although the contribution amount could be an outlier by Chesapeake, the fact that they had no oil spilled in that year does not skew the results in the favor of my hypotheses.

Figure 2.1 – Spills Table:

Year	Oil Spilled
2010	1,340,546.88
2011	2,845,388.39
2012	2,343,110.27
2013	7,829,152.26
2014	4,924,755.60

Figure 2.2 – Spills Chart:



Oil Spill Data - "Reported Environmental Incidents in ND's Oil Industry" (November 2014).

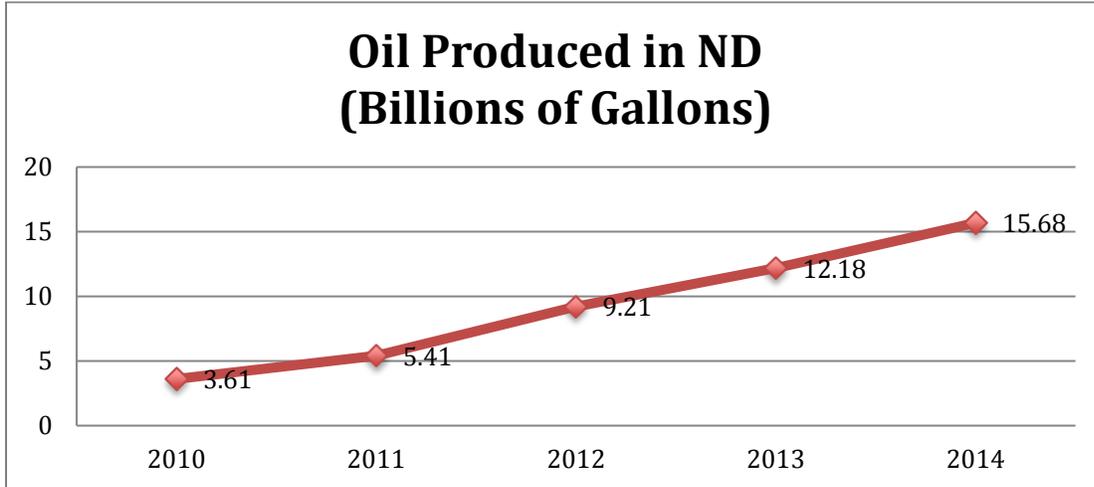
Furthermore, 2012 was an election year for the position of the Governor of ND (and also chairman of the NDIC), explaining why political contributions would be greater that year compared to other years. Naturally, if there is an election in that year then the candidate will be fundraising for his or her campaign and a greater amount of contributions will be acquired. In addition, an election year for a position that influences major sectors and prominent industries in the state will attract contributions from those wishing to protect and advance their own interests in which the office up for grabs governs. In addition, an election year can prove meaningful for companies who wish to elect individuals who will further their goals and promote their industry.

Figure 2.3 - NDIC Electoral Timeline:



The next possibility when considering the amount of oil spilled is the amount of oil produced. Logically, the more oil produced, the more oil spilled, for the reasons of scale and probability. One can assume that as oil production increases, oil spills increase as well. As you can see below, the amount of oil produced increased from the years 2010 to 2014. The amount of oil spilled, however, did not follow this pattern. Therefore, this begs the question – Why does the amount of oil spilled *not* follow the same pattern as oil produced? Why are there variances in the data? The reason could be outliers. Maybe in 2011 and 2013 there were large oil spills that were outliers and caused the sum of oil spilled to be abnormally high in those two years. When looking at the data for 2011, the largest spill was 420,000 gallons by Brigham Oil; however, this does not appear to be an outlier. The next largest spills were 331,800 gallons, 231,000 gallons, and 106,050 gallons. Next looking at 2013, there was one spill in particular that was nearly twice as large as any other spill in that year. WPX reported a spill that was over 1,500,000 gallons with the next largest spill amounting around 865,200 gallons by Tesoro. Although the WPX spill was significant, there were nine other companies in that year that reported single spills over 100,000 gallons, with three of those reporting single spills greater than 500,000 gallons.

Figure 2.4 – ND Oil Production



<https://www.dmr.nd.gov/oilgas/stats/historicalbakkenoilstats.pdf>

Finally, if we take a look at trends in political contributions, the most active and consistent contributors appear: Continental Resources, Hess Corp, and Marathon Oil gave the largest contributions in 2012. The largest total contribution amount was in 2013 by Chesapeake totaling \$50,000. Marathon, Triple T., and Armstrong Inc. were the three top contributors in 2014. This shows that sizeable oil companies are interested in the political environment in ND. To these companies, contributions of \$10,000-\$50,000 are not significant financial burdens, rather they are gestures of interest in both the politician’s policies and the state’s business.

B. Qualitative Understanding

The above analysis cannot be fully understood alone. As mentioned in the literature review, liberalism, realism, and elite theory are three political ideologies that can inform the numerical data and regressions. Two of those political theories, realism and elite theory, uphold my hypotheses and better serve as aids in comprehending what is occurring in ND and in the U.S. Both theories explain how special interests influence political actors internally and externally to

exercise their power in a way that promotes and protects those motives. As stated in the beginning of my thesis, my goal has not been to determine whether or not the NDIC is unethical. Rather, my goal has been to uncover whether the NDIC is a corrupt democratic institution or an example of how it really works. As I will reiterate below, liberalism insists on how democracy *should* work, while realism and elite theory defend how democracy *realistically* works.

According to liberalism and the reasonable public opinion in a ‘liberal’ nation such as the United States, the NDIC would be ‘corrupt’. It is imbalanced, it is biased, and it is not in equilibrium. A neutrality of power does not exist and there is clear support of the oil industry in ND. In an institution that follows the framework of liberalism, oil companies and politicians should not have a close relationship or act on behalf of one another. There should be a separation between the government and the private sector, and additionally, there should be a balance of power among the politicians serving their government. Following those principles, liberalism would dictate a change in the current composition of the NDIC in order to achieve equilibrium or balance.

By applying the principles of liberalism to the case, the NDIC would be an example of an imbalance of power or a disturbance of political equilibrium. As liberalism contends, political institutions are meant to make decisions impartially and autonomous of the entities they are governing. Competition between opposing viewpoints and ideologies, in this case those in favor of oil production and development and those opposed to, are meant to even out discrepancies. However, it appears the competition between those two sides are not equal and instead of a neutral governing body regulating the oil industry in ND, a partial and perhaps, biased institution is in power. Still following the ideas of liberalism, the only way to correct for this ‘imbalance’ is to remove or penalize those individuals acting in a wrongful way. Thus, the NDIC could return

to its equilibrium and only act in a harmonious and equalized way that would appropriately regulate the oil industry through the intended method of checks and balances and the separation of power.

The first option to rectify this imbalance would be to penalize or even remove the individuals in power from their positions in the NDIC. Yet, this seems ineffective. One, the NDIC is comprised of three members from the ND government that were selected from elections separate from serving as members on the NDIC – Governor, Attorney General, and Agriculture Commissioner. By penalizing the three authority figures in the NDIC, three significant figures in the ND government that hold multiple roles outside of oil and gas regulation would be punished as well. This creates a complexity of issues, namely condemning the key leaders of a state is a monumental task. Second, because the NDIC is set up in this manner, the citizens of ND have indirectly chosen the members of this commission, in a purely democratic way. To claim the individuals in ND have made a mistake and discredit a democratic election does not appear effective.

The second option is to reconfigure the makeup of the NDIC and somehow include individuals with more environmentally or liberal policies, in order to achieve equilibrium. Two challenges come to mind when considering this alternative. For one, the only way this can be achieved is through a driving and dominant force of power that would insist the change would happen, an obstacle that would prove difficult. Secondly, if we applied the theory of liberalism to every political institution of regulatory body then it is likely that one would find none operate in equilibrium. Why? Because an effective governing entity must hold power, and in order to do so, conflicting interests must submit or remain passive. Therefore, unless a regulatory body exists

with no clear stance on an issue or maintains definitive objectives, then the balance of power, or equilibrium, is an idea that is irrelevant and unrealistic.

Realism, on the other hand, offers a drastically different perspective on the case of the NDIC. As stated in the literature review, “actors who care most” are moved to the focal point of politics and in turn, policies become a tool by which actors can reconfigure government to advance their interests (Hacker & Pierson, 2009). By using this theory, we understand why the NDIC is made up of individuals with strong ties to the oil industry. The policies enforced and created through the NDIC have significant power to guide the future of the oil industry in ND. This regulatory body has the ability to develop the industry or restrict it; therefore, the ‘actors who care most’ have maneuvered their way into the heart of the scene for the intentional purpose of influencing it. This comparison between the theory of realism and the actual case of the NDIC is important because it shows us how interests can mold policies and institutions internally. Furthermore, it is important because it offers a more realistic view of how politicians make decisions, not in perfect equilibrium, but rather with partiality.

Finally, elite theory explains the NDIC in a parallel way, but offers a more nuanced understanding of the role of interests that complement the theory of realism. As C. Wright Mills stated, in the 1950s in a statement that I believe still bears some insight into contemporary society, America’s is a “political economy in which political and economic affairs are intricately and deeply joined together” (1956). If we consider the political economy of ND, it is clear their two primary revenue generators are the oil industry and agriculture, both of which have become deeply embedded in ND politics. However, as Mills further explains, this occurrence is not an error, but rather a mutual dependence upon each other. Applying Mills’ point to the specific historical context at hand, ND relies heavily on tax revenue from the oil industry and the citizens

of the state benefit from that. Therefore, we understand why the state's institutions tend to the oil companies' requests. As Mills also asserts, with such a prominent interplay of interests in the political economy, those interest can either conflict and constrain each other, or join and look after one another. In ND, it seems the latter is true and that the NDIC has become an institution operating as a helping hand of the industry with expectations that some form of reciprocity will be incurred.

Realism and elite theory offer a different understanding of what is happening in ND and, more broadly, the US. Rejecting the idea of equilibrium and separation of power, realist and elite theories delve into the complexities of power, including politicians and interests. Instead of simply stating that the relationship between politicians and special interests is corrupt, realism and elite theory try to understand how this has come to be. In a realist world, individuals with interests strategically seek positions that can influence their special interest. Furthermore, in an elitist world, special interests work to influence politicians to strategically obtain their objectives. Allowing these two theories to work together, a centralized and mutual web of interconnectivity exists. Unlike the liberal model, there is no linear equation that results in equilibrium through the eyes of an elite theorist or a critical realist. The realist and elite models reveal a centralization of power, instead of separation of power. Mainly, this is done for the reasons of efficiency and success rate. In an effort to avoid stalemate or deadlock, elite theory and realism argue that power is yielded to achieve results, not necessarily equilibrium.

These ideas parallel trends seen in the NDIC. As stated in my qualitative hypothesis, I believe the ND government functions as a centralized form of political power. In fact, the mission statement of the NDIC outlines this clearly when it states that the role of the commission is to promote the industry while protecting the rights of their citizens through regulation.

However, in order for both of those objectives to be achieved successfully, those goals cannot remain separate. The industry cannot thrive under severe restrictions and individuals cannot be protected without respect from the industry. Hence, the two entities must work together, promoting both of their interests simultaneously while also achieving objectives efficiently. Both the real and elite theories allow this to happen through forming a synthesis and a centralization of interests.

VII. Conclusion

In conclusion, this research on the NDIC and the relationships between oil companies and political leaders in ND sheds light on the nuances of democracy uncovering perspectives that reach beyond typical liberal boundaries. This thesis has allowed for a more comprehensive understanding of how special interests form policies and decisions in the U.S., and has served as another example of the role of big business in today's society. Instead of submitting to the initial connotations that both of those terms, special interests and big business, bring, I tried to carefully and rationally play the role of devil's advocate. My efforts are designed to gain a clearer perspective. I believe I achieved that objective, and throughout my study I uncovered notable implications, a number of limitations, and new ideas for further research, which I discuss below.

A. Implications

My regression indicates there is indeed a statistically significant relationship between oil spilled and political contributions. Under a classical liberalist view this is indefensible. The relationship represents an imbalance and an infringement of the separation of powers. The issue with liberalism, however, is that it imposes expectations built from 'unrealistic' assumptions separate from the nature of politics. According to liberalism, equilibrium, fairness, and objectivity are key

elements of a democratic government. These elements are also fundamental components of moralism, thus, when politicians violate those principles, one concludes the actions of those politicians are wrong or corrupt. But, it is precisely in contact with ‘reality’, historical, contextual and structured reality that the usefulness of liberalism diminishes. Liberalism conveys, albeit implicitly, the idea that any actions that do not achieve balance or separation are faulty; however, the theory cannot fully explain *how* or *why* this occurs.

By looking at the case of the NDIC and the relationship between oil executives and politicians at the state level, we see balance and separation are not present. After trying to use liberalism to explain the connectedness between politicians and oil companies, I used the theories of realism and elite theory to answer my questions. The latter two theories gave reasons why the NDIC operates in the manner it does. Through contingency, strategy, and focused interests, we see that ND is a prime case of centralized power used to advance economic profitability through democratic methods and organization. To put it more simply, realism and elite theory allow me to demonstrate this is not a case of corruption but how democracy *really* works.

This is important for a number of reasons. First, realism and elite theory explain democracy, what most believe to be a moral system, does not always produce what everyone can agree on as moral or “right” results. Although democracy acts on a moral concept - a government by the people, for the people, and of the people, democracy does not create policies that everyone can agree on as moral. Instead, democracy creates an environment full of ambiguities and uncertainties. This inconsistency emphasizes the need for political awareness and curiosity. It is not enough to rely on norms of the system to magically achieve equilibrium and balance. In its perfect form, our system is not as straightforward as we wish it to be. There is not an invisible

hand leading the government into a harmonious world where every side of the issue is represented or where objectivity overrules partiality. Although a characteristic that seems undesirable, it is a component that makes way for innovation and a claim that segues into my third reflection. Democracy allows for influence and change, for strategic use of policies to further objectives, and for the actors who care most to move into leadership. Although these aspects can be used to achieve all types of motives, they are also the characteristics that are essential for progress and necessary for success. Our democracy allows for manipulation and navigation. It can be viewed as an imperfection or inadequacy, but it can also be seen as an asset. It allows for advocacy and a change if those who desire it are clever and strategic.

Consequently, when “actors who care most” gain leadership roles and do not have values that align with wider public cares, problems emerge. Those in authority create policies that suppress their competition. That authority has the ability to become overpowering and abusive, for reasons they may believe as ‘right’ and others may believe as completely reprehensible. When looking at ND and the case of NDIC, I conclude that using this argument would be inappropriate. These individuals are not acting as oppressors or bullies, but have special interests that are adamantly guiding their decisions. They are serving the mission of their regulatory posts, to promote the oil industry and protect the citizens of their state in order to realize what they believe to be the greater public good (North Dakota Department, 2016).

To be clear, this does not mean citizens must agree with those interests or remain submissive to those in power. As members of an imperfect democratic society, citizens possess the full right to voice a difference in opinion and advocate for change, a change that must be predicated on defensible grounds. This thesis has shown it is not enough to advocate for balance and harmony, or expect that a fabricated perception of a liberal government will appear merely

because that is how democracy *should* work. Rather, it has uncovered that our politics do not function separate from society, and in order to deliver a convincing argument, we must articulate that understanding more clearly than either theoretical or popular liberalism allows. As Philp and David-Barrett write it is “time for us to recognize that ‘dirty’ is not entirely predicated on an antecedently identified ‘clean,’ but rather these concepts are interdependent in complex ways that cannot be resolved by stipulation of a pure form” (2015).

We cannot claim issues exist in our government because the system is broken or because democracy has failed us. Those arguments are overused, unconvincing, and construed from idyllic theories. Nothing can be achieved by claiming that something is wrong because it is not working the way one believes it *should* work. That is an argument formed entirely from assumptions and one that will crumble at the slightest pressure from ‘reality’. Instead, we are better served if we think more comprehensively and less simplistically about what constitutes corrupt political practice.

Based on my research and analysis, I advocate for a stronger argument. Balance, separation, and objectivity do not exist in our government because that is an impractical expectation of democracy. Those standards, although comfortable, do not lead citizens to pursue much needed goals or successfully realize progress. Society is far too developed and complex to harness its politics into perfect equilibrium, and to expect that is an immature consideration. Instead, what can be seen through actual trends is that our government is conditional; there are ebbs and flow in power and inconsistency in action. Why? Because the government is made up of individuals just like you and me, with personal allegiances and special interests. It can be manipulated and abused. It can be reconfigured and improved. It is not a figment of our

imaginings, wherein everyone can exist in a peaceful and happy world. It is far more complex and difficult than that. It is *real*.

B. Limitations

Throughout my quantitative research, limitations were encountered in the data collection and analysis. First, my study included only information for the years 2010-2014 in ND. By digging into this data I was partitioning off data from years at the beginning of the boom and into its current decline. Also, by only looking at ND, I limited my theory to extend only to smaller scale oil companies operating in the state. It is reasonable to conclude that major international oil companies, like ConocoPhillips or Statoil, that operate in ND, would concentrate their resources to influence political actions on a greater, national scale, and not necessarily on a state scale. If this is true, then my thesis considers the actions of domestic oil companies that are prominent in ND and have interests that the government of ND can serve. This thesis does not extend to a national or international scale, and therefore other nuances and explanations that do exist were most likely missed because the data did not allow for that analysis.

Another limitation encountered was specific to linking campaign contribution information to oil companies. Most companies did not make contributions directly under their company name. Few like Marathon Oil, Oxy, and Denbury Resources made contributions under company oil PACs. Other companies, like Hess Corporation and Continental Resources made contributions under the names of their CEOs or other executive members. John Hess runs Hess Corporation, and in 2012 he contributed \$25,000 to Dalrymple for Governor. In addition, Harold Hamm, CEO of Continental Resources also made significant contributions under his name, totaling \$16,100. In order to find contributions from each company in addition to searching for

the company name, I used names of members of the ND Petroleum Council or key people of each company. Most members are CEOs or head executives of the oil companies operating in ND, and made contributions under personal names rather than company name. Data collection for these contributions was at times challenging, with some company executives making contributions under abbreviated first names while other companies used both their shorter names and full company names (Oxy versus Occidental Petroleum). Furthermore, there were misspellings in the campaign finance information, which was detectable sometimes but it is also very likely that some information was missed because of data errors.

In this study, collecting the data on contributions proved to be the most challenging part. Linking key people to each company was not difficult by using only CEO names, but once digging into the data further, it was clear that other people with significant ties to each company would make political contributions as well. For example, relatives of the CEO would contribute such as wives or brothers or sisters. For some companies, the relatives were also key players in the hierarchy of the business set up. For others, the link was not as direct other than the same last name. I found this required a bit of subjectivity in determining who was a key person with a direct tie to the company. With businesses highly interwoven it is not always clear who has a straightforward link to each company. It is very probable a person who is not the CEO or related to the family business can still receive significant benefit from the company's success; therefore, a person who seems unrelated to an oil company could actually be strongly connected. I chose to be parsimonious and only include contributions from individuals I could prove to be connected to the company directly. This was a serious limitation in this study and something that would require inside knowledge of the oil industry to truly understand and accurately explain. Although this can be considered a limitation, this characteristic also highlights the complexity of the

relationships between oil companies and the government. Nothing is completely straightforward, power is a mix of various influences, and interests come from all sides of the spectrum – ideas present in the theories of realism and elite theory.

Endogeneity and sampling error are also limitations encountered in this study. An endogenous variable is determined by other variables in the model. In my model, the number of gallons of oil spilled could be an endogenous variable influenced by the amount of oil drilled for. To correct for this, I used the number of wells drilled in ND by each oil company throughout the past century. Although this was a sufficient control variable, with this still comes some degree of error. The spills in the data were reported spills and public information. There is a chance some spills go unreported and that is a limitation very difficult to overcome.

Finally, from a qualitative point of view, it is necessary to note because only one case study is being analyzed in this thesis, a new theory cannot be offered. Rather, the theory set forth can only be supported or contested (Yin 2009, p. 43). Therefore, my task is limited to offering a compelling argument to prompt the public to reconsider their ideas on democracy and challenge them to reject the commonly accepted and radically simplistic view of democracy, and rather see it as a more complex and interconnected web of motivations and actors working in the same arena.

C. Further Research

In the future, it would be beneficial to gather more data on a more extensive scale. By looking at all of the major oil producing states in the U.S., a more complete understanding of the relationships between politicians and oil companies could be understood. Also, it would be telling to uncover what differences are present between different states and what makes them

unique and act in various ways. Another important component would be data on penalties and fines levied on oil companies for their spills. After a company spills oil, the state imposes a consequence on each company, usually through a fine. Interestingly, these fines are not absolute, meaning the amount and timeline can change through negotiations between the company and the regulatory commission. By looking at both fines charged and dollars paid, the nuances of each oil company's relationship with the state could come to the surface. Finally, financial compensation and support does not only come from political contributions. Companies from all sectors donate money to public funds for various reasons. If data could be obtained on oil companies' contributions to schools, cities, universities, etc., the interconnectivity portion stemming from the real and elite theories could be better explained. Looking outside the oil industry and considering other major economic forces both statewide and nationwide could be informative. In the state of ND and elsewhere, comparative studies on how major industries influence politics and policies could uncover valuable and related knowledge.

VIII. Thesis Committee

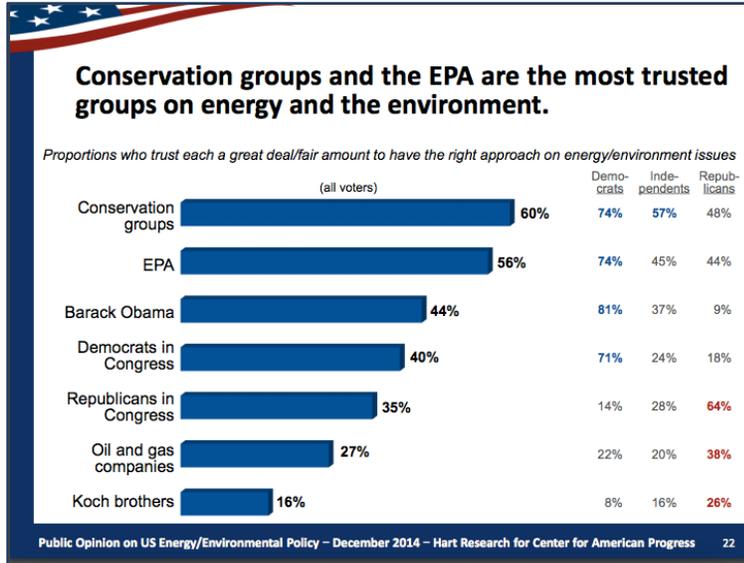
Committee Chair: Dr. Andy Scerri

Committee Member: Dr. Jason Kelly

Committee Member: Dr. Gabriel Blouin-Genest

IX. Appendix

A. Intro - Public Opinion Surveys:



http://www.climateaccess.org/sites/default/files/Hart_Public%20opinion%20US%20energy%20policy.pdf

Pew Research Center's American Trends Panel Poll, Nov, 2014

How much of the time do you think you can trust...your state government to do what is right?...Just about always, most of the time, only some of the time, none of the time [Q.34B]

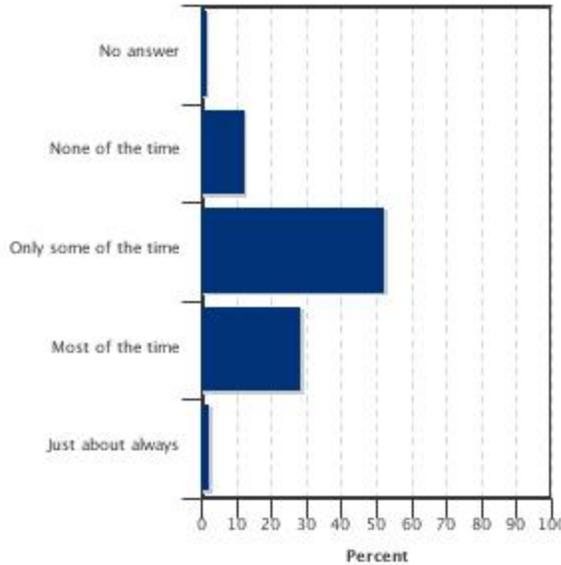
3% Just about always

29% Most of the time

53% Only some of the time

13% None of the time

2% No answer



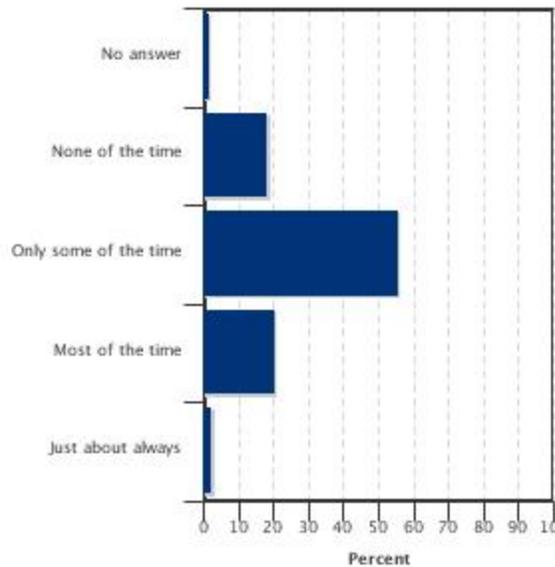
Survey by Pew Research Center for the People & the Press. Methodology: Interviewing conducted by Abt SRBI, November 17 - December 15, 2014 and based on 3,212 online, telephone, and mail interviews. Sample: National adult. 2856 respondents were interviewed online and 356 by telephone or mail. The American Trends Panel (ATP), created by the Pew Research Center, is a nationally representative panel of randomly selected U.S. adults living in households. Respondents who self-identify as Internet users (representing 89% of U.S. adults) participate in the panel via monthly self-administered Web surveys, and those who do not use the Internet participate via telephone or mail. The panel is being managed by Abt SRBI. Question wording in this topline is that from the web version of the survey. Question wording and format was adapted for the paper questionnaire delivered by mail.

“Pew Research Center’s American Trends Panel Poll” *Pew Research Center, Washington, D.C. (November 2014)* <http://www.pewresearch.org/question-search/?keyword=trust+in+government&x=0&y=0>

Pew Research Center's American Trends Panel Poll, Nov, 2014

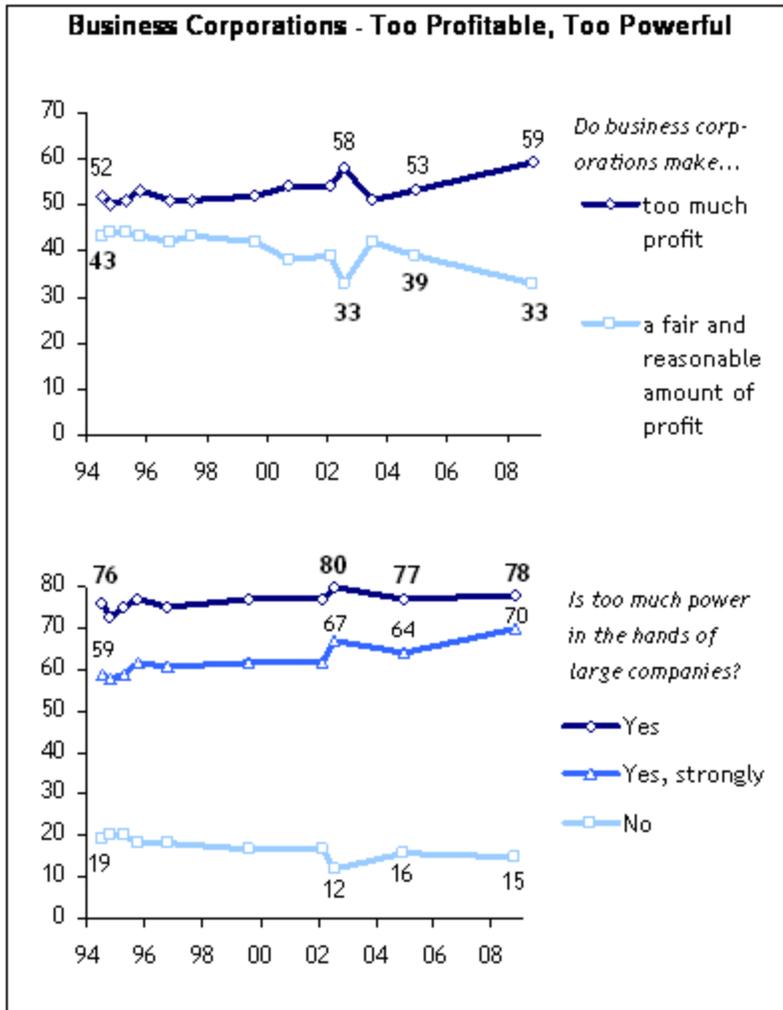
How much of the time do you think you can trust...the federal government to do what is right?...Just about always, most of the time, only some of the time, none of the time [Q.34A]

3% Just about always
 21% Most of the time
 56% Only some of the time
 19% None of the time
 2% No answer



Survey by Pew Research Center for the People & the Press. Methodology: Interviewing conducted by Abt SRBI, November 17 - December 15, 2014 and based on 3,212 online, telephone, and mail interviews. Sample: National adult. 2856 respondents were interviewed online and 356 by telephone or mail. The American Trends Panel (ATP), created by the Pew Research Center, is a nationally representative panel of randomly selected U.S. adults living in households. Respondents who self-identify as Internet users (representing 89% of U.S. adults) participate in the panel via monthly self-administered Web surveys, and those who do not use the Internet participate via telephone or mail. The panel is being managed by Abt SRBI. Question wording in this topline is that from the web version of the survey. Question wording and format was adapted for the paper questionnaire delivered by mail.

“Pew Research Center’s American Trends Panel Poll” *Pew Research Center, Washington, D.C. (November 2014)* <http://www.pewresearch.org/question-search/?keyword=trust+in+government&x=0&y=0>



<http://www.people-press.org/2008/10/15/section-3-public-attitudes-toward-government-and-business/>

B. Primary Data Analysis:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738 ^a	.545	.538	26000.34730

a. Predictors: (Constant), Wells, Contributions

b. Dependent Variable: Gallons_Spilled

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)*	5187.377	2519.353		2.059	.042
	Contributions*	1.445	.638	.147	2.266	.025
	Wells***	77.741	7.485	.672	10.387	.000

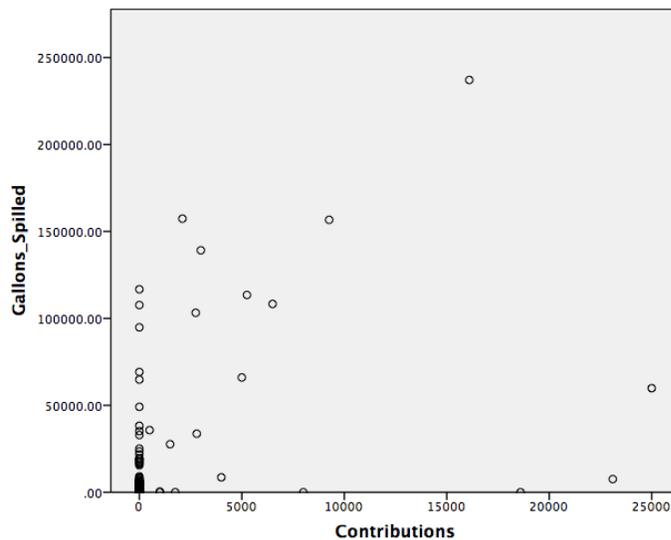
a. Dependent Variable: Gallons_Spilled

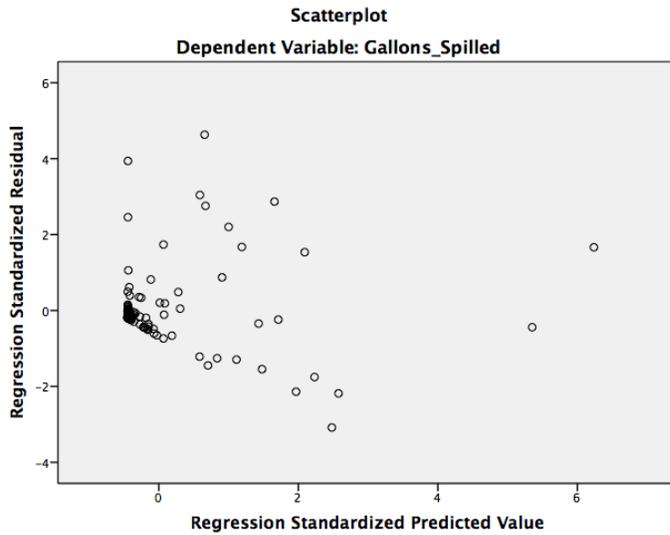
A. P<.05* , p<.01** , p<.005***

Descriptive Statistics

	Mean	Std. Deviation	N
Gallons_Spilled	17744.9387	38239.71083	128
Contributions	1071.96	3881.765	128
Wells	141.61	330.709	128

Residual Plot:





B. Secondary Data Analysis 2010-2014:

C.

1 . reg contribution oilspilled wells oilprice

Source	SS	df	MS			
Model	776815589	3	258938530	Number of obs =	643	
Residual	9.2424e+09	639	14463892.8	F(3, 639) =	17.90	
Total	1.0019e+10	642	15606297.7	Prob > F =	0.0000	
				R-squared =	0.0775	
				Adj R-squared =	0.0732	
				Root MSE =	3803.1	

contribution	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
oilspilled	.0006839	.0012783	0.54	0.593	-.0018262	.003194
wells	3.125808	.4498258	6.95	0.000	2.242493	4.009124
oilprice	7.803664	27.68453	0.28	0.778	-46.55998	62.16731
_cons	-224.6082	2577.408	-0.09	0.931	-5285.822	4836.606

2 .

3 . reg contribution oilspilled wells

Source	SS	df	MS			
Model	775666355	2	387833178	Number of obs =	643	
Residual	9.2436e+09	640	14443088.7	F(2, 640) =	26.85	
Total	1.0019e+10	642	15606297.7	Prob > F =	0.0000	
				R-squared =	0.0774	
				Adj R-squared =	0.0745	
				Root MSE =	3800.4	

contribution	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
oilspilled	.0007142	.0012728	0.56	0.575	-.0017852	.0032136
wells	3.118588	.4487728	6.95	0.000	2.237343	3.999833
_cons	500.459	162.5283	3.08	0.002	181.3059	819.6121

D. Tertiary Data Analysis 2010-2014:

1 . reg contribution oilspilled wells oilprice

Source	SS	df	MS	Number of obs =	476
Model	791256109	3	263752036	F(3, 472) =	16.23
Residual	7.6714e+09	472	16253061.6	Prob > F =	0.0000
Total	8.4627e+09	475	17816213	R-squared =	0.0935
				Adj R-squared =	0.0877
				Root MSE =	4031.5

contributi~s	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
oilspilled	.0056907	.0015961	3.57	0.000	.0025543 .0088271
wells	2.608896	.5376336	4.85	0.000	1.552445 3.665348
oilprice	23.42583	28.86275	0.81	0.417	-33.28954 80.1412
_cons	-1631.697	2683.564	-0.61	0.543	-6904.908 3641.513

2 .

3 . reg contribution oilspilled wells

Source	SS	df	MS	Number of obs =	476
Model	780549553	2	390274776	F(2, 473) =	24.03
Residual	7.6822e+09	473	16241335.4	Prob > F =	0.0000
Total	8.4627e+09	475	17816213	R-squared =	0.0922
				Adj R-squared =	0.0884
				Root MSE =	4030.1

contributi~s	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
oilspilled	.0058219	.0015873	3.67	0.000	.0027028 .008941
wells	2.579931	.5362543	4.81	0.000	1.526196 3.633666
_cons	540.2253	201.1952	2.69	0.008	144.8784 935.5722

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