

* January 22, 2022

**Mid-Ohio Valley Climate Corner: Economics, energy and employment**

Jan 22, 2022

**George Banziger**

**editorial@newsandsentine**

There are certain demographic and economic trends that have been evident for decades in this region of Appalachia and that can be addressed given the opportunities presented by the investment of federal funds now available. Included in these problems are:

\* The continued inexorable pattern of population decline and aging (due to many young people leaving the area)

\* Relative to the U.S., the region’s high poverty rate, high unemployment, and low wages

\* Corporations headquartered elsewhere, draining wealth from the region

\* Coal companies having left their mark

\* The region’s high opioid abuse and addiction problems

\* Limited broadband access in rural parts of the county.

People in the Mid-Ohio Valley have accepted on faith that the oil and gas industry contributes to the health of the economy in the region. For many years there has been an unfulfilled promise that fossil fuels, particularly shale gas, would enhance the economy of the region and provide jobs. Hydraulic fracturing of natural gas has established well pads, pipelines, processing facilities, and other infrastructure. According to a study by the Ohio River Valley Institute (2021), the shale gas region comprises about 22 counties in Pennsylvania, Ohio, and West Virginia; these counties produce about 90% of the gas of the region yet the region trails the nation on key measures of economic prosperity. For example, jobs increased by just 1.6% in the region compared to 8% nationally; the region lost approximately 37,000 residents, while the U.S population grew by 18% in the past decade. Little of the profit from oil and gas has entered the local economy; trained workers and service providers are generally from outside the area. Royalties for local families with mineral rights have declined with lower natural gas prices. The oil and gas industry is capital intensive, not labor intensive, and the revenue from local natural resources is not returning to the Mid-Ohio Valley. Oil and gas companies should at least be contributing to the local economy through severance taxes, impact fees, and other revenue-generating opportunities that will stay here, benefiting our region.

The fossil-fuel industry has enjoyed a myriad of federal subsidies, which has given it an unfair advantage in the energy market. Evangelical climate scientist, Dr Katherine Hayhoe, in her recent book, “Saving Us,” has written that these subsidies amount to $600 billion per year and include tax breaks, direct production subsidies, and leases on public lands that are far below market rates. It is time for the federal government to support renewable energy, which is safer, better for the environment, and more supportive of sustainable job growth and economic development than fossil fuels.

Many individuals and organizations have seen the handwriting on the wall and are divesting their interests in fossil fuels. Dr. Hayhoe, has cited these facts related to divestment: over 1,300 organizations and 60,000 individuals representing about $14 trillion of assets have made the decision to divest in fossil fuels. These organizations include pension funds and insurance companies, which are reluctant to support an industry that is the direct cause of global warming and extreme weather that results in damage and loss claims in the billions. Banks and investment companies are joining this movement; Goldman Sachs announced recently that it is no longer going to invest in Arctic oil exploration.

An alternative to continued reliance on the oil and gas industry for economic development is to reimagine this region and seek growth opportunities of the 21st Century. A study by UMass-Amherst has reported that good jobs in renewable energy could employ 250,000 in the region in the next 10 years! These opportunities are numerous and include the following:

\* Repairing the damage done by extractive industries, e.g., plugging orphaned oil and gas wells, repairing leaks, repairing dams and levies

\* Modernizing the electric grid

\* Developing new locally based manufacturing of solar-panel and wind-turbine parts

\* Expanding manufacturing with energy-efficient facilities, e.g., repurposing coal-fired power plants

\* Building sustainable transportation, e.g., railways and electric vehicle infrastructure

\* Re-establishing the Civilian Conservation Corps (first created by FDR in the 1930s) for projects that might include carbon farming, and expanding forests and wetlands, which could in turn create job opportunities for recovering opioid addicts.

The American Rescue Plan and the Bipartisan Infrastructure Deal (Infrastructure Investment and Jobs Act), which have both been passed by Congress can provide resources for this re-imagining of Appalachia–if local officials will make the asks. The Build Back Better plan, if it is finally passed in some different form from its current version or in separated packages, can provide even more resources for this purpose.

There are 21,000 fewer jobs in the fossil fuel industry –half need re-training and re-employment. These are challenges that can be addressed by educational institutions and employee-training programs in the region.

\*\*\*

George Banziger, Ph..D., was a faculty member at Marietta College and an academic dean at three other colleges. Now retired, he is a volunteer for the Mid-Ohio Valley Interfaith, and Harvest of Hope. He is a member of the Green Sanctuary Committee of the First Unitarian Universalist Society of Marietta, Citizens Climate Lobby, and of the Mid-Ohio Valley Climate Action team.