

# Introduction

‘Hail Mary full of grace the Lord is with thee ... aaohhh you’re hurting me, take your hands off me ...’

‘Clear the road ...’

‘Whose cops? Shell’s cops ...’

‘You have no right to stop people going to work ...’

As the sun rose over a narrow country road in Erris, Co. Mayo (North West Ireland) in October 2006, these utterances were a small selection of those accompanying the actions of Gardaí (members of An Garda Síochána, the Irish police force) as they dragged protestors from a sit-down demonstration in the middle of the road. Comprising elderly farmers, middle-aged housewives, fishermen, teenagers and political activists among others, the protestors were corralled at the side of the road, encompassed within a wall of fluorescent yellow police jackets. From sounds of chanting and loud praying the aural backdrop shifted to crying and angry yelling as Gardaí physically held back protestors and waved through a convoy of vehicles that had been parked further along the road. Carrying staff and construction materials, these trucks, buses and cars were bound for Ballinaboy and the site of the Corrib gas processing terminal – a hub for protests against the Corrib gas project since the jailing of the ‘Rosspoint Five’ in June 2005.

As one of many protests against the Corrib gas project, the involvement of An Garda Síochána in that day’s demonstration served to problematise the state’s role in the advancement of the development, provoking serious questions: if residents were so opposed to the Corrib gas project, why was the project going ahead? Why were Gardaí using force against Irish citizens to clear the way for Shell’s fleet? And, after five years of opposition to the project, how had it come to a stand-off between local people, the police and multinational oil companies?

Despite each stage of the Corrib gas development being vehemently contested by local people and their supporters, on 29 December 2015 Minister for Communications, Energy and Natural Resources Alex White (Labour Party) granted Shell permission to operate the Corrib gas pipeline. Rather than

fireworks marking the advent of a new year, residents were subjected to intense gas flaring on 31 December as Shell began to process gas in the Ballinaboy terminal. Completion of different phases of the project correlates with worsening conditions for some of those opposed to the development, a number of whom were incarcerated in recent years. Others have sustained lasting physical and psychological injuries as a result of their resistance. Meanwhile some of those who support the project have experienced social isolation and other difficulties due to their position.

How did a rural region in the West of Ireland come to experience such wide-ranging, negative outcomes? This book offers some explanations and examines the evolution of the Corrib gas conflict, revealing the environmental, health and safety concerns initially underpinning resistance. It also highlights how the dispute exposed wider issues surrounding the Irish state's management of its gas and oil. Problematic elements of the state's approach include the transfer of control and ownership of state owned hydrocarbons to private companies; lenient fiscal terms which result in minimal economic returns to the Irish state; and the use of state and private actor coercive force against citizens. As a microcosm of the Irish state's approach to the management of its gas and oil, the Corrib gas project and associated conflict illuminate topics which go to the core of Ireland's socio-economic composition and the functioning of its state. This book offers insights into how and why the Irish state developed such a flawed model.

Covering a time frame from 1957 to 2014, this book presents the first comprehensive study of the Irish state's approach to hydrocarbon management, spanning three interconnected levels of analysis (micro, meso and macro). Examining subjects that are simultaneously empirical and ideological, historical and current, the focus of this book extends beyond decision-making processes within the state system to their impacts on people's lives in communities. Attention is paid to occurrences internal and external to the Irish state, leading to the identification of specific factors that have shaped how the state manages its gas and oil.

This book is based on primary and secondary data gathered through four research methods: documentary research, interviews, observations and case studies. Documentary research focused on policy, fiscal and licensing systems in Ireland and other countries, with attention paid to literature on state hydrocarbon management and government take. Interviews were a key method of data collection and I conducted interviews with thirty stakeholders from the spectrum of interests surrounding Irish hydrocarbons (including politicians, civil servants, oil industry representatives, journalists and civil society groups, such as those supporting and resisting the Corrib gas project). Within the book all research participants are referred to by pseudonyms to maintain anonymity, as agreed during data collection. Observations were an integral element of data collection and I conducted observations at twenty key events, including: state and industry sponsored conferences on Irish hydrocarbons; the 2010 oral hearing

on the onshore Corrib pipeline; protests; and public meetings discussing issues related to Irish gas and oil. Integrating data from the aforementioned methods, my fourth method of data collection comprised two case studies. I compiled a case study of the Corrib conflict to uncover the practice and consequences of the Irish state's management of its gas and oil and illuminate the impact of macro level structures and ideology at a local level. A case study of the Norwegian oil experience served to identify socio-economic, ideological and political influences shaping state resource management, thereby establishing parameters for a critique of the Irish model.

Primary data from this research are incorporated within every chapter of this book, providing the richness and complexity necessary to understand how and why the Irish state manages its resources in the manner adopted.

### **Overview of book**

This book contains four integrated parts and each comprises a vital component of Ireland's story. Part I focuses on the Corrib gas project and discusses the emergence and escalation of the conflict in tandem with the diversity of opinions towards the development. Consideration is given to efforts at consent formation juxtaposed with legislative changes that enabled the advancement of the project in spite of significant opposition. While acknowledging how the oil companies' actions exacerbated the conflict surrounding Corrib gas, this part emphasises the state's role via legal and policy frameworks and problematises the state's involvement through policing, the judicial system and belated fora for community engagement. I argue defects in the state's model of hydrocarbon management ultimately laid the foundations for this ongoing dispute and suggest the state's flawed approach has led to emergent controversies surrounding potential on-shore gas production by hydraulic fracturing ('fracking') and possible near-shore oil production in Dublin Bay.

The second part offers a contemporary account of Ireland's oil and gas experience. Comprising three chapters, this part traces the development of the state's model of hydrocarbon management from 1957 to 2014. Empirical detail is provided on the design and implementation of Ireland's licensing regime, contextualised with reference to exploratory and exploitation activities, related economic and political events, and trends in state resource management globally. Summarising key issues inherent to the Irish state's management of its gas and oil, I establish landmarks in Ireland's petroleum history and reveal a consistency in the state's approach despite changes in political leadership. I also examine more imperceptible occurrences and demonstrate how changes to Ireland's model of hydrocarbon management reflect prevailing economic ideologies such as Keynesianism and neoliberalism, thus connecting the state's approach with shifts in political economy, nationally and internationally.

Contextualising Ireland globally is the aim of the third part which opens with an overview of global trends in state resource management. Offering a succinct history of the growth of the petroleum industry, chapter six outlines the emergence of four main approaches to state resource management globally (concessions, production sharing, service contracts (SCs) and licensing systems). An examination of those models reveals the interrelatedness of approaches taken by states and shifts in political economy globally. One can see how different models are influenced by internal and external forces, for example, ideological and actual struggles over control and ownership of resources which are appraised in relation to the Organisation of the Petroleum Exporting Countries (OPEC) and the 'neoliberal counter-wave' (Ryggvik, 2010) that occurred in the 1980s.

Dominant approaches to state resource management are considered in an applied way in chapter seven through attention to their outcomes in the form of 'rent' or 'government take'. Utilising secondary data from international studies of 'government take', I emphasise how Ireland's model of resource management is unique both in terms of it being a licensing system (used in fewer than half the countries with hydrocarbon production worldwide) and its low rates of government take (one of the lowest in the world). This chapter underscores the distinctiveness of the Irish model, raising further questions around why Ireland's approach is quite exceptional.

Tracing the evolution of the Irish model within a global context offers new knowledge on the Irish approach. Nevertheless, more comprehensive understandings can be gained through contrasting Ireland's model with that of another country. Opening with a presentation of arguments against a comparison of the Norwegian and Irish frameworks for hydrocarbon management, chapter eight uncovers some of the discourses underpinning industry, political and state bureaucracy perspectives on the two models. It also reveals weaknesses in these standpoints and stresses the value of comparing both countries' approaches as a mechanism for developing a critique of the Irish model. The resultant appraisal begins with an overview of socio-economic and historical similarities between the two countries, progressing to a summation of the political, social, economic and ideological influences that moulded the Norwegian model. This analytical structure is then applied to the Irish context and I articulate specific factors contributing to the Irish model of hydrocarbon management.

In the book's final part, I discuss how the phenomenon of Irish state hydrocarbon management has macro, meso and micro level impacts, is shaped instantaneously by global, national and local forces, and bears all the hallmarks and contradictions of a state functioning within neoliberal capitalism. I also outline the real-life consequences of the state's model of hydrocarbon management as manifested in the Corrib gas conflict. Chapter eleven brings the book to a close by arguing that Ireland's approach to the management of its gas and oil is fundamentally flawed and, unless modified, will continue to

cause difficulties in relation to the Corrib conflict and other areas which face potential hydrocarbon exploitation. Although Irish state hydrocarbon management can be interpreted as an outcome of a state functioning within neo-liberal capitalism, the state's approach has been moulded in particular ways by specific factors. Therefore, tangible elements of the state's approach can be altered in order to eradicate weaknesses and maximise advantages for citizens of Ireland as owners of the gas and oil.

Given the real-life implications of the state's approach and the critical theories underpinning this analysis of the phenomenon, this book concludes with a series of empirically grounded recommendations around how the state's model can be transformed to ensure lasting benefits for Irish society.