THE UNITED STATES SHALE GAS EXPERIENCE AS A REFERENCE OF SUCCESS: MEXICO'S ENERGY SECURITY TRAP

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Overview

Shale gas has gained increasing attention worldwide in the light of the rapid production and the significant effects seen in the United States. Using this case as a reference, Mexico included shale gas on its energy planning priorities and rushed towards commercial production, but results have remained elusive. The main argument of this paper is that due to the intrinsic complexity and context underlying shale gas development in the United States, its use as a benchmark by Mexico for policy making purposes is misleading, given the the challenges in reproducing the same factors of success embedded on the basis of the contextual differences between both countries.

Methods

As this paper proposes that the use of the United States shale gas experience in guiding international shale gas development is reminiscent of benchmarking practices, the notions on international benchmarking are analyzed to emphasize the complexity in employing a reference for policy making purposes on the basis of its performance without accounting for its context. Accordingly, the major factors of success for the United States shale gas experience are discussed in order to highlight the ample divergences with Mexico. In doing so, the paper aims to illustrate the challenges of devising shale gas development policies from the outcomes of the United States experience alone, underscoring that rather than using it as a performance-based benchmark supportive of political interests, it should rather serve as a guide for the examination of the processes and factors conducive to those results, to ultimately develop adaptive knowledge more beneficial for devising effective policies and exploiting unique opportunities for shale gas within the Mexican context.

Results

In the face of the contextual divergences and structural deficiencies in the gas industry in Mexico in comparison to the United States, it is suggested that the use of such benchmark could be jeopardizing Mexico's energy security, by depending on resources that might eventually be costlier or take much longer to develop in comparison to the expectations held and the initial plans made from a performance-based benchmark perspective approach without an additional adaptive strategy.

Conclusions

In spite of Mexico's inferred shale gas resources and its proximity with the United States, its results to develop shale gas on a commercial scale have been scarce due to its structural deficiencies, higlighting the need for energy policy makers to gain strategic knowledge from the benchmark to devise strategies adapted to the Mexican environment. Aside from this purpose, the use of a benchmark can be also advantageous to estimate the efforts, costs and timeframes associated in achieving shale gas production on a commercial scale in Mexico. The findings presented can ultimately be helpful for other countries looking forward to or in the process of developing their shale gas resources driven by the same reference.

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