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Sustainable Development and Social Responsibility: Key Factors for Positive Impact of International Petroleum Agreements

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Abstract

Hydrocarbons are well known for being a major component in the global energy needs. The technical review of previous studies indicates that this horizon will not change in the near future until alternate sources of energy become available and economically sustainable. While this time arrives, the oil industry plays a significant role in the management of its operation in a way they do not affect our environment reducing to the minimum the ecological effect of emissions, pollution and other negative factors associated to the oil industry operations. At the same time, it has to be characterized by the fulfillment of human energy needs at an affordable cost and maximization of the profit to be sustainable.

On the other hand, the oil companies have a social responsibility with the communities surrounding their operations. Most of the time, people living in areas where hydrocarbon extraction is present neither have a decent standard of living nor a positive image of companies involved in the operations. Oil companies can make a transcendental change in their neighbors just by considering two factors: Sustainable development and social responsibility. These factors do not require great amounts of money or work; however, the impact in their operations and the legacy they will leave once they finish their operations will be present for a long period of time.

How these two factors can be achieved is exposed in this paper showing a specific case of study from an African country. The results presented in this work demonstrate not only that these are key factors for positive impact of companies involved in any international petroleum agreement on the community near their operations. These results also demonstrate this can be achieved with an effort much smaller than they might imagine. Furthermore, the impact may have a constructive effect on their own operations helping to reduce the possible stoppage of them by the community.

Introduction

Most of the hydrocarbons reserves are found in developing countries where oil industry is considered as an engine of growth for their economy. These countries are usually characterized by energy resources in environmentally susceptible areas where oil industry operations can have negative effects. Due to the global energy needs and being oil and gas well known for being a major component of them, the exploration and production of these resources can not be stopped or decreased in the near future. Moreover, there is a general tendency of looking for hydrocarbon resources in areas that are even more environmentally sensitive [1].

On the other hand, there is a tendency towards corporate social responsibility; to consider increasing concerns about the contribution of business and the need to respond with new competitive strategies [2]. Social responsibility is a concept that needs to be understood and implemented by the oil companies to achieve their objectives in a way that benefit the communities surrounding their operations. Due to development in communications and politics, people in host communities demand more from oil companies in today's world. They do not consider help from oil industry as a gift, the demand for it and social performance is considered a business imperative to achieve steady and successful operations.

In this paper we review two principles that are considered key factors for positive impact of international petroleum agreements between any oil company and the other two major components affected by or affecting its operations: Government and host communities. These two factors are sustainable development and social responsibility. We think it is