Shifts in modes of governance and sustainable development in the Brazilian oil sector

Dr. Thereza R.S. de Aguiar a,*, Dr. Fatima de Souza Freire b

a Adam Smith Business School (South), Gilbert Scott Building, Room 682, University of Glasgow, University Avenue, Glasgow, G12 8QQ, Scotland, UK
b Departamento de Ciências Contábeis e Atuações, Universidade de Brasília, Prédio da FACE, s. B1-02, Campus Universitário Darcy Ribeiro, Asa Norte, 70910-900, Brasília, DF, Brazil

ARTICLE INFO

Article history:
Received 20 January 2016
Received in revised form 5 April 2017
Accepted 2 May 2017
Available online xxxx

Keywords:
Sustainable development
Modes of governance
Oil sector
Petrobras
Brazil

ABSTRACT

This article discusses shifts in modes of governance in the Brazilian oil sector over a 60-year period. On the basis of Driessen et al’s (2012) framework, we discuss the impact of these shifts on sustainable development. Our results suggest that changes in modes of governance were driven by regulation and mostly associated with shifts in both actors and institutional features but that the underlying rationale of prioritising economic outcomes remained unaffected. The results also confirm that a central governance structure remained in place over time and co-existed in different modes of governance. Petrobras was the backbone of this structure and instrumental in empowering and disempowering non-state actors. This article stresses that a mode of governance furthering sustainable development should promote interactions of large numbers of actors and may require active participation of Petrobras to encourage rationales that support improvements in social and environmental domains.

© 2017 Elsevier Ltd. All rights reserved.

1. Introduction

The oil sector has been considered a ‘controversial industry’ because some of its business practices can cause a negative impact on economic, social and environmental dimensions (Cumbers, 2000; DeRoeck & Delobbe, 2012). Examples of negative consequences related to the oil sector are global climate change, impacts on biodiversity, deterioration of air and water quality, and the ‘resource curse’ (Du & Vieira, 2012). Thus, achieving sustainable development in the oil sector is a challenge (Escobar & Vredenburg, 2011).

Companies acting in the oil sector are mostly large multinational corporations (MNCs) that operate in different parts of the world through subsidiaries. Although the oil sector is under constant social pressure, any changes in business practices seem to be related to host country interpretations of sustainable development (Cumbers, 2000; Escobar & Vredenburg, 2011). The literature stresses that the absence of integration between MNCs and governance at the macro level can contribute to failures in solutions furthering sustainable development1 (Heuer, 2012; Idahosa, 2002; Idemudia, 2009; Ketola, 2006; Wheeler, Fabig, & Boele, 2002).

Our research aims to contribute to the debate on the existing conflict between economic growth and sustainable development by analysing changes in modes of governance in the Brazilian oil sector. This paper gives special attention to the role that Petroleo Brasileiro S.A. (Petrobras) 2 has played in supporting changes in modes of governance. Petrobras has been in the oil sector since the discovery of the largest oil deposits in the world, formally named ‘pre-salt’ (Petrobras, 2006, 2007). The pre-salt oil discovery has triggered interest in researching the effects of oil sector activities on...
sustainable development.3

Our research adds to the above literature by pursuing two main objectives. First, our study aims to outline the impacts of change in modes of governance on sustainable development, considering the Brazilian oil sector. A special emphasis is placed on understanding what forms of governance lead to (un)sustainable 4 impacts caused by oil sector operations and the role of Petrobras in these impacts. Polette and Seabra (2013) analysed issues related to sustainability and governance; however, this article does not include the analysis of the influence that Petrobras may have had on sustainability matters. This is a relevant aspect to study because Petrobras is a state-owned organisation and has acted as a facilitator of the implementation of governmental policies in the oil sector in recent years. This contribution also differs from that of Paz (2015), which concentrated on analysing how institutions influenced Petrobras to sustain financial performance over time. Second, our research aims to identify changes in modes of governance considering the Brazilian oil sector using a framework proposed by Driessen, Dieperink, van Laerhoven, Runhaar, and Vermeulen (2012). This framework allows for the analysis of how a variety of actors, institutional features and policies can influence shifts in power and, in turn, influence modes of governance.5 Polette and Seabra (2013) concentrated on discussing Brazilian governance in the pre-salt period and as a result did not include a longitudinal analysis of modes of governance and why/how features evolve to influence changes that may lead to (un)sustainable practices. Moreover, this article adds to Ribeiro and Novaes (2016) research by analysing changes in modes of governance towards a sustainable development approach.

The remainder of this article is organised as follows. This article starts by providing an overview of modes of governance as applied to sustainable development. The following section explains the research methods used in this study. This paper continues by including an analysis of shifts in modes of governance from 1953 to 2013. It also relates the changes in modes of governance in the Brazilian oil sector and their impact on sustainable development. Finally, the last section provides a discussion and conclusions.

2. Modes of governance: a sustainability approach

The literature notes that there is no clear and mature interpretation of the meaning of sustainable development (Kemp, Parto, & Gibson, 2005). Thus, for the context of this study, we will work with notions of sustainability that call for global justice and human development6 within a fragile natural environment that must be preserved (Lange, Driessen, Sauer, Bornemann, & Burger, 2013). Notions of sustainable development require social transformation, long-term perspectives, and multidimensional objectives (Lange et al., 2013). Thus, it is claimed that sustainable development cannot be achieved without changes in governance. The nature of sustainable development is complex, involving the collective action of different stakeholders (van Zeijl-Rozema, Corvers, Kemp, & Martens, 2008) over an array of environmental and social issues utilising a long-term perspective (Hysing, 2009, 2010; Lange et al., 2013). Analysis of modes of governance can help in making decisions furthering sustainable development, in the sense that it allows a search for political structures that establish a common approach by different actors (Berger, 2003) in different economic sectors with the objective of achieving collective goals (Berger, 2003; Hysing, 2009, 2010; Kemp et al., 2005; van de Meene, Brown, & Farrelly, 2011; Weber, Driessen, & Runhaar, 2011). A detailed analysis of changes in modes of governance can entail the identification of features that encourage high levels of transparency and accountability, allowing broader societal integration and, consequently, less hierarchical structures (Lange et al., 2013). In this sense, the literature also sought to characterise dimensions that describe different modes of governance to illustrate the application of the above-mentioned pre-requisites (Hysing, 2009, 2010; van de Meene et al., 2011; Weber et al., 2011). In particular, Lange et al. (2013) suggested that an analysis of changing on modes of governance (furthering sustainable development) should include three dimensions (Lange et al., 2013): (i) political process (politics), (ii) institutional structures (polity) and (iii) policy contexts (policy). Politics refers to the types of actors (e.g. public and private) and how these actors interact in different governance modes. Polity provides an analysis of how interactions are built, reflecting on the structure of governance and rules in place. Policy concentrates on the types of policy enacted and their formulation, content and implementation.

Lange et al. (2013) analysed different types of frameworks and concluded that frameworks do not always address politics, polity and policy. Moreover, Lange et al. (2013) identified the framework suggested by Driessen et al. (2012) as that which included these three necessary dimensions (politics, polity, and policy). Thus, our research uses the framework on shifts in modes of governance suggested by Driessen et al. (2012), as a lens to answer the following research questions.7

RQ1: What drove shifts in modes of governance over time in the Brazilian oil sector?

RQ2: Did shifts in modes of governance in the Brazilian oil sector contribute to sustainable development?

These questions are relevant because although debates on shifts

---

3 Examples of possible impacts that pre-salt oil exploitation can cause on sustainable development were clearly highlighted in the literature, and these impacts can be classified into three main areas: (i) environmental: risks of environmental disasters, greenhouse gas emissions, damage to the ecosystems, etc; (ii) social: unfair distribution of oil rents (corruption) as well as long-term social dependency on oil rents and (iii) economic: negative impact on some economic activities such as fishery and tourism, need of infrastructure to accommodate the migration of specialists, etc. (Costa, 2012; Conca & Granziola, 2012; Lamrouvier & Medeiros, 2012; Polette & Seabra, 2013).

4 The analysis in our paper identifies real-life situations that link modes of governance and (un)sustainable outcomes. According to Lange et al. (2013), studies that highlight (un)sustainable practices are rare but essential to illuminate new forms of governance that may accommodate better sustainable development initiatives.

5 This is because sustainable development requires policy integration to promote innovation through a dynamic type of governance, which allows multiple actor interaction over a variety of levels (Kemp et al., 2005).

6 Global justice and human development, in this study, can be interpreted as an improvement of human well-being and equalising of wealth distribution, e.g. health care improvements, better levels of education and poverty reduction (Okoye, 2012).

7 Lange et al. (2013) analysed three conceptualised modes of governance, including the one suggested by Driessen et al. (2012). Lange et al. (2013) mentioned that researchers should be clearly informed that these conceptual arrangements are ideal formats and not a fixed set of classifications. Thus, conceptual arrangements may change depending on the context analysed, and hybrid arrangements formats may emerge. Lange et al. (2013) also suggested, as future research, for example, that new interpretations on governance arrangements should improve the justification of features that characterise a particular governance mode to simplify classifications. Despite these limitations, Lange et al. (2013) found that the frameworks analysed meant a significant development to interpret the complexities of governance arrangements. Moreover, the use of these frameworks to study real-life contexts was also considered by Lange et al. (2013) as a very useful analysis to understand the characteristics of modes of governance that can best promote sustainable development.
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات