

9.2 ETHICS OF OIL

The phrase "ethical oil" has been popularized through the publication of Ezra Levant's book *Ethical Oil: The Case for Canada's Oil Sands* and is frequently used by politicians, including Prime Minister Stephen Harper and his federal minister of the environment.

Those who use the phrase argue that the oil sands petroleum has been unfairly demonized and they wish to downplay the negatives. They claim that petroleum from the oil sands is "ethical" compared to that from some other sources. Oil purchased from dictatorships and kleptocracies has been problematic because in those countries human rights, worker welfare, and social programs may be ignored. Corruption also has occurred in situations where leaders siphon off wealth for themselves and their friends. Saudi Arabia, Venezuela, Iran, and Libya have been mentioned as examples.

It also has been pointed out that oil produced in Canada must meet higher environmental standards than that produced in many countries. Alberta oil could be considered a morally superior resource because Canada has a democratically elected government, is concerned with peace, and maintains social programs for its citizens. Supporters claim that "ethical oil" is comparable to fair trade products such as coffee and certified non-conflict diamonds.

Critics state that it is inappropriate to use the phrase because ethics involves rules, standards, codes, or principles that provide guidance for morally appropriate behaviour in decision making. Others believe that the ethical question is really whether consumers should be consuming oil at all. In contrast to "ethical oil," environmental NGOs and some U.S. and European Union politicians have labelled petroleum from the oil sands as "dirty oil."

Critics claim that oil from the Alberta sands should be considered unethical or dirty oil because it is an unsustainable product, produces high emissions per barrel, lacks environmental monitoring, threatens wildlife (with the use of tailings pools), pollutes lakes, soils, and groundwater, has health consequences for local residents, and causes deforestation. Some U.S. politicians and government agencies have proposed that petroleum from the Alberta oil sands be banned, but California has been the only jurisdiction to impose restrictions to March 2011. European Union

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agencies have considered sanctions against oil sands production. The delay of the Keystone XL pipeline was linked to the branding of Alberta oil sands; this \$7.0 billion project would carry oil sands bitumen across the Midwestern states, including Nebraska, to surplus refining capacity on the U.S. Gulf Coast.

According to some, the use of the phrases “ethical oil” and “dirty oil” is merely a rhetorical device or a way to spin the issue to get people to think of the positives or forget the negatives associated with oil sands production. Environmental NGOs argue that comparisons among oil producers are distractions and do nothing to make oil from any source a better product.

Questions

1. Is there such a thing as “ethical oil”?
2. Who are the stakeholders involved in the discussion of this issue?
3. How does the use of terms like “ethical oil” and “dirty oil” contribute to the discussion of the issue? Are they merely a rhetorical device or method for spin intended to distract?
4. Does using the term “ethical oil” change how stakeholders view oil from the oil sands?
5. What are the implications for CSR measuring, reporting, and communicating?

Sources: Ezra Levant, *Ethical Oil: The Case for Canada's Oil Sands* (Toronto: McClelland & Stewart, 2010); Ethical Oil, accessed August 16, 2016, <http://www.ethicaloil.org>; Garnet Barlow, “Spinning Alberta's Oil Sands Disaster,” *National Post*, January 15, 2011, FP19; Adam McDowell, “Alberta Tar Sands Praised as ‘Ethical Oil,’” *National Post* online edition, September 22, 2010; “Ethical Oil: A Debate,” Small Dead Animal, accessed August 16, 2016, <http://www.smalldeadanimals.com/archives/015431.html>; “Rant: Ethical Oil . . . Really?” Rantrave, accessed August 16, 2016, <http://religion.rantrave.com/Rant/Ethical-Oil-Really.aspx>; Andrew Nikiforuk, “The Fallacy of ‘Ethical Oil,’” *The Tyee*, accessed August 16, 2016, <http://thetyee.ca/Opinion/2010/09/22/EthicalOilFallacy>; Steven Chase, “Peter Kent's Plan to Clean Up the Oil Sands' Dirty Reputation,” *The Globe and Mail*, January 7, 2011, A8–A9; and Jane Taber, “Meet the Prime Minister's Oil-Sands Muse,” *The Globe and Mail*, January 15, 2011, A12.