

Resource-based and property rights perspectives on value creation: the case of oil field unitization

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Abstract

Resource-based theory implicitly assumes that property rights to resources are secure. Extant property rights theory enables us to relax this assumption to take into account processes where there are struggles in establishing property rights that enhance the realized economic value of resources. A case study of oil field unitization (where a single firm is designated as unit operator to develop the oil reservoir as a whole) is analyzed to illustrate the following points: a full resource-based analysis of value creation must incorporate the role of property rights to internalize externalities and to solve prisoners' dilemma problems of common-pool resources. Copyright © 2002 John Wiley & Sons, Ltd.

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