



Workboats operating near the Transocean Development Drilling Rig II at the site of the Deepwater Horizon incident in the Gulf of Mexico last Friday. The well-head has been capped and BP is continuing to test the integrity of the well before resuming production. PHOTO: ASSOCIATED PRESS

# What to expect when the unexpected hits

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ACCORDING to oil giant BP, the cost of the Deepwater Horizon oil platform explosion in April has already exceeded US\$3 billion (S\$4 billion).

Various parties and activists have used this episode to make impassioned assertions about what this suggests about contemporary society: a supposed addiction to oil, human hubris with respect to the environment, and so on. But one of the more salutary lessons revealed in the US House of Representatives sub-committee hearings on the spill appears to have made little impact in policy circles thus far.

How could a company the size of BP have failed to plan for such an emergency? The answer is that they did. But there is an enormous gulf between planning and effective action. It is a gulf that is growing in society today, and one that policymakers everywhere ought to pay particular attention to.

The Sub-committee on Energy and Environment grilled the chief executives not just of BP but also of the five largest oil companies about their drilling safety and regulatory standards and procedures. What they inadvertently exposed was how many risk management documents today – along with impact analyses, mission statements, codes of practice and values statements – are just that: documents. They bear little relation to the capabilities and actualities of how companies would respond to a real problem.

To be fair to BP and the other oil companies, this is not a problem restricted to their industry, or even to large corporations in general. The gulf between compliance and capability affects businesses and governments everywhere. Risk management has become a ritual – undertaken in order “to be seen” to be concerned about possible problems – rather than with a view to building up real capacity for dealing with them.

The demand emanating from certain quarters – that society should refrain from dangerous ventures lest they lead

to unexpected problems – is often phrased in the apparently reasonable language of the need for precaution. But it is one that actually precludes the possibility of learning and developing new tools to deal with the unexpected. As most people recognise, it is only through making mistakes that we ever learn our limitations and are able to move forward. Risk management itself, when taken too far, is in danger of precluding this very possibility of learning and thereby advancing our capacities and capabilities.

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While some may view deep sea drilling as a step too far for society, they should note that it also displays remarkable human ingenuity. Whatever the lessons learnt from this particular episode – more effective safety valves, technology for skimming the ocean, and so on – these will be of benefit to the industry, other industries, and society for some time to come, until the next unexpected emergency hits us.

In the meantime, however, we could all do with learning one of this incident’s fundamental lessons, and examining to what extent policies are just statements of intent rather than genuine assessments of capability. What is quite clear from the BP case is that such documents are produced in an increasingly perfunctory and ritual manner. They are rarely,

if ever, inspected or put to the test – which could come only from taking actual risks and handling genuine problems on a regular basis – not by avoiding them.

There is of course, little inherently wrong with planning for the worst and modelling possible outcomes. A cursory look across the policy arena today reveals many government departments as well as companies doing just that.

The danger is the possibility of a performative, ritual aspect to this approach. BP – along with three of the other large oil companies – had included a declaration to protect walrus in their emergency-response plans. This, no doubt, was included specifically to assuage and pander to the concerns of environmentalists, despite the fact that walrus, along with seals and sea lions, do not inhabit the Gulf of Mexico.

This should not be seen as a form of dishonesty on the part of BP, but rather as a by-product of a culture that prioritises risk management over learning lessons through taking risks, and that fetishises the production of documents over the delivery of material goods and benefits. Of course, if BP had focused on delivering its core product, rather than self-consciously rebranding itself “Beyond Petroleum” in 2001, then it may have had rather more engineers than marketing experts at hand to deal with the problem.

All government agencies and businesses today will recognise the danger of image increasingly dominating insight. Style appears to trump substance at every turn. Generals and armies, too, have fallen when they invested more in media management than in just getting on with the job and delivering.

Public life more broadly is in danger of being turned into a series of empty rituals as documents outlining the need for “transparency”, “best practice”, “dialogue”, and an assorted range of other fashionable phrases and buzzwords appear from every quarter, often encouraged by civil society groups that demand a lot from others but deliver little of their own.

The real lesson from this disaster is one which not just large corporations, but also governments and civil society groups the world over would do well to learn: It is actual, operational action in the real world that teaches us how to deal with emergencies, while models, plans and procedures can often become a way to hide behind the failure to really deliver.

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