

# Surging Industries in Global Energy

Creating a new era in community engagement



**BY JIM KENT AND KEVIN PREISTER**

From alternatives to hydraulic fracturing, the current energy activity on several global fronts represents a new development classification.

The term, “surging industries” has taken root because of the speed at which these new activities are developing and the new challenges they are generating. Yet, many of these new energy projects are being located in geographic areas where the developer lacks any prior experience in dealing with the communities impacted by their project. When public resistance surfaces and opposition groups begin forming, many industry stakeholders blame the public.

Developers and those managing the project planning phase don’t realize that a faulty

communication process is what often causes issues to escalate. As a result, stakeholder discussions often end up focused on a few selfish people who do not want the project in their backyards. This is to miss the crux of grassroots citizen activism taking place on a global scale.

Whether it is solar fields, wind farms, power line corridors or hydraulic fracturing, it is possible to prevent public opposition from forming. However, there must be a concerted effort to foster effective communications with the local community before the project plan is approved and the on-site work gets underway.

A social ecology approach to community engagement is a method that now represents emerging best practices in the industry.

## One-Way Process Fosters Disruption

The management model that surging industries have been using is based on a traditional approach commonly used during the fossil fuels era. But those projects were different, as the energy providers had a long-standing historical context and benefitted from the cultural connection they had developed in their community relationships.

With past projects, there was an assumption that the more information given to the public, the more people will understand the importance of the project's contribution to the community. It was one-way communication, generally in the form of a public relations campaign to promote a project's merits. Company executives would conduct media interviews touting the benefits of their project from a corporate perspective, and emphasis was always

placed on the projected job benefits. While that model may have been successful with fossil fuel production projects, it is totally inadequate for today's surging industries.

In the current environment, communities do not respond well to a one-way communication process, and it has little or no positive effect. The corporate presence is depicted as a wedge into the community, fostering disruption and mistrust. This has led to a growing resistance to this new class of energy developments.

Use of the old models of communication has proven ineffective, because projects are designed thousands of miles from where they will be built, and without interaction with residents who will be impacted. Management may send its right of way professionals to the site to deal with any obstacles that arise, but too often, they are faced with

meeting an unrealistic timeline that has not taken into consideration the community process needed to create a more positive outcome. By this time, the project design has been finalized, and the on-site professionals have no authority to mitigate the project's local impact. When the project blows up in the form of public resistance, lawyers must then be activated to defend the project in often lengthy, expensive and debilitating confrontations.

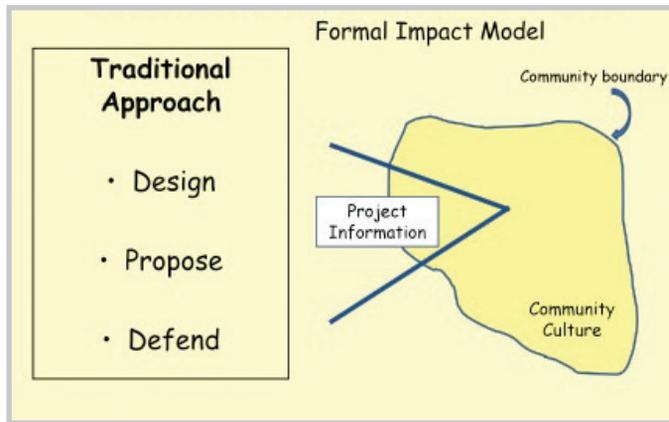
## Changing the Trend

Public expectations have shifted and community action has gone from passive to active. This is a dramatic and widespread trend that our company, the JKA Group, has been tracking globally for over 25 years. This shift has become a universal worldwide movement, and traditional communication techniques are no longer useful or tolerated in the international communities.

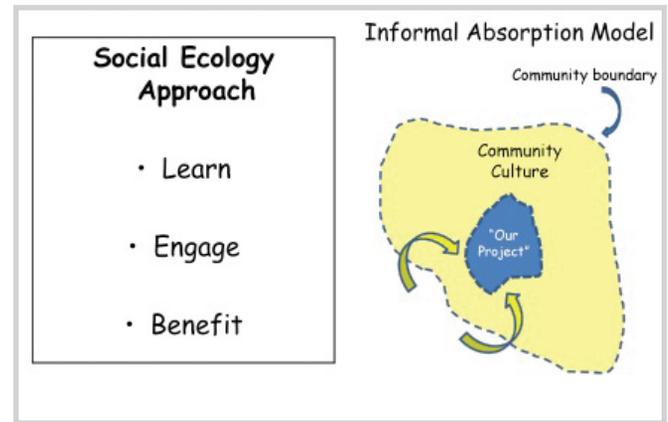


Hydraulic fracturing projects in Poland have generated anger and hostility among those impacted.

## Old Model ► Ineffective



## New Model ► Effective



The old approach is depicted as a wedge into the community, fostering disruption and mistrust. The new model gives residents a voice and a sense of ownership, which in turns, gives the company a social license to operate.

Recently, hydraulic fracturing projects in Poland, a country that has never had such projects, have generated anger and hostility from people who live near the projects. Their complaint is that no one talked to them about what was going to happen. The developer, having secured federal government approval, surprised residents by just showing up and starting the drilling process. The company's initial response was that "they had a right to be there and drill because they had secured the permit." This kind of top-down approach breeds hostility and anger in the people subjected to this one-way decision process, and this sets the stage for protests. The resistance to these projects has become fierce, and it has attracted partners in the international anti-fracking movement, an action that could have been prevented with some care shown in the impacted communities.

The people in these Polish communities who have never before experienced energy development projects are now demanding that they have a voice in the decision-making process. This is not unlike what is happening around the world in countries like China, England, Canada, India and the United States, where social risk assessments are becoming a top priority.

### Preventing Emerging Issues from Escalating

Community issues do not begin as uncontrollable events that are guaranteed to stop projects. Instead,

they emerge as legitimate questions that citizens everywhere have regarding a proposed project. It's not that the local community has formed a steadfast opinion. Rather, people are simply seeking answers to the most basic questions. Some of these include: What will this project do to my property value? Will it increase traffic? How will it impact air and water quality? How many people will be hired locally? Will the project enhance the growth of local businesses? Will community-based training programs or college curriculums be offered to prepare our citizens and youth for employment and advancement opportunities? Will the company ensure local benefits from the project such as reduced electric rates? Will there be assistance for establishing businesses to service the project?

When these kinds of basic questions are not addressed, they can easily escalate from emerging issues to actual ones. At this point, people have formed their own opinions, and the community dialogue changes from seeking information to developing positions. The questions turn to negative statements, such as, "This project will ruin our property values. The traffic and noise from this project will be unbearable. Children and seniors with asthma will suffer, and the incidence of cancer will increase. They will not be contracting or hiring locally. Local businesses will not benefit from this project and may actually lose revenue. The skills necessary for employment are beyond most of our citizens. The

company just wants to exploit our community for profits."

As one might expect, if the actual issues are not addressed effectively, things will only become worse. Community opposition is often joined by opportunistic ideological groups, followed by political positioning. The project gets polarized, and the opposition quickly moves into a disruptive stage. By this point, the project proponent has virtually lost the ability to resolve the individual and community issues. The issues that could have been resolved had the citizens been engaged in the early phases are taken over by outside forces who do not want any development, any time, any place, anywhere.

### Understanding the Community

An approach is emerging as the new paradigm for surging industries. It's based on using a scientific research process to gain a better understanding of the communities impacted by a project. The social ecology approach focuses on learning about the community first, before a project is in final design. What are the beliefs, traditions, attitudes, and existing issues that are present in the community? How were past conflicts handled? What are the community traditions for making decisions? This approach engages residents through informal face-to-face interactions and through understanding how the community can benefit from the project, based on residents' rights

and responsibilities regarding their social, physical, biological and economic environments.

The project proponents have the ability, if they so chose, to act in a manner that allows their project to be accepted into the community. With intentional efforts to optimize local social and economic benefits of the project, not as an abstraction of “jobs,” but through real dialogue where residents participate in addressing design and implementation challenges, the company is given a social license to operate.

The moment of victory occurs when residents start publicly referring to “our project,” or make comments like, “We’ve worked hard to make this project a good one.” Without the social license, the new surging industries will be no better off in securing project approval and celebration than their counterparts using the old method.

How do project managers trained in the technologies of the traditional industries begin to understand the social and cultural parameters of the decision making space needed in the surging era? One way is to recognize that communities are living organisms made up of component parts—not a static one-dimensional response mechanism for project approvals. Understanding how the components work together to shape and influence the entire community is critical to project success.

### A Sense of Well-Being

All communities have a social ecosystem made up of three interacting elements that collectively form a community’s sense of well being. These include choice, security and predictability. To the degree that a project can contribute to strengthening these three elements, there is the opportunity to have the project accepted into the community as a functioning part of the social

ecosystem. To the degree that the project threatens these elements is the degree that the community will organize to protect their sense of well-being from intrusion. This reaction is often expressed by rejecting the intrusion through direct action, often demonstrated through community organizing and political opposition.

Every community will define their sense of well-being differently based on their social ecology. For example, one community may have a high tolerance for social risk based on its history and traditions, while another may have a low threshold for social risk based on past failures experienced with previous ventures. In any case, it is critical for surging industries to deliberately work at making communities full and equal partners in their ventures.

### Putting Best Practices into Practice

Once developers recognize that communities are complex social ecosystems, ideological opposition can be methodically diffused or avoided altogether. This requires dealing with the “feeder system” that gives life to formal opposition - the unresolved issues of everyday people just trying to make

their lives better. In short, ideological groups take advantage of unresolved citizen issues for their political agendas. If issues get resolved, there can be no agenda.

There are two important keys to making social ecology work effectively. It must be used at the very beginning of a project, and it must have parity with the other disciplines in tactical and strategic project decision-making. This approach takes more time on the front end of projects. Nevertheless, the trade-off is that the approach reduces the time and cost of responding to community-driven disruptive issues that need not have occurred in the first place.

It is up to the surging industries to prevent the proliferation of formal opposition groups to these new and intensified energy projects. They can do this by recognizing that a social ecological approach to community engagement is available and represents emerging best practices in the industry.

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