



UNDERSTANDING CITIZEN'S NEW EMPOWERMENT

Navigating in a post-pandemic world

BY JAMES A. KENT

In today's mid-pandemic world, business as usual is anything but. From job loss to social isolation, the feeling of powerlessness has led thousands of individuals across the globe to rise up and take matters into their own hands. They have self-organized to take care of their neighbors and neighborhoods where formal aid organizations have become overwhelmed. They feel a monumental gain of control over their own lives, and they are compelled to voice their opinions. They demand to be heard. Surviving the pandemic has created a whole new power structure in communities that are a permanent feature.

People have become fully aware of the power they hold. This major structural shift in our communities now requires companies to rethink their strategies when it comes to launching new projects.

Historically, project managers would announce their project in the media, expecting no one to protest or create roadblocks. This old traditional model of "design, propose and defend" will not be effective in the post-pandemic world. The pathway to project success now relies on integrating an equitable social, cultural and economic framework



that builds and supports a “community-first” strategy. Understanding the function of new, empowered citizen engagement is mandatory. This is the new reality.

The Intrusion Impact

By their very nature, right of way projects are perceived as intrusions by the local community. When individuals are surprised by a new project launch, they react. They voice their issues and if ignored, they protest and often generate negative media backlash. Yet, their issues are often not taken seriously unless they’re loud enough to block a project’s schedule. Let’s face it, any project that brings change to a community is considered intrusive. The impact of the pandemic has only compounded this “sensitivity to intrusion.” It has given power to individuals because they’ve learned to harness their influence. This power shift is here to stay.

Now is the time to address the new dynamics of the cultural, social, economic and political world that must be engaged to secure project approval. For a project to succeed, project managers and corporate executives will need to pivot from the old model of “design, propose and defend.” Energy companies can achieve far greater success by adopting an empowerment model based on “learning, engaging and listening.” Think of it as collaborating with the local community and prioritizing the well-being of residents up front during the planning phase. Listening to the concerns of people before a project is finalized and announced has proven to save billions of dollars at the back end.

The Financial Impact

The money lost by energy companies in conflict is incredible. A study conducted by the U.S. Chamber of Commerce in 2018 called “Infrastructure Lost: Why America Cannot Afford to ‘Keep it in the Ground,’” examined 15 energy infrastructure projects that were stopped, delayed or cancelled in the last eight years because of citizen resistance. The study documented:

- The costs of project investment dollars lost: \$57.9 billion
- Gross domestic product lost: \$91.9 billion
- Lost tax revenue to local and state governments: \$20.3 billion

Not one of these 15 infrastructure projects, which included Keystone XL, Dakota Access Pipe Line and Atlantic Coast Pipeline, invested major money up front in a program to live with and understand the citizens that the projects impacted. Instead, they spent billions of dollars trying to push their project approvals through once citizens protested by using an outdated ineffective approval process.

Breaking with Tradition

There is an emerging movement in the corporate arena designed to understand the shifting dynamics that are changing the way business is conducted. Jamie Dimon, the CEO of JPMorgan Chase, recently experimented with a new kind of business investment in Detroit, Michigan. His idea of community engagement was to test out a process for addressing urban poverty by applying the “same kind of expertise and analysis to the community issues that his bank uses to advise big corporations.” That was a major shift in resource allocation recognizing that economic growth was not the goal but the health and well-being of the citizens was the ultimate goal. That focus produced profits and wealth for all involved including J.P. Morgan.

Dimon spent over \$200 million learning that it is not the money spent on formal requests that leads to success but rather the help, advice, reflection, face-to-face interactions and social capital generated by the company’s presence. In a CBS “60 Minutes” interview in November 2020 with reporter Lesley Stahl, he explained that “this is nontraditional banking ... venture banking.”

As part of his commitment to the community, Dimon assembled “teams of experts from the bank who spend weeks at a time ‘living and working’ in the city and providing a lot of practical advice.” Allowing this citizen-based process to evolve gave local residents the opportunity to have a seat at the table. They were able to serve as equal partners with JPMorgan as the bank made investment decisions that were community centered.

For those who believe that the \$200 million spent on “learning community” was excessive, consider the billions of dollars lost due to project resistance, reaction and opposition — not to mention the potential loss of goodwill. The benefits to the Detroit community were enormous, from assisting in the creation of new businesses to helping persuade Fiat Chrysler to build a new plant providing 5,000 new jobs in the area. That is a great social and economic return on a \$200 million up-front investment.

The problem is, such a change is counterintuitive to the current business model, where companies claim they don’t have the budget to prevent disruption up front. Yet, they are perfectly capable of finding billions of dollars to address a project under citizen attack and resistance at the back end. It is a wise move to prevent those costly attacks from occurring in the first place, and even wiser to see citizen caretakers and informal networks as a means to prevent or marginalize disruption in the decision making process (see Right of Way publication Jan/Feb 2020: “Avoiding the Great Divide”). Infrastructure companies will benefit greatly by spending some of those dollars up front in a well-planned community engagement process.

The takeaway for right of way companies is this: the communities of impact must become equal partners in sharing decision-making about how to proceed and implement the project in their geographic space. Spending a reasonable percentage of the project budget and staff time upfront has shown to be effective in gaining community support and participation reducing the opportunity for disruptive activity. Companies that are good neighbors understand that strategic community investment of both time and money will pay dividends on all sides.

Facing Our New Reality

Successful project development has been on the decline for the last few decades. More and more projects have faced hostile citizen opposition and resistance, creating unrelenting delays as well as cost overrides and in many cases cancellation. If infrastructure companies want to ensure timely approval of their projects, they must give people and their communities the opportunity to stand on an equal footing with the project. Attaining project buy-in at the local level is ineffective if it's not integrated up front in the planning phase. Trying to get project approval once everything is ready to break ground is too late ... and much too costly.

To facilitate project success will require taking the time to research, analyze and determine the best approach for working within informal networks at the community level. The pandemic has made visible the existing community caretaking systems that mobilized to address and respond to the obvious intrusions it caused. These organizers exist in all communities and are known as "caretakers" in the informal networks. By using their natural caring processes to address the impacts of the pandemic, they began self-organizing. With no formal training in community organization, they were able to figure out how to address issues of food shortages, misplaced distribution systems, starting small businesses and other survival activities impacting thousands of people.

These now-visible caretakers within every community are a positive force to engage. Post-pandemic, they are indispensable in attaining community support for new projects. These recognizable compassionate leaders represent an enhanced informal network structure, one that is built on action that is positive, issue-based and solution-oriented.

Taking care of each other has become the norm for citizens across the globe, thereby giving way to an immense growth of social capital. Social capital refers to the features of a human community that facilitates coordination and cooperation for mutual benefit. These natural self-organizers gain strength and support because they possess knowledge of their physical, social

and cultural environments, human geography and use that knowledge to address the profound issues affecting them and their communities. The goal is to find and engage them early in project development work to ensure that they are part of a project's decision-making process. What you do not want is for these pandemic-empowered and highly respected people to turn on the project.

Shifting Corporate Strategies

One of the challenges in addressing the new reality is the vertical structure commonly used in the corporate world. That structure focuses on a top-down management approach designed to produce profits for shareholders. This strategy has come under increased criticism by those who believe that a corporation's contribution to society must be rethought and changed.

Jamie Dimon, JPMorgan CEO, is currently the past chairperson of the Business Roundtable. In August 2019, he introduced its new mission statement in a report titled, "An Economy that Serves All Americans." Signed by 181 CEOs, they all made a formal commitment "to lead their companies for the benefit of 'all' stakeholders." Those stakeholders include:

- communities
- customers
- employees
- suppliers
- shareholders

The practice of treating communities as partners rather than one-way recipients of corporate operations is spreading.

The traditional single focus on shareholder profit must change — and is changing — in order for projects to gain approval at the community level of impact. Recognizing the community as a stakeholder has proven to have a profound influence on the operations and profitability of companies who desire to be active, successful and profitable.

The pandemic has made the old "design, propose, defend" strategy obsolete, and right of way projects will remain frozen if that formula doesn't evolve with the times. Our survival relies on the ability to understand this new reality and the power shift to community self-sufficiency that has taken place. Working within that shift to the benefit and well-being of the individuals and communities that projects impact is the current challenge for getting projects off the ground and completed. 🌱



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