

The Benefits of Doubt

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Introduction

In 2004, Hurricane Ivan hit the Louisiana coast, and caused massive damages to the offshore oil industry. Most notably, an oil platform at the Mississippi River Delta was knocked over. Since then, the Taylor Energy oil platform has been continuously spilling oil into the Gulf of Mexico. At an estimated spill volume of 1.5-3.5 million barrels as of 2018, the spill rivals the 4 million barrels that Deepwater Horizon spilled into the Gulf in 2010.¹ Originally, after plugging some of the wells below the platform, Taylor Energy estimated the platform to only spill about two gallons of oil into the Gulf per day. However, in the aftermath of the Deepwater Horizon oil spill, Healthy Gulf—an NGO—discovered that the oil spill was much larger in scale. Aerial photos and videos show an oil slick a few miles long. Eventually, an independent contractor installed a containment system that collects about 1,000 gallons of oil per day.²

For Taylor Energy, the original communication strategy held a lot of promise. After Hurricane Ivan toppled over the platform, Taylor Energy ceased to exist as an energy company. Only one permanent employee remained. However, Taylor Energy had been obliged to create a \$400 million fund for the clean-up cost—money that could potentially be returned to investors. As of 2021, Taylor Energy is suing the coast guard, the federal government, and the Couvillion Group—which contained the spill—for return of the money. Taylor Energy’s efforts to close the case were not haphazard. In 2013, the organization convinced the participants of a joint workshop between three government agencies that capping the spill would likely result in more environmental damages than leaving the spill be (Staves et al., 2013). And in 2018, a PhD graduate of MIT issued a report stating that the oil sheen could conceivably have resulted from previously spilled oil being released by sediment, rather than actively spilling from the wells (Camilli & Reddy, 2018).²

Taylor Energy’s strategy is brazen, to put it mildly. There is a large disconnect between the large oil slick and the estimated spill volume of two gallons per day. Taylor Energy is suing the very company that captured video footage of the oil spill at the bottom of the ocean. In the words of Timmy Couvillion, CEO of the Couvillion Group “It’s a joke”.²

More than decoupled from reality

Certainly, the Taylor Energy case meets the definition of “greenwashing” (Lyon & Montgomery, 2015). The case represents an agentic effort to make an oil spill disappear—an effort that was successful for over a decade. Yet, the common analytical OT lenses of greenwashing are not a great fit with this phenomenon (Delmas & Burbano, 2011). There is no ambiguity here as to what the goals and ends are (Bromley & Powell, 2012; Crilly et al., 2012; Wijen, 2014). The process could be described as ceremonial conformity, but that would be an

¹<https://www.washingtonpost.com/energy-environment/2018/11/20/coast-guard-orders-cleanup-massive-year-oil-spill-gulf-mexico/>

²<https://youtu.be/ztT45A501Tc>

understatement. Meyer and Rowan (1977) propose that firms adopt certain practices because these practices are considered rational, and that decoupling is indicative of how the difficulty substantive action. Or in another version, an organization may adopt a practice because it sees the promise, but the practice loses its well-defined attributes when it is adopted to an individual organization with specific needs (Zbaracki, 1998). Other common theoretical lenses include selective disclosure (Lyon & Maxwell, 2011), and signaling theory (Delmas & Montes-Sancho, 2010). Signaling would be the closest to what Taylor Energy is doing—but it does not capture how brazen the organization operates.

You wanna hear my theory on it?

Rather than giving organizations the benefit of doubt, I want to talk about the benefits of sowing doubt. The theory in this domain is torn. Where companies engage in greenwashing, the literature looks for the organizational complexities that allow companies to keep a straight, clean face while cooking meth in their backyard (Bromley & Powell, 2012). As scholars, we could not possibly make an indictment of misconduct where the facts are not 100% clear. Whiteman and Cooper (2016) are the exception that proves the rule—the article touches on the number of hoops the authors had to jump through. On the other hand, misconduct is another literature entirely (Greve et al., 2010). When a criminal indictment exists, suddenly we are allowed to speculate about the nefarious motives. If an organization is criminal, it is fair to assume that nefarious motives exist. And yet even then, OT sometimes gives organizations the benefit of doubt and speaks of legal gray areas (Mohliver, 2019).

What about those cases where a criminal indictment does not exist, but it can be seen from a mile away? Are scholars really more oblivious than investigative journalists, activists, and large swaths of the public with regard to morally reprehensible behavior by organizations? I set the tone in the Introduction, but there is no doubt that any of us can think of an example of an organization where everybody saw it coming. To make it more clear: there are obvious criminal organizations with nefarious motives in this world—think mafia, bank robbers, and gangs chasing “clout”. These organizations exist around the globe, and they have diverse forms, each connected to local culture. Why should nefarious motives not exist in commercial operations? Crime is not a blue collar phenomenon.

How to effectively sow doubt and reap the rewards

Sowing doubt can be very lucrative—and it is the only pathway for certain industries. Some, such as the Koch Brothers, even seem to have made a business model out of it. One can assume that organizations accidentally venture into gray areas (see More than decoupled from reality), but that would underestimate organizations agentic decision making ability. If a gray area exists, *why shouldn't an organization search out this space?* The tobacco industry, the oil

industry, and the arms industry do not lobby to establish facts—they revel in the gray area on health impacts, climate change, and their role in international conflicts.

What’s the playbook? Based on the case of Taylor Energy, and the initial environmental impact assessment that was commissioned by TransCanada, and the networks of climate change deniers, I suggest the following. Discourse is an opportunity to venture into the gray area. To embark, the original author does not have to make an airtight argument. Obfuscation and doubt already has a chance to succeed when the author makes an argument that is robust to some superficial scrutiny. The chance of success depends on the efforts expended by the author, and those expended by the audience. Note that a good-willed audience might be inclined to expand less efforts, so network characteristics matter to this game of charades, too.

In the process of generating doubt, co-members of an organization or network allies such as consulting firms are an internal audience. The same rules of efforts expended and goodwill apply to these co-members: for a message of obfuscation to be officially adopted by an organization, it does not need to be shared and understood by all involved co-members. Rather, it just needs to be robust to different levels of scrutiny. Take for instance the network inside the Cato Institute, which was founded as the Charles Koch Foundation and frequently engages in climate change denial. Jerry Taylor says of his time inside this organization that individuals making bad faith arguments were known by their colleagues for doing so, and that he and others refused to pick up those dubious arguments. Instead, Jerry Taylor relied on economic arguments that built on uncertainty and confidence intervals, and were much more difficult to disentangle. However, more nefarious individuals were still able to make their dubious arguments under the banner of the Cato Institute, suggesting the existence some institutional support despite internally voiced complaints from other members of the organization. In other words, just some co-members or even none of them need to be co-conspirators.

Another mechanism that allows nefarious messages to diffuse through a network is plausible deniability. Where an actor recognizes a specific rhetoric (cf. Zbaracki, 1998) as useful in a discourse, but is on the fence as to whether the rhetoric will hold up to scrutiny, the actor might choose to adopt the rhetoric if it is reasonably certain that the actor can avoid liability or accountability.

Casting doubt has a lot of benefits. Sometimes, the mere existence of a counterposition gives an organization a fighting chance. As mentioned above, depending on the network constellation other actors might be willing to adopt a rhetoric of a nefarious actor without much scrutiny, or without any scrutiny at all. The purpose of casting doubt also is not necessarily to “win” in a discourse once and for all. Rather, the time it takes for other actors (e.g., the court) to scrutinize an argument may buy enough time for the focal actor to hold out until the network constellation changes in the actors favor. For instance, there might be a regime change, and a political leader might be willing to change the executive and judicial system in the actors favor. In other cases, an actor might be caught up in a desperate fight for survival, and willing to grab at straws.

Opportunities for research

The phenomenon described above lends itself to sampling on extreme cases. Rather than establishing the prevalence of this phenomenon, I seek to prove its existence. For that purpose, I propose the following sampling strategy. As a first step, I comb through news on the oil & gas industry and look for scandals. Those scandals then are the basis for a further collection of data. A number of occurrences in the oil & gas industry jump out to me as relevant. (1) Climate denialism and the long trail of documents which imply that companies like BP were familiar with the risks associated with climate change as early as half a century ago. (2) The Taylor Energy oil spill. (3) Possibly the application for pipeline construction permits. (4) Pipeline safety claims. (5) Campaigns against renewable energy, such as in the aftermath of the 2021 Texas snow storm. (6) The pipeline industry's feigned ignorance regarding their downstream impacts. (7) Going a little bit beyond oil & gas, the Koch Brothers' clean coal campaign.

The phenomenon also has implications beyond sustainability, and is relevant to OT more generally. Just use your imagination :)

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