# INTRODUCTION

Whenever the issue of new risks and emerging crises arises, the spectre of September 11 casts its shadow. But 9/11 is not the only issue. For instance, Katrina has altered the agenda of influential circles in Washington, which are now calling for an "all-hazards approach" less focused on the single problem of terrorism. More generally, we find ourselves today in a transitional period, marked by global discontinuities with respect to security and vulnerability on all fronts - environment, climate, demographics, public health, technology, social dynamics, economic tensions, geostrategy, violence. Whatever the field, we now see the curtain fall on an era whose mantra was "everything is under control" - the misleading guiding principle that dominated the approach to risk and crisis throughout the years 1980 to 2001. In other words, we have witnessed "the end of zero risk" (Lagadec-Guilhou, 2002), and we now need a new vision and new practices.

Two major, mutually reinforcing challenges compel us to rethink our guiding paradigms in depth. For one thing, events can now take on dimensions that are completely "off the charts" and out of proportion with what we used to consider reasonable to envision. On the other hand, our environments and our bases of reference are increasingly shaky and unstable and prey to violent de-structuring and restructuring. In other words, the universe of risks and crises is undergoing profound change. And our countries and our leaders are now called upon to adapt to these new battle lines.

We must tackle these questions head on, overwhelming and dovetailed as they are, and even if they may seem to us "unthinkable" (Lagadec, 2005). We must do so, not just to protect ourselves, but to more ambitiously imagine and pursue collective projects in this turbulent world, which combines the unfathomable and the threat of sudden collapse, but which also provides opportunities for rebounds that are equally "inconceivable". Rebound indeed, for what is at stake is not merely tragedy and impasse. We may think here of the Chinese character that famously stands for the concept: "danger" and "opportunity". Those who strive to take the future in hand also forge precious tools for opening promising new paths. Provided, of course, they are ready to

seize openings and opportunities offered by the sudden and the unexpected. Those opportunities present themselves only to those who are prepared.

Yet it is true that the underlying perception of the discontinuities that assail us from all sides tends to be one of loss and mourning. This is understandable, for historic breakdowns can indeed be overwhelming. The historian Barbara Tuchman (1962) put it beautifully when she described the funeral of Edward VII in 1910 against a backdrop of the demise of an entire world order:

> "The muffled tongue of Big Ben tolled nine by the clock as the cortege left the palace, but on history's clock it was sunset, and the sun of the old world was setting in a dying blaze of splendour never to be seen again" (p. 1)
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> "Lord Esher wrote in his diary after the funeral: "There never was such a break-up. All the old buoys which have marked the channel of our lives seem to have been swept away" (p. 14)

In fact, our current world and our perceptions of it are strikingly similar, when we consider the assaults that are steadily chipping away the foundations of our old world of the 20th century. We are at a point of historic discontinuity, which calls for much more than mere tinkering with and tightening up of security around the edges. The dominant impression is that of a world which is escaping all known frameworks, a world we can no longer manage, and for which our plans dissolve into nothingness, the frenzy of real-time, media zapping and political disarray. It is not, as some might have believed these last years, simply a question of equipping ourselves with a crisis management toolkit and checklist and thereby getting through the occasional incident or rough patch.

Of course, we are not starting from scratch. When it comes to technological security, in particular, we have not been sitting idly by these last 30 years. After Seveso (1976), Three Mile Island (1979), and Bhopal (1984), risks were recognized to be "major" (Lagadec, 1981a, 1981b), in the sense that they escaped the confines of industrial compounds, scientific categorizations, and frameworks of governance. The crises that made their way onto the agenda demanded new paradigms and new practices; indeed much was done during the 1980s to adapt our responses to the risks and the crises that came at the end of the "Thirty Glorious Years", 1945-1974 (for example the post-Seveso legislation in Europe in the domain of technological risks). Yet whether we speak of natural risks, technological risks or the threat of terrorism (the distinction is in any case increasingly difficult to draw), we are facing realities

today that are more complex and more pressing than the accidents of the late 20th century.

Similarly, there has been very significant progress in the field of insurance and reinsurance, and specific mechanisms have been set up to cover major natural risks, industrial catastrophes, and terrorist threats, with a more recent extension onto the financial markets[1]. But we must not forget the warning long issued by Munich Re, which is still highly pertinent today (1980):

> "Foresight and preventive measures against damages are only too often overtaken and exceeded by evermore considerable hazards (…). Insurance was instituted as the result of human reasoning. To a large extent, it allows us to repair the material consequences of human failures. But it faces logical limitations as soon as mankind no longer has the capacity to deal with the problems of its existence in a reasonable way."

In these fields, progress is undeniable, although it still needs to take root. Yet this is not enough. A new and quantum leap - intellectual, operational, and in terms of governance - is needed on all fronts, and on an even wider scale. The risks and crises of 2006 are no longer those of the 1980s. After the World Trade Center attacks, the 2004 Tsunami, Hurricane Katrina, and the spectre of a flu pandemic that is said potentially to threaten the world economy (Cooper, 2005), it is now our turn to experience the feeling - unspoken, tenacious and widely shared - that our own "buoys" are terribly inadequate. We must recognize that the gap between the world of risk in the 1980s - when we started to forge the benchmarks in effect today - and the current risk landscape is just as wide as between the end of the Great War of 1914 and World War II.

This paper attempts to describe and assess this chaotic world of ours. Those who prepare for the "wrong" war, and resort to erroneous visions or strategies, will encounter nothing but disillusionment and fiasco, however excellent the tactics, organization, models, tools, and mathematical calculations that have served us to date as responses and strategic horizons.

## Responses

Yesterday's threats (factories that suffered localized accidents, ordinary or "class-3" hurricanes) have certainly not disappeared. Therefore, we still need to marshal our existing capacities for risk control (Nicolet, Carnino, Wanner,

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[1] These issues are dealt in the other Parts of this publication.

1989) and crisis management (ten Berge, 1990; Lagadec, 1991; Fink, 1986; Heath, 1990) with which the professionals are thoroughly familiar. And we must be wary, for expertise can vanish in just a few years. Yet while cultivating this expertise, and beyond it, we must also look at the challenges and upheavals now emerging in the field of security, and more generally across the entire panorama of our development and our global (dis)equilibrium. The line that typically marked the furthest horizon of previous studies and models of risk and crisis management needs to become our starting line, both for analysis and for action.

Since September 11, 2001, a great deal of thought has been given to the notion of major risks in complex societies (IRGC, 2005). The issue of protecting and insuring critical infrastructure against terrorism or major disasters has given rise to countless expert papers and international meetings. “Business continuity” is now the focus of many conferences and initiatives. The OECD has contributed greatly to this progress, as much through its studies and its expert meetings as through the forthright statements of its Secretary-General.

The immediate task is to understand these changes in the order of *problems* (Quarantelli, 1996; Dror, Lagadec, Porfiriev, Quarantelli, 2001), and to make the necessary changes in the order of *response* (Lagadec-Guilhou, 2002; Godard-Henry-Lagadec-Michel-Kerjan, 2002; OECD, 2003; World Economic Forum, 2006). We need a clear awareness of the discontinuities we are witnessing. Even more, and going far beyond simple diagnostics, we need the determination, the indispensable creativity to explore, to test, to validate approaches to what must be a fundamentally reinvented concept of governance.

The subject is immensely broad, and we are well aware of the limits of the analysis that we can offer in this part of the publication. Our ambition will focus on suggesting a number of paths of questioning and of work on three key points:

***The fundamental issues***. What is this universe of non-conventional crises, what are the new foundations of our collective security? This is less a question of adding up categories of risks and crises than of identifying the basic lines of diagnosis for answering the crucial question posed by any analyst: "what is this about?” Beyond conventional threat typologies, we must now think in terms of the breakdowns and discontinuities, both imposing and complex, that deeply mark non-conventional risks and crises. Two phenomena are intrinsically linked in this regard: the propensity of emerging risks to generate chaos, and the “liquefaction” of our basic foundations.

***Operational responses***. To deal with today's emerging crises, we need to develop entirely new skills. Certainly, those acquired in the past decades are

still valid footholds worthy of mention; but in addition, the new frontiers relating to security and vulnerability demand new responses. The goal is not to review all the literature, scientific or operational, which in any case is often more tactical than strategic, but rather to trace some "lifelines" that are essential for governments, international institutions or private operators grappling with the risks and crises of our time.

***Strategic initiatives***. As the OECD Secretary-General put it so forcefully in 2005, “The problem is less in defining what the challenges are - this is quite well known by people in the field - but rather translating our understanding of those challenges into political action. […]. This requires a comprehensive and co-ordinated approach. A piecemeal response will not work." (Johnston, 2005, pp 3, 16). These remarks hit the nail on the head: we have been too much inclined in recent years to compile diagnostics, classifiers, and tactical checklists. Yet at times of great historical challenge, these basic elements are far from enough - and may even turn out to be part of the problem. The imperative is to put ourselves truly in position, in a determined frame of mind, to meet the current challenges in all their complexity. For a start, we must not allow ourselves to be overwhelmed by fear, for then we will merely stumble from one fiasco to the next, held hostage to outdated visions. But beyond that, if we are not to abandon governance to circumstances, we need to plan ahead so that we can pool our energies, lay down yardsticks, and unleash self-reinforcing dynamics. This requires determination: the way to counter discontinuities is through "creative ruptures" (Lagadec, 2000). This also requires new know-how. Already, some guideposts, or at least some points of departure can be suggested. But it is less a matter of new scripts and arsenals of apparently sophisticated tools, than the mobilization of wills and the capacity to apply our intelligence in new ways, for dealing with ever more turbulent times (Lagadec, 2006b).

As the reader will now understand, this paper is less a summary of the findings and the tools already at hand, in the tradition of the years 1980-2000, than a strategic point of departure. In each of the three chapters, we shall attempt to identify a few essential guideposts for policymakers who want to reassess their vision and action in the light of the challenges to be met.

Since we are in a time of transition, we will attempt to encompass at the same time the best of past achievements, and intuitions about the challenges now emerging. In other words, we shall try both to recall what we know about more "conventional" crises and how to manage them (knowledge and know-how that we must retain or urgently re-acquire), and to explore new forms of crises and new sets of responses to them.

**From:**

## Financial Management of Large-Scale Catastrophes

**Access the complete publication at:**
https://doi.org/10.1787/9789264041516-en

**Please cite this chapter as:**

Lagadec, Patrick and Xavier Guilhou (2010), "Part 3. Introduction", in OECD, *Financial Management of Large-Scale Catastrophes*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/9789264041516-11-en

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