Social Impact Assessment

A way of thinking about how to manage the social consequences of projects

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All projects create impacts

Alqueva Dam, Portugal

Garzweiler lignite mine, Germany
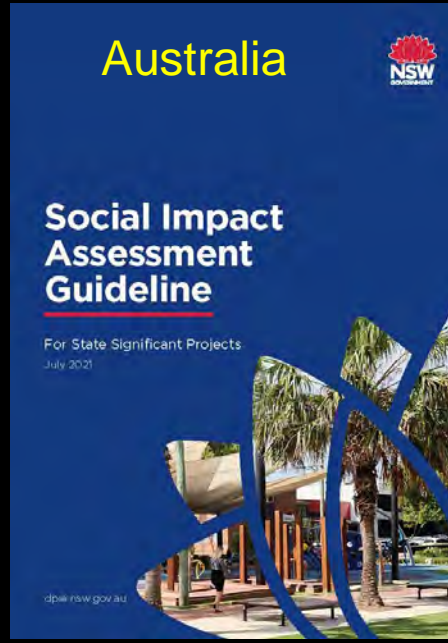
Baku-Tbilisi-Ceyhan gas pipeline

Solar farms

Windfarms

Protected areas, national parks and nature reserves

All projects can be managed better
to reduce negative impacts and improve
the benefits from projects.

Some projects should not proceed.

Social Impact Assessment is the field of research and practice (discourse/discipline/paradigm) that seeks to ensure community concerns and social issues are considered in decision making, and that effective social outcomes are achieved from projects (planned interventions).

- Government at multiple levels

- Corporate headquarters

- Industry organizations

- International organizations

- Financial institutions

- Insurance companies

- International and national NGOs

- Local communities and local people

Who are the regulators of today?

Home Page - Equator Principles

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EQUATOR PRINCIPLES

THE EQUATOR PRINCIPLES

A financial industry benchmark for determining, assessing and managing environmental and social risk in projects.

LEARN MORE

United States National Environmental Policy Act of 1969
Developed by Senator Henry (Scoop) Jackson

Signed into law by Richard Nixon on 1 January 1970

US Federal actions required an
Environmental Impact Statement

NEPA
NATIONAL ENVIRONMENTAL
POLICY ACT

- 1970 USA
- 1972 Japan
- 1972 State of NSW, Australia
- 1973 Canada
- 1974 Australia (federal govt)
- 1974 Colombia
- 1975 Germany
- 1975 Thailand
- 1976 France
- 1978 Philippines
- 1979 Hong Kong
- 1981 Israel
- 1981 Netherlands
- 1983 Pakistan
- 1984 Sri Lanka
- 1985 European Union
- 1986 Indonesia
- 1989 South Africa
- 1992 Thailand
- 1994 Taiwan
- 1994 India
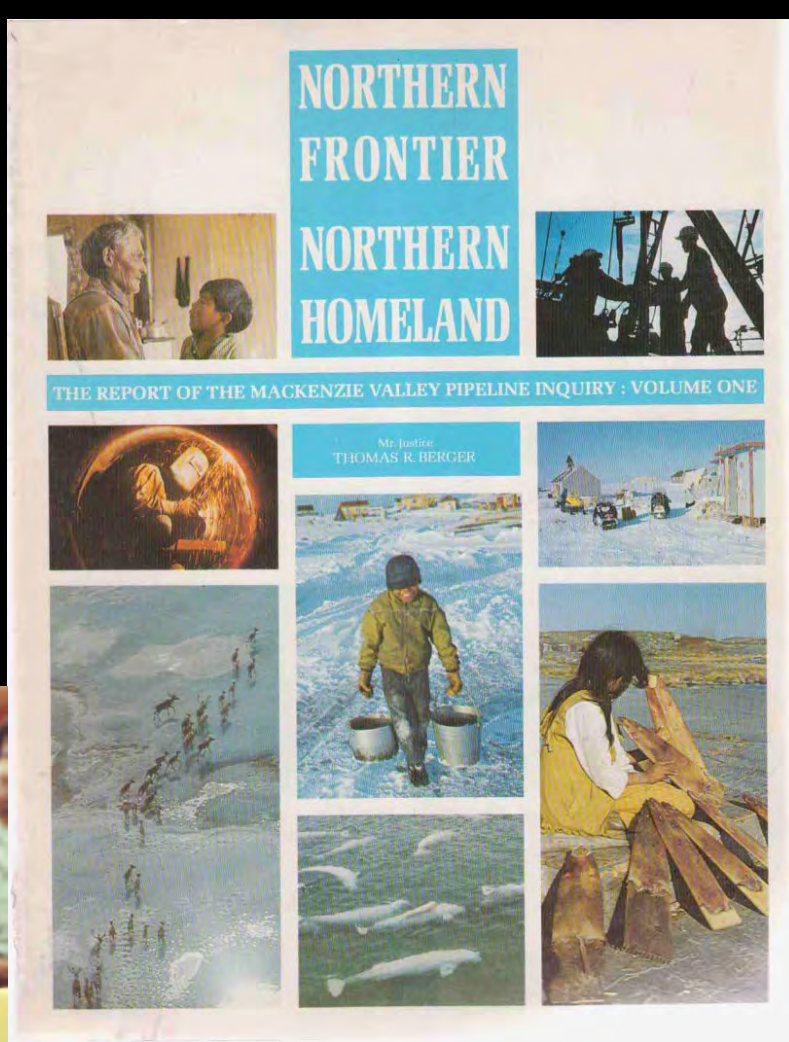- 2003 People's Republic of China

The spread of EIA around the world

Environmental Impact Assessment (EIA)

How is "the environment" defined?
Does it include people and social?

Environmental and Social Assessment Procedures (ESAP)

Mackenzie Valley Pipeline Inquiry (Canada) (Berger Inquiry) 1974-1977

"SIA includes the processes of analysing, monitoring and managing the intended and unintended **social** consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions."

Source: Vanclay 2003 International Principles for SIA

Current definition of SIA

- What are the social impacts created by projects?

- Why does the community acceptance of impacts vary from place to place, and project to project?

- How can the negative impacts be avoided or reduced (mitigation)?

- How can the benefits from projects be enhanced?

- What should a project do to ensure it has acceptability, and a social licence to operate?

Key issues

A lot is known about social impacts and how they should be managed.

Unfortunately, this knowledge is not always used in project implementation.

Social issues are never black & white
they are complex phenomena

DIRECT IMPACTS

occur at the same time and the same space

as the activity;

they are causally linked

(first order impacts)

Social impacts vary in time and space

INDIRECT IMPACTS

occur either later in time,

at a different place from the activity,

or as a result of a complex

pathway / chain or web of impacts.

(second and higher order impacts)

Social impacts vary in time and space

CUMULATIVE IMPACTS

the incremental and combined impacts

from one or more projects.

They can result from the simple aggregation

of impacts, or from the way impacts interact.

Social impacts vary in time and space

Second and higher order impacts
tend to cause more harm
than first order impacts

Almost all projects
almost always cause
almost all impacts

People are pushed into fighting
against big projects to protect their rights,
their livelihoods, culture, and way of living

Many projects are opposed
because of a loss of legitimacy
(i.e. no social licence to operate)
rather than the experience of social impact

Protest actions (social conflict)
are an expression of
local community opposition
to a project

The actions of
projects can
escalate or
de-escalate
social conflict

Protest against Stuttgart 21 (over 100 people seriously hurt when the police brought in water canon).

Loppersum. How close to violence?

activist shareholding

ad-busting

anti-award

getting arrested

audience with officials

badge wearing

displaying banners

banner bombing

barricade

black bloc tactics

blacklisting

blockade

manifesto

mock award

mock election

mock referendum

monument construction

mutiny

motorcade

nail protest

naming and shaming

netwar

non-compliance

non-participation

Over 200 forms of protest

- Physical damage
- Lost production
- Loss of legal licence
- Court actions
- Fines by regulators
- Compensation payments
- Loss of reputation
- Stockmarket reaction

- Lost access to new sites
- Extra conditions imposed
- Increased cost of insurance & finance
- Staff time
- Board time
- Diverted attention

Possible effects on projects

- People are differentially affected

- People can be positively and negatively affected at the same time

- How people are affected (and what they think about that) change over time

- What is positive and what is negative can be ambiguous or not evident

Not just winners and losers

- Characteristics of the project

- Characteristics of any mitigation

- Characteristics of the community
  (vitality, viability, resilience, impact history)

- Characteristics of individuals

- The behaviour of the project and its staff

- Impacts are not stable

- Impacts differentially affect people

The social impacts actually experienced depend on many things

Even 'good' projects have
negative social impacts

Good process is essential

People will accept inconvenience when they believe the project is worthwhile

Not In My BackYard !

Please In My BackYard!

- Treat communities with respect

- Demonstrate social value

- Disclosure and transparency

- Engage and empower

- Provide local benefits

- Genuinely commit to social and environmental management

- Have the capacity to do it

- Earn trust and a 'social licence to operate'

From NIMBY to PIMBY

THE ACCEPTABILITY OR SOCIAL LEGITIMACY OF A
POLICY, PROJECT OR COMPANY

'SOCIAL LICENCE TO OPERATE'

MULTIPLE   SOCIAL LICENCES   ARE NEEDED

Organizations need to **listen** to all their stakeholders…

(Management 101)

… but, they also need to actively and meaningful engage with all stakeholders and assess and manage their social impacts

Social Impact Assessment can help

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Follow-up readings

Vanclay, Esteves, Aucamp & Franks 2015 *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects*. Fargo ND: International Association for Impact Assessment, http://bit.ly/SIAguidance

Veenker & Vanclay 2021 What did NAM do to get a social licence to operate?: The social impact history of the Schoonebeek oilfield in The Netherlands. *Extractive Industries & Society* 8(2), 100888 (Open Access).

Vanclay, F. 2020 Reflections on Social Impact Assessment in the 21st century. *Impact Assessment & Project Appraisal* 38(2), 126-131. (Open Access).

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Dare, M., Schirmer, J. & Vanclay, F. 2014 Community engagement and social licence to operate, *Impact Assessment & Project Appraisal* 32(3), 188-197. (Open Access)

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