Foreword: SIA from a resource developer’s perspective

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Social impact assessment (SIA) was born when the National Environmental Policy Act (NEPA) of the USA was signed into law by President Nixon in 1970, requiring US Federal agencies to make integrated use of the natural and social sciences in decision making relating to government actions which may have an impact on the environment. Initially, SIA was not required to support a policy maker in coming up with the ‘best’ or the ‘right’ decision. Nor was there a requirement to stop projects with negative consequences. The emphasis was on public disclosure and frank discussion of the likely impacts or effects. As it expanded around the world, the traditional model of SIA was developed to identify and address the ‘unintended consequences’ of developments that are initiated by private, profit-oriented companies as well as by governments. It usually involved the social mapping of distinct populations in affected areas, baseline surveying of socioeconomic conditions, predicting and evaluating change, and proposing project changes designed to mitigate the negative effects. Widespread public discussion was considered to be important and, although interdisciplinary social scientists were involved, priority was given to technical judgements.

Much has changed since the inception of SIA. Political and economic developments have dramatically changed the world and the resources industry. For resource companies especially, changed public expectations of corporate environmental and social performance have driven the industry to reassess what it takes to be competitive. This shift is attributable to the intersection of a number of factors, including heightened stakeholder and community expectations, the glare of global scrutiny, and the growing influence of concepts such as ‘corporate social responsibility’, ‘social licence’, ‘sustainable development’ and ‘triple bottom line’. Whereas central governments previously regulated the resources industry with little direct community involvement, communities

1 The views expressed represent the personal opinions of Bruce Harvey and not necessarily those of Rio Tinto.
have now become, or are becoming, active participants in the process. In this emerging ‘tri-polar’ governance landscape, government remains a provider of mandate and a regulator, but when dealing with business, communities now frequently represent themselves, whether through public fora, delegate bodies or non-government organizations (NGOs). Whereas in the past resource developers and governments frequently worked together to override the concerns of host communities, increasingly this is no longer possible in most parts of the world. Developers are now obliged to develop direct relationships with local communities and local government, and are increasingly pushed to do so by communities with access to the communication and transactional enablers that are driving globalization. Equally, government regulators for their part are disinclined to permit new projects without demonstrable evidence that host communities are supportive. Reflecting a shift in the three-way power balance, successful resource developers are learning to work with host communities to negotiate with governments for the permits and ancillary infrastructure needed to support long life operations.

Recognizing the shift, there has been a concerted drive within the resources sector to change how operations interact with their communities. Historically, the community involvement of most resource companies was largely unplanned or, in the case of purpose-built operations in remote areas, primarily focused on infrastructure provision. More recently, successful companies have made public commitments to engage on a much more informed basis with affected communities and other stakeholders on matters of mutual concern. A variety of formal and informal consultative processes are now normal at the local level, and a growing number of operations are adopting formal strategies and systems for engaging with communities. This new approach seeks to closely integrate local communities with the economic activity that a resource development project or processing facility engenders. Thus, local employment, local service and supply, business development, cultural awareness training and environmental co-management are critical activities. The primary business drivers for this enhanced attention to community engagement are a desire to better manage social risks, to achieve competitive advantage through self-regulation; community, employee and hence government endorsement; and, generally, to reduce volatility.

A distinction between communities and stakeholders is important. Decisions involving multiple parties have to concede that different parties are affected in different ways and to different extents, some net positive and some negative. How these compromises are achieved is never a simple exercise; it inevitably involves trade-offs, often political, and the weightings applied to different constituents will vary markedly. In places with strong central or provincial sovereignty, urban constituents tend to dominate, in which case the prevailing developmental status of the nation state will determine what values are emphasized.
Taking Australia as an example, the 1960s to early 1980s was a period of self-conscious nation building. There was an export boom based on an expanding international demand for mineral commodities, while the rights and interests of Aboriginal inhabitants of the development frontier were unrecognized in law. Under these circumstances, politicians sensed that resource development was a project of immense national significance to be pursued at all costs, and the urban populations tended to support this view. The interests of local peoples were simply overridden, or worse, unrecognized, in national policy. By the 1990s, the tide of national sentiment had turned. The next generation of urban voters came to reject policies based on ‘development at any cost’, and instead insisted that resource development interests were secondary to environmental protection and the emerging legal recognition of land-connected Aboriginal peoples. Ironically, the shift did not provide any greater weight to the specific views of local peoples. Often polarized themselves, they continued to struggle to represent their specific and changing interests in national and state policy debates. Although political standing has been achieved, emerging aspirations of economic opportunity are now often blocked by stakeholders with other views concerning the sanctity of frontier landscapes.

Against this changing socio-political landscape, SIA has evolved into numerous schema, with the poor treatment of economic impacts and local involvement being common weaknesses. While SIA in some countries frequently involves economists, public policy specialists and small business developers, in developing regions too little attention has been paid to assessing the benefits that could come from creating jobs, income-earning business opportunities or service provision. Too much emphasis has often been placed on preservation and conservation of traditional ways of life at the expense of appreciating change that reflects what local people want. Attempts to balance aspiration and preservation as desired by local people are frequently not considered. Admittedly, such assessments are in many ways more difficult to make in traditional societies experiencing change than they are in industrialized regions. In developing regions experiencing dramatic transition, to simply advocate no change performs no service for local peoples. Rapid population increases through in-migration and high birth rates erode the resource base; and increasing knowledge affects preferences, particularly the preferences of the younger generation, causing intergenerational tension. While dangers are frequently identified, it is much less clear that there are agreed and tested scientific remedies, or that local people did not want some of the changes. Worse still, the emphasis on local people as being weak and vulnerable has encouraged the creation of paternalistic approaches, generating strong patterns of reciprocating dependency and resentment.

Increasingly, the use of SIA is not optional; its use is mandated by governments and encouraged by the lending institutions. However, beyond common
New directions in social impact assessment

use of the term SIA, there is no universal approach in its methods or content. While this may be appropriate to context and purpose, it can present problems when it comes to demonstrating consistency and credibility.

Divergent approaches towards SIA have emerged and two broad schools are apparent. One school offers SIA configured to the compliance requirements of host jurisdictions. Based on familiarity with the proclivities of the local regulators – something international resource developers lack by definition – consultancies offer a pragmatic approach to SIA the way a high school student approaches homework. With past knowledge of preferred language and content, the task is to frame an opus that will extract a threshold pass for least effort. The opus is padded out in time-honoured fashion to demonstrate ‘weight’ in the work. Any genuinely good work tends to be diluted by the narrative. The resulting multivolume set serves to demonstrate that a diligent, hard-wrung job was undertaken. The public is grateful for the protection afforded, the regulator and the developer log the task as complete, the volumes are shelved and the developer gets on with the job of development.

The second SIA school, with many members based in academies and international agencies, approaches the question differently. Quite correctly it recognizes that real analysis is possible. Professional and personal motivations centre on the need for ‘comprehension’ and ‘understanding’. Regulatory SIA requirement is grasped as something that can motivate to this purpose, and practitioners craft increasingly specialized tools for this and other ends. These specialized tools turn on special interests such as ‘gender impact assessment’, ‘human rights impact assessment’, ‘conflict analysis’, ‘cultural impact assessment’, ‘livelihood impact analysis’, ‘health impact assessment’ and ‘ecosystem impact assessment’. The approach is based on emphasis not exclusivity, resulting in a plethora of overlapping tools that seek to instil genuinely informed project planning through the agency of SIA.

Deployment of many of these tools rarely proceeds beyond piloting, reflecting a competitive market and the fact that private sector clients tend to prefer the other SIA school. In a developer’s total budget of compliance-directed days, the number dedicated to social compliance can only grow at the expense of other studies. Hence, company compliance officers are looking for an omnibus, not a smorgasbord. In the face of onerous compliance requirements across a broad front, ‘box ticking’ prevails, with no real analysis or follow-through within SIA processes. The discouraging effect is compounded by the nature of regulation; prescription can only encourage compliance, not the exploration of possibility.

Attempts by SIA practitioners to construct a business case based on ‘international law’, ‘total risk’, ‘total business value’ and ‘reputation’ rarely convince for the simple reason that company value analysis is assessed in a different silo to compliance. Resource developers separate out their own analysis and
community engagement from regulatory processes which are designed to meet stakeholder expectations. Successful companies undertake comprehensive socioeconomic analysis within project planning and let compliance draw upon data subsets to meet the expectations of SIA. Furthermore, company-preferred processes, aiming to optimize, do not fit comfortably with labelling involving the word ‘impact’.

SIA as currently approached simply fails to meet the new requirements of resource developers and communities. Bias starts with the title, ‘Social impact assessment’. Bias continues with terms such as ‘mitigation’ and ‘compensation’, suggesting what is important before any facts have been collected. Indeed, the facts are usually collected in a manner that, because it is circular, confirms the correctness of the original assumptions about harm and damage.

Practitioners will often say they are in favour of SIA as a process and disavow ‘blueprint’ and ‘social engineering approaches’. They also say they believe in the importance of consultation. The results frequently suggest otherwise. It is the social scientist and the developer’s budget that determines the SIA scope and timetable, what the phases are and how these will proceed. Local people are asked to provide their input through a predetermined process that has predetermined content, structure and organization.

Local people need to be much more involved in socioeconomic analysis, and local political decision making should play a more prominent role in development approvals. SIA practitioners and prescription need to be less prominent in a process that gives community people greater opportunities to generate for themselves the questions and the answers about good and bad scenarios.

Social and economic assessments of resource projects need to use people who are familiar with the industry in order that they recognize and understand past problems. They need sensible terms of reference requiring attention to be paid to the benefits, burdens and options of a proposal, not the template preference of a distant and somewhat disinterested bureaucracy.

There should be greater emphasis on doing business in the community. Successful developers want to do business in the community and communities frequently want the same thing. This is particularly important if governments and companies wish to avoid being seen as paternalistic. Because doing business in the community needs to be seen and handled in the same way as any other element of core business, these programs should be thought of as ‘investment’, rather than ‘social investment’.

Newly formulated rights, such as ‘free, prior and informed consent’, seem antithetical to regulatory SIA processes, and struggle for accommodation. Information is delivered in the media and language of the sovereign state, which is often alien to local communities. Hence, SIA processes of themselves
往往无法以可理解的方式告知受影响的社区。更糟糕的是，最终的项目许可权在于监管机构。

合作在SIA中并未得到足够重视，而且需要更加普遍，因为一项重大的工业发展会产生难题，单靠公司无法解决。开发者不应该成为唯一具有绩效要求的方。政府、社区和公民社会组织应被鼓励参与，记住咨询的各方可能会有不切实际的期望。

SIA很少考虑采矿税和收益的财政分配，也未考虑政府机构向直接受影响方的问责。当地政治声音往往在政府的焦点上，而政府官员通常未与本地生活的实际情况相连接。在发展处于边缘的情况下，不感兴趣可以变为为国家利益的有意剥夺。

累积影响很难在项目特定的SIA中及早出现，以便进行明智的分析。新的发展项目可能会面临与前者的相同SIA障碍，或者可能会面临更大的审查以缓解政治压力。实际情况可能是，新发展的建议对在已经接受的负担中增加的负担只是微不足道，或者可能比现有操作的具体影响要好。

SIA代表一个时间点，并未建立考虑不断变化情况的机制。经济开发在边缘地区和快速人口增长的结合下会创造加速变化。SIA没有动态监控：所有测量指标都固定在初始设置上，或者在指定的时间间隔进行全面校正，结果是定期审查被勉强尝试，而任何尝试的响应总是与时间不相协调。真正需要的是对什么在本地重要进行持续监控，对所有不重要的关注度都会降低。只有社区驱动的进程可以做到这一点。

最后，SIA需要超越立即的社区，把目光投向更广阔地区。SIA往往专注于有明确地理边界的社区和项目。需要更广阔的发展。项目和社区的方法并不总是合适的。在大型开发中，行业必须超越孤岛的方式。它必须考虑如何让投资在地区内整合。在过去，资源公司受到国家政府的热烈欢迎，却发现当地反对者对他们的进入感到非常反对。或者当地关系非常好，但政府想拔出产金的鹅，而当地社区失去了利益。

结论是，SIA在大多数资源开发项目中现在是过时的，需要重新设计。贡献是推翻。
that follow in this timely book, incisively edited by Frank Vanclay and Ana Maria Esteves, provide much in the way of thoughtful analysis and ideas for improvement. It is time for a generational shift in the way socioeconomic studies and community participation is undertaken in resource development decisions and design. This book is a major contribution to thinking about socioeconomic scenario planning in a globalized ‘information age’; an age in which local communities are more empowered than ever before to take their place as true constituents of nations and development opportunity.