

# Engaging Communities with Social Impact Assessment: SIA as a Social Assurance Process

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## Abstract

Social Impact Assessment (SIA) has been a technocratic expert-driven process which sought to identify the social impacts that might be anticipated from the implementation of projects or policy. Although intended to be in the community interest, such a model of SIA has not always engaged the community. Some sections of the community have been critical of SIA, seeing it as inherently linked to the corporatist agenda and nothing more than legitimisation of (bad) development. New understandings of SIA, such as espoused in the 'International Principles for SIA', perceive SIA differently. The International Principles advocate that SIA should take a proactive stance for *social* development rather than be limited to the identification and amelioration of negative outcomes. The new model considers that assisting communities to identify development goals and maximising positive outcomes is more important than minimising harm from negative impacts. SIA should be part of the adaptive management of policies and projects. SIA also needs to assist communities to cope with change. Such a multifaceted understanding is not consistent with the current regulatory agency process typically associated with SIA/EIA. A different model is required. This paper speculates on the potential of a Quality Assurance process similar to an Environmental Management System (ISO 14000) to address social issues in the operations of corporations, government agencies and other organisations. The tentative hypothesis is that SIA would be more effective in achieving its goals if it seen as a quality assurance process rather than being a point-in-time assessment of potential impacts.

## Keywords

Social impact assessment, SIA, social accountability, environmental management systems, ISO 14000

## Introduction: The failure of SIA to engage communities

Social impact assessment (SIA) started in the early 1970s in good faith as a genuine process that attempted to identify and manage the (negative) social consequences of development. Linked to environmental impact assessment (EIA), it was part of a regulatory process and was limited by bureaucratic restrictions and political interference, as well as by the limitations of the consultants who undertook SIA. The approval by regulatory agencies (competent authorities) of projects that had deleterious social consequences as well as decision-making processes that lacked transparency and legitimacy led to public scepticism with SIA and EIA. Many regulatory authorities, with their technocratic, asocial worldviews (Burdge and Vanclay 1995; Vanclay 1999) also fail to appreciate the value of well conducted SIA or of full public participation, preferring instead to limit public involvement to limited consultation (Roberts 2003). While SIA as a discipline is not responsible for its narrow application, it is the case that SIA has failed to advance adequately its potential.

## **Social Impact Assessment in its current and ideal forms**

SIA was originally seen as being the ex-ante (in advance) prediction of the negative (social) impacts of a planned intervention (development proposal) within a regulatory framework — as the definition of the Interorganizational Committee for Guidelines and Principles for SIA reveals:

“We define social impact assessment in terms of efforts to assess or estimate, in advance, the social consequences that are likely to follow from specific policy actions (including programs and the adoption of new policies), and specific government actions (including buildings, large projects and leasing large tracts of land for resource extraction), particularly in the context of the U.S. National Environmental Policy Act of 1969.” (Interorganizational Committee 1994, p. 108; see also Interorganizational Committee 2003).

Vanclay (2002a, 2005) considered that this original understanding of SIA was inherently limiting in that it presumed an adversarial regulatory system. It denied that assessment might be carried out internally by a corporation or by government, or even by a community itself, independent of a regulatory process. The follow-up assessment of impacts of past developments is excluded. There is no role for the management, mitigation and monitoring of impacts, or for the contribution of community members and other stakeholders in the redesign of the project or in decision-making about what constitutes an appropriate project. Clearly, this model of SIA was not conducive to engaging communities, achieving the best outcomes for society in terms of sustainable development, or even good project design.

Awareness of the limitations of this traditional SIA approach has been growing in the SIA discipline. As a result, during the development of the International Principles for Social Impact Assessment, which were released in 2003, the definition of SIA was substantially altered away from the technocratic definition of the original definition to a more democratic, participatory, constructivist understanding (Vanclay 2005).

“Social Impact Assessment 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. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment” (IAIA 2003, p. 2).

In the new understanding, the goal of SIA is to bring about a more ecologically, socio-culturally and economically sustainable and equitable environment. Impact assessment, therefore, promotes community development and empowerment, builds capacity, and develops social capital (social networks and trust). The focus of concern of SIA should be a proactive stance to development to achieve better development outcomes, rather than being concerned simply with the identification and/or amelioration of negative or unintended outcomes. Assisting communities and other stakeholders to identify development goals, and ensuring that positive outcomes are maximised, will be more important than minimising harm from negative impacts (Vanclay 2003).

## **An appropriate model for Social Impact Assessment**

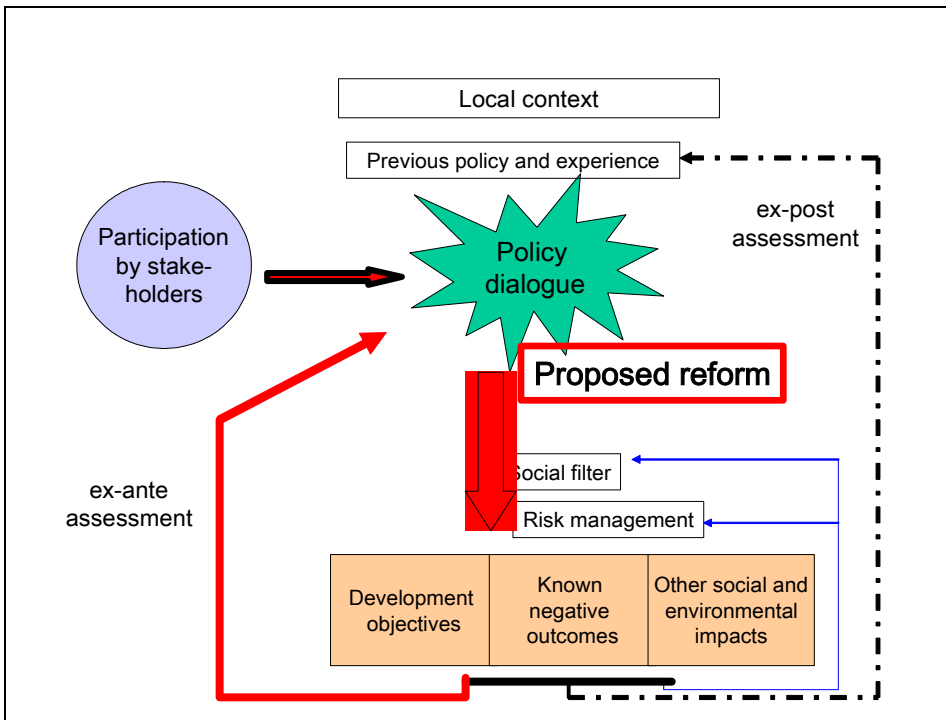
Various models of SIA have been proposed. All have common elements, including participation of stakeholders, consideration of alternatives, establishing baseline conditions, scoping important issues, predicting likely impacts (including indirect, multiple order and cumulative impacts), predicting community response to impacts, redesign of alternatives, development of mitigation strategies, implementation of monitoring schemes, and follow-up evaluation (for example Interorganizational Committee 1994; Becker and Vanclay 2003; Branch et al. 1984; Burdge 1994). The various models of SIA are project based, and while they are generally applicable at a policy level, they have not been developed with this policy level as their focus.

A conceptual and practical confusion exists in the field of SIA between the need for SIA to be an endogenous process that is fully integrated with the development process in (guiding) the design of the planned intervention versus SIA being a detached exogenous analysis of winners and losers. These contrasting perspectives of SIA are reflected in different definitions of SIA given above.

In the definition developed in the International Principles (IAIA 2003), the key component is “the process of analysing, monitoring and managing” implying an endogenous ongoing participatory process focussed on bringing about improved sustainable livelihoods. A model for policy SIA based on such an endogenous process would emphasise stakeholder participation and the iterative redesign of the proposed policy (Figure 1). In such a model, the key consideration is the integrity of the policy dialogue as the platform for the participatory (re)design of policy. The role of SIA (as a community of practice) in such an endogenous process would be as a guiding agent specifically for ensuring that: (1) the views of all stakeholders have been considered; (2) there has been adequate negotiation about development objectives, (3) the potential adverse consequences have been considered; and (4) the policy has been redesigned to reduce these consequences and mitigation or compensatory mechanisms developed. Because it is a participatory process where the proposed reform is derived endogenously, the assumption is that the planned intervention would be appropriate to local cultural, social and institutional settings. However, the SIA practitioner facilitating the process may wish to ensure that there has been some explicit consideration by the stakeholders to situational analysis, institutional analysis, stakeholder analysis, and analysis of the problem that the planned reform is attempting to redress.

The essence of this policy model is that it is an iterative process. It is also one that is fully participatory. The proposed reform or planned intervention is tweaked until the best combination of development objectives and known negative outcomes is achieved, while attempting to make known all possible unanticipated consequences — but still being mindful that they will never always be predicted in advance.

This dynamic, iterative model of SIA, where the assessment process is fully participatory and endogenous, is an ideal form of SIA, but is quite removed from the way SIA is normally considered. As such, conventional understandings of SIA don't work. If SIA is to be truly effective in accomplishing its mission, it needs to reformulate itself away from the 'point-in-time' assessment concept, to be more of a process of guiding development.



**Figure 1. Model for Endogenous Policy SIA**

If SIA is to be a guiding process of steering development, then the ‘quality’ of SIA should be judged not by its products, but by the effectiveness of its process. It also becomes a process that is implicit in communities as well as in the companies (and government agencies) that initiate planned interventions. SIA, instead of being an external assessment (exogenous), needs to be an internal process. SIA, then, shares more with quality assurance processes than with EIA. Perhaps SIA should become a social quality assurance process, or social management system akin to ISO 14000 Environmental Management System.

### **Quality Assurance Processes ISO 9000**

ISO 9000 is a quality management assurance process that concentrates on the customer. While it is concerned that businesses meet applicable regulation, its primary aim is to enhance customer satisfaction through a process of continual improvement. Its eight principles for quality improvement are very general and do not provide for stipulation of any minimum standard of social practice. Thus while the concept of making social awareness embedded within a quality assurance process is theoretically possible, what would be required is a long way past what is currently considered to be included.

### **Social Accountability 8000**

SA 8000 (SAI 2001) is a “code of conduct verification and a factory certification program” that began in 1997. While primarily based on ISO 9000, it imposes its own performance standards related to social issues (SAI 2005, pp. 1-2).

1. **Child Labor** — no workers under the age of 15; minimum lowered to 14 for countries operating under the ILO Convention 138 developing-country exception; remediation of any child found to be working
2. **Forced Labor** — no forced labor, including prison or debt bondage labor; no lodging of deposits or identity papers by employers or outside recruiters

3. **Health and Safety** — provide a safe and healthy work environment; take steps to prevent injuries; regular health and safety worker training; system to detect threats to health and safety; access to bathrooms and potable water
4. **Freedom of Association and Right to Collective Bargaining** — respect the right to form and join trade unions and bargain collectively; where law prohibits these freedoms, facilitate parallel means of association and bargaining
5. **Discrimination** — no discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age; no sexual harassment
6. **Discipline** — no corporal punishment, mental or physical coercion or verbal abuse
7. **Working Hours** — comply with the applicable law but, in any event, no more than 48 hours per week with at least one day off for every seven day period; voluntary overtime paid at a premium rate and not to exceed 12 hours per week on a regular basis; overtime may be mandatory if part of a collective bargaining agreement
8. **Compensation** — wages paid for a standard work week must meet the legal and industry standards and be sufficient to meet the basic need of workers and their families; no disciplinary deductions
9. **Management Systems** — facilities seeking to gain and maintain certification must go beyond simple compliance to integrate the standard into their management systems and practices

These issues are basic human rights issues, and are not much more than what would be expected of the minimum requirements for corporate social responsibility. They do not appear to go far enough in terms of addressing what would be desirable of a truly socially-minded company.

### **Environmental Management Systems ISO 14000**

An EMS is an ongoing, planned series of activities undertaken by a business to better manage its environmental impacts, and is based on the concept of continuous improvement (Carruthers 2003, 2005). The Australian Standard (AS/NZS ISO14001:2004) states that an EMS is “part of an organization’s management system used to develop and implement its environmental policy and manage its environmental aspects” (Standards Australia 2004a, p. 2). The Australian Standard defines a management system as being “a set of interrelated elements used to establish policy and objectives and to achieve those objectives” and “includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources”.

An EMS comprises adaptive management strategies that are designed to identify a business or organisation’s impact on the environment, determine the priority order for addressing these impacts (which includes meeting all legal compliance and business best management practices and code of practice issues), development of management programs and associated operational and document controls, record keeping, monitoring, training, communication, and emergency planning to address impacts (both actual and potential). These management practices can be described by the ‘Plan, Do, Check, Act’ cycle described in Total Quality Management regimes, which underpins the Standard (Carruthers and Tinning 2003; Deming 1990; Munro-Faure and Munro-Faure 1992).

The ISO Standard was created because “its worldwide acceptance should facilitate international trade by harmonising otherwise diffuse environmental management standards and by providing an internationally accepted blueprint for sustainable development, pollution prevention, and compliance assurance” (Delmas 2002, p. 91) and was “introduced on the coattails of the success of ISO 9000” (Delmas 2002, p. 93). The existence of a standard provides for the verification of claims by a third party and creates a consistency of meaning about terms. ISO 14001 was initially ratified internationally in 1996 and adopted verbatim in Australia in the same year.

There has been some criticism that EMS does not satisfactorily address social issues (Moomaw 2001; Vanclay 2004). However, Carruthers and Vanclay (in press) make it clear that there is no reason why EMS could not include social issues, and, in fact, that it is intended that social issues be considered in EMS. They conclude that the development of improved mechanisms for valuing social factors, better understanding of the roles of these factors amongst EMS certifiers and advisors, and more explicit acknowledgement of the importance of these factors is required. An EMS may be an appropriate vehicle, therefore, provided that there could be a culture change to increase the recognition given to social issues.

#### **Conclusion: Can and/or should SIA be like an accreditation scheme?**

Social Impact Assessment (SIA) cannot remain as a point in time assessment of the potential (negative) social consequences of planned interventions. If it is to reach its mission of being a process of navigation in the course of development and in assisting communities to choose between development options, it must be, as some people have expressed it, ‘a living NEPA’, a socially informed process of adaptive management. As such, some form of management assurance process seems appropriate. With its customer focus, ISO 9000 hardly seems appropriate. SA 8000 seems to be too low in its expectations, and is more concerned with ensuring the achievement of basic human rights. ISO 14000, Environmental Management Systems, on the other hand, has promise. The issue for the discipline of SIA will be whether to utilise the vehicle of ISO 14000 or whether to attempt to establish a new standard.

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