

# Social impact assessment challenges faced by Japan

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## 1. Introduction

IAs conducted globally have thus far mainly focused on the analysis and management of biophysical impacts of projects, while social aspects of impacts have only been minimally observed (Burdge, 2002; Esteves et al., 2012). This minor treatment of social aspects in IA has been especially obvious in Japan, as almost no description exists with regard to the social aspects of projects in the Japanese Environmental Impact Assessment (EIA) law. On the other hand, since the late 1990s, the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has introduced 'Public Involvement' (hereafter, PI) to the planning phase of public projects, where all affected individuals ('public' here is used as a broad concept) participate in the planning phase of projects (Yai and Terabe, 1996; Harashina ed., 2005:30-6). These PI movements eventually led to the issuance of guidelines on the evaluation of projects in the planning phase, which were published by MLIT in 2003 and 2008. The publication of these guidelines, which require the evaluation of social aspects in the early phase of public projects, was a landmark event in Japan as the first publication to explicitly mention the necessity of this kind of evaluation.

However, there is no description in either of the guideline publications on the scope of social aspects, methodologies or approaches of evaluation, or on the validity or aims of such evaluations. When the evaluation of social aspects is not 'mandatory', the incentive to implement rigorous social evaluations is limited (Burdge, 2002), and the lack of detailed description on implementation adds more uncertainty as to whether the project assessment of social aspects is properly conducted.

The method of analysing and managing social issues of planned interventions is globally referred to as Social Impact Assessment (SIA) (Vanclay, 2003). Reference to the global SIA literature proves fruitful in considering the scope, methodologies, and validities of the assessment of social issues in the context of Japanese project evaluations. Against this background, the aim of this paper is two-fold. Firstly, it will analyse the challenges presented in the examples of SIA-related evaluations in previously conducted Japanese project evaluations. Secondly, it will review the scope, methodologies, and the validity of SIAs as specified in global literature in order to find clues for solving the problems raised in past Japanese evaluation practices.

## 2. SIA cases in Japan

### 2. 1 Voluntary and prior legislative treatment of SIAs

Since the 1970s, Japan has had many domestic conflicts related to the necessity and validity of the establishment, maintenance, and improvement of social infrastructures, including roads and airports. There has been a small number of cases where local municipalities voluntarily conducted SIAs at their own discretion. The evaluations by the *Sarugawa Suishigen Taisaku Chosadan* ('Saru-river Water Resource Management Investigation Team'), implemented under the commission of Biratori Town in 1975, is one of the few examples of effective SIA cases. Various aspects of impacts caused by the construction of the Nibutani dam to the local community were evaluated, including environmental, agricultural, and Ainu cultural impacts (Iwasaki, 2005).

Conversely, the SIA of an industrial waste-disposal site in Achi Town from 1997 to 1999 was viewed with skepticism by some local people. They argued that the SIA was biased, a mere justification of the project by its promoters who were known for their opaque decision-making practices which were ultimately determined by local political power structures (Tsuchiya, 1999).

The Japanese Environmental Impact Assessment Law enacted in 1997 dealt insufficiently with SIAs (Sakumoto, 2004). The law mainly concerns assessments pertaining to biophysical changes, and it requires only partially assessing direct social changes, including changes in landscape and transportation. However, the Environmental Impact Assessment Law does not prescribe the analyses of social impacts of projects, including potentially affected stakeholders' perceptions with regard to the projects.

## **2. 2 PI-related regulations on project evaluations**

Japanese regulations on project evaluations, that required SIA-related activities, began with the amendment of the 1992 City Planning Act. This act made mandatory the implementation of PI measures by local municipalities in the provision of town planning. In 2003 and 2008, respectively, MLIT published (as translated from Japanese) the 'Guidelines for the Procedure of Public Involvement in the Planning Phase of Public Projects Presided by MLIT' (MLIT, 2003) and the 'Guidelines for the Process of Drafting the Plan in the Planning Phase of Public Projects' (MLIT, 2008). These PI-related guidelines mandated not only the assessment of economic and environmental aspects of projects, but also of social aspects. In particular, the 2008 Guideline proposes a wide range of analytical methods for the assessment, including not only natural sciences but also social sciences, such as sociology, economics, and anthropology. However, the Guidelines do not highly recommend the use of qualitative analyses in evaluations, as evidenced in some statements which specify to 'actively utilise existing literature and data', 'set easily understandable (evaluation) points or indicators', 'use quantitative analysis as far as possible', and that 'when conducting qualitative analysis, attempt to evaluate objectively as possible' (MLIT, 2008).

## **2. 3 Challenges of PI in SIA**

There are many good cases of PI in Japan where large amounts of time and effort were spent on large public projects. These substantially changed the decision-making practices in public projects, making them much more accessible and transparent to the public.

On the other hand, in recent years, achievements as well as challenges of PI have been reviewed, and various problems in the implementation of PI have been identified (Katada, 2014). These include decision-making with regard to the implementation of PI and their schedules, the content of information disclosure and disclosing methods, issues related to management of holding meetings, setting agendas, and impartiality of meeting management. It was also recognised that there have been problems in the effectiveness of PIs and the impartiality of institutions when it comes to conflict resolution and mediation (Harashina ed., 2005; Otani et al., 2005; Ezaki, 2008; Yamaguchi et al., 2008; Harashina, 2011; Katada, 2014). These are general problems for IA as well as specific problems for SIA.

The first problem raised in the body of work collected which discusses PI with regard to SIA was the scope and rigorousness of SIAs. There were cases where local residents living near the projects argued that only positive impacts such as an increase in employment and economic development were mentioned and exaggerated in the relevant documents, or that the evidence of figures was unclear while various potential negative social impacts for residents were not thoroughly analysed. For example, analyses on displacement,

vehicle pollution, or ground subsidence caused by projects were not addressed in published documents (Ezaki, 2008; Katada, 2014).

The second problem raised was the inexistence of methodologies or institutions with regard to stakeholder management when conflicts arose. More importantly, there was a lack of sufficient stakeholder analyses which were prerequisites for conflict mitigation. For example, relevant stakeholders were not adequately specified, and stakeholders' needs and interest structures were not appropriately analysed (Yamaguchi et al., 2008). In an attempt to find solutions to these aforementioned problems, global arguments related to SIA are presented below.

### **3. SIA: scope, processes, methodologies, and validity**

#### **3. 1 The scope of social impacts**

The International Principles define the scope of social impacts as including the impacts of all potentially affected people and communities (Interorganizational Committee on Principles and Guidelines for Social Impact Assessment, 2003). The scope under the Principles includes almost any aspects of social changes in relation to mental, physical, and social wellbeing. Social impacts have such broad definitions in order to avoid narrowing the scope of SIA (which typically occurs when evaluators only measure convenient, or easily measurable, items) and to encourage focusing on potentially significant impacts on people, especially those most vulnerable to the proposed change (Lockie, 2001; Vanclay, 2003).

#### **3. 2 Recommended SIA processes and methodologies**

The processes of SIA include identifying affected people, analysing the local historical context of the planned intervention, social profiling, understanding local community values, and developing baseline information of local and regional communities. These analytical results will then become the basis of predictions (or analyses) of likely impact of the project in concern, based on which the recommendation of appropriate mitigation measures is made. The ongoing management of social impacts, such as assisting in devising and implementing monitoring and management programs, is recommended (Vanclay, 2003; Vanclay and Esteves, 2011; Esteves et al., 2012).

These SIA processes have been regarded valuable not only for affected communities but also for companies (Harashina, 2004; Esteves and Vanclay, 2009; Franks and Vanclay, 2013). Corporate success can be enhanced by investment in community development needs in a way that also supports corporate strategy, such as managing risk or developing a local workforce.

#### **3. 3 Validity**

##### **a) Legitimacy of SIA**

In terms of the viewpoint of statutory requirements, since the Rio Summit held in 1992, many countries including Japan have committed to 'sustainable development' (SD) through 'Agenda 21'. Although SD has various definitions, there seems to be a worldwide consensus on the components or pillars of sustainable development: ecological integrity, economic output, and social equity (Sadler, 1996). Domestically, Japan's Third Basic Environmental Plan (2006) promulgates the consideration of social and environmental aspects in project planning. Other relevant laws are specified in the International Bill of Human Rights. Indeed, stakeholders' considerations of projects' social impacts, in particular, on vulnerable individuals is a necessity for any country which abides by the law (MacNaughton and Paul Hunt, 2011; Office of the United Nations High Commissioner for Human Rights, 2014 (a) (b); United Nations, 2014).

The second aspect, practical usefulness of SIA in Japanese project assessments, is also relevant to the introduction of the methodologies or institutions in relation to stakeholder management and risk management . Such methodologies and intuitions are sought after as they are currently absent in Japan, and if introduced, they would essentially include some processes which analyse or manage social impacts. This is because the processes for conflict avoidance or resolution and those of SIA overlap. For example, all the processes necessary to succeed in conflict resolutions are necessary in the conducting of SIA, including reaching (and implementing) an agreement, establishing ongoing relationships and good communication. These processes are the same as those applied in SIA (Esteves and Vanclay, 2009; Barrow, 2010; Sairinen, 2011; Esteves et al., 2012; Prenzel and Vanclay, 2014).

**b) Validity of the participatory approach**

Those who are responsible for SIAs determine their contents as well as the nature of the project at hand. Whether SIAs should be led by public administrations with their 'technocratic rationality', or by participatory approaches in which SIAs are driven by the opinions of the general public, is a particularly contentious point.

Current consensus in the SIA community is that the effective participatory approach is one of the conditions for a good IA (Esteves et al., 2012). This is because, simply put, social impacts are context-dependent and significant social impacts are only known by the affected stakeholders themselves.

Effectively involving impacted communities may lead to analyses with a fuller inclusion of various potentially important social impacts, such as competing community concerns, interests, beliefs, values, aspirations, local knowledge on stakeholders' mitigation strategies, most of which are often missed out in specialists' analyses (Burdge and Vanclay, 1996).

**c) Validity of qualitative methods in SIA**

Some scientists strongly believe that quantitative methods are more scientific and rigorous than qualitative methods. However, there is a consensus in the SIA community that qualitative methods should not be ignored in SIAs if they are to fully reflect social impacts.

**4. Conclusion**

This paper analysed the current challenges related to social impact assessments in the context of Japanese project evaluations, and further reviewed the global SIA literature. Dialogue within Japan amongst practitioners and regulators to develop guidance on appropriate procedures for the scoping, assessment, mitigation and monitoring of social impacts, that integrate qualitative and quantitative methods, is recommended. Referencing the global SIA literature to examine the desirable Japanese SIA regulations and practices is necessary and helpful to the growth of both project proponents and communities.

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