IAIA19, Brisbane: Evolution or Revolution: Where next for impact assessment?

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Introduction

In 2017, the New South Wales (NSW) Government released its first social impact assessment (SIA) guideline (NSW DPE 2017). The guideline specifies how proponents should consider social impacts as part of the environmental impact assessment process. Importantly, it includes a requirement for proponents to start thinking about social impacts before scoping the project, and to engage with affected and interested people throughout the process. While many proponents welcomed this initiative, some reacted with alarm, typically proposing that talking about social impacts too early would "open a can of worms", meaning that it would create uncontrollable difficulties or even foment opposition.

Yet, in most SIA guidance documents (e.g., Smyth & Vanclay 2017; Vanclay et al. 2015), SIA is framed as a process, or a series of processes, that should start early and should consider the entire project lifecycle. The rationale for this is experience suggesting that social impacts tend to start when conversations about a project permeate a community, and they continue beyond the closure of a project. As Vanclay et al. (2015, p. iv) note, "social impacts start long before project approval is required – they start with rumours of a possible project. Managing the social issues (and thus SIA), therefore, needs to start as soon as possible after projects are conceived."

So, if impacts themselves can start so early, why might proponents be so wary of trying to analyse and manage them?

How people engage on social impacts

Anecdotal evidence suggests that proponents' concerns stem from two related assumptions about the nature of how people engage in discussions about social impacts. The first assumption is that people need certainty about the *content* of project design to participate meaningfully in discussion – this might be articulated as, "How can we expect people to reach an informed opinion if we can't tell them exactly what the project will look like?"

The second assumption is about the *process* of engagement – that 'ordinary' people (i.e. those without specialist technical knowledge) are incapable of engaging in respectful and rational dialogue if they have incomplete information. This might be articulated as, "There's no point worrying the community just yet – they will only spread false rumours and get all emotional".

In other words, the assumptions are that the affected community comprises a "can of worms", and that engaging them on the matter of social impacts will only open that can, inevitably entailing more trouble for the proponent. Underlying these assumptions may be several deeper misinterpretations and misunderstandings, including:

- *mistaking genuine concern as unreasonable dissent/outrage* – a misinterpretation of community concern as dissent, and a fear that dissent may quickly escalate into outrage, with adverse consequences for likelihood and timing of project approval;

- *concomitant desire to control information* – a reaction to the above fear, believing that controlling and restricting the flow of information is the best way to manage community sentiment and prevent outrage;

- *misconceptualisation of SIA as being synonymous with community engagement* – viewing SIA as being solely an exercise in engagement, thereby overlooking other social research activities that should be undertaken to understand the social context;

- *misunderstanding of social impacts as 'amenity' impacts* – implicitly defining social impacts in terms of physical changes to air quality, noise, and visual landscape, which will not occur until construction commences, overlooking other matters (e.g. community cohesion, property values) that may be affected, and can be investigated, sooner.

These assumptions, misinterpretations, and misunderstandings collectively work to dissuade proponents from starting SIA early. However, perhaps they can be addressed by reference to both instrumental ('business case') and normative (moral) views of stakeholder theory (Donaldson & Preston 1995).

Instrumental rationale for starting SIA early

The instrumental dimension of stakeholder theory holds that thinking about the organisation as existing within a "constellation of cooperative and competitive interests possessing intrinsic value" will help it to be successful (Donaldson & Preston 1995, pp. 66-67). This has relevance for the question of how early to start considering social impacts on the basis that such timing could affect organisational performance.

Applying the instrumental view of stakeholders to SIA, starting early can help to manage the development approval process. Indeed, since the release of the NSW SIA guideline, diligent consultants have started the SIA process earlier to maximise the chances of project approval. The logic here is that, if we wait too long, unfounded rumours or resentment may spread, and respectful dialogue become impossible. Further, project design may miss opportunities to incorporate local knowledge about the social context. Ultimately, the outcome may be a suboptimal project design, delays in obtaining regulatory approvals, and cost overruns incurred through these delays.

In contrast, starting early means leveraging local knowledge to enable to project to fit the local context, to be consistent with community values, so that local residents not only tolerate, but become 'champions' of, the project. In turn, being able to demonstrate community support helps the proponent to secure regulatory approvals with minimal delays.

These are the same arguments that underpin the so-called business case for corporate social responsibility (Carroll & Shabana 2010), or for social licence (Black 2017, pp. 31-38). The 'business case' argument is that failing to start SIA early, or failing to act as a good 'corporate citizen', or failing to build community approval ('social licence') for your project, poses unnecessary risks to the project itself.

However, the instrumental rationale works only to a point. As a form of 'enlightened self-interest', it depends on the proponent seeing a stakeholder approach as serving the proponent's own interests.

What happens if a causal relationship between starting SIA early and getting a project approved quickly and at lowest cost cannot be proven? Or, even if it can be proven, what if the proponent chooses not to believe the evidence?

Normative/moral rationale for starting SIA early

An instrumental view of stakeholders, by viewing stakeholders as a means to an end, ultimately rests on the primacy of *proponent*, not stakeholder, interests. The normative dimension of stakeholder theory, in contrast, holds that stakeholders are people or groups with legitimate interests, and that they merit consideration for their own sake, regardless of their capacity to influence organisational success (Donaldson & Preston 1995, p. 67; Gibson 2000). In ethical terms, it is deontological, or non-consequentialist, because it treats people as ends in themselves, according to the Kantian principle of respecting people as moral agents, and it endows them with rights.

Drawing on normative stakeholder theory, the case for starting SIA early may be stronger than when applying an instrumental view, since it highlights questions of power, respect, fairness, and empathy. A normative view would hold that there is a moral obligation to consider impacts on people as part of the initial project conception. Indeed, SIA is founded on strong ethical principles, such as distributive equity, impartiality, and inclusivity (Vanclay 2003).

From this perspective, the question of whether/when to enable project-affected people to articulate their concerns and aspirations and to participate in dialogue around how a project is developed and how it might affect their wellbeing becomes an ethical one. Failing to consider how a project might affect people, or to engage people in dialogue about the proposed project, denies them procedural fairness, is unjust, and shows a lack of empathy. Assuming that people cannot engage in meaningful dialogue until they have complete information, or that they will react 'emotionally', constitutes a failure to act ethically. In other words, the right thing to do is to open the 'can of worms' – or, to use a stronger metaphor, the Pandora's box – and actively engage with the complexity.

This moral foundation for starting SIA early becomes further apparent when acknowledging the disparities of power that commonly exist between proponents and affected communities. Development projects have tremendous potential to change people's lives, whether for better or worse, and project proponents tend to have much greater access to decision-makers that do affected community members. Recognising this power disparity, there is a very strong moral argument not only for a transparent process of dialogue about the potential social impacts, but also for that process to start at the moment a project is conceived.

Even if we accept a moral argument over an instrumental one, we must still navigate alternative ethical frameworks. Here, considering questions of justice and fairness in choosing when to start SIA are clearly relevant. Ultimately, however, I would suggest that virtue ethics offers the most relevant framework. By focusing on the moral character of the person making the ethical decision, rather than on the morality of the act itself, it would oblige us to ask ourselves, when undertaking any aspect of SIA, "What kind of person do I want to be?"

Conclusion – SIA as a dialogic process

The view that starting SIA early will create uncontrollable difficulties reflects a set of misplaced assumptions, misinterpretations, and misunderstandings about SIA. It *assumes* that affected people need certainty about project design before they can form a rational opinion, and that people will spread false rumours in the absence of complete information. It *misinterprets* genuine concern as

unreasonable dissent, and it seeks to contain this dissent by controlling information. Finally, it *misunderstands* SIA as being synonymous with community engagement, and conflates social impacts with potentially less significant 'amenity' impacts.

Applying an instrumental stakeholder perspective, a business case can be made for starting SIA early, since it can help to avoid delays obtaining regulatory approvals by demonstrating that local communities support the project. In an era where the impacts of development on people are coming under closer scrutiny by governments and others, being able to demonstrate community support is likely to become ever more crucial to project success.

However, a normative view of stakeholders, in which considering impacts on affected people is a moral obligation, arguably provides a stronger foundation for starting SIA early. It constitutes an explicit recognition of how power relations place proponents at a structural advantage *vis-à-vis* local communities, and represents an effort to address this power imbalance by genuinely respecting, and responding to, their concerns and aspirations. In turn, this encourages us to see SIA not only as a process, but also as one that entails ongoing dialogue with affected and interested groups. Such as process may be practised through approaches such as co-design and community-led SIA.

Viewing SIA as a dialogic process that is integrated into all phases of project development begins to challenge the notion of an optimal 'start' time for SIA. Instead, SIA may be better framed as an ongoing strategic planning activity, whose insights then inform the design of specific projects.

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