Theoretical Basis of SIA and International Framework

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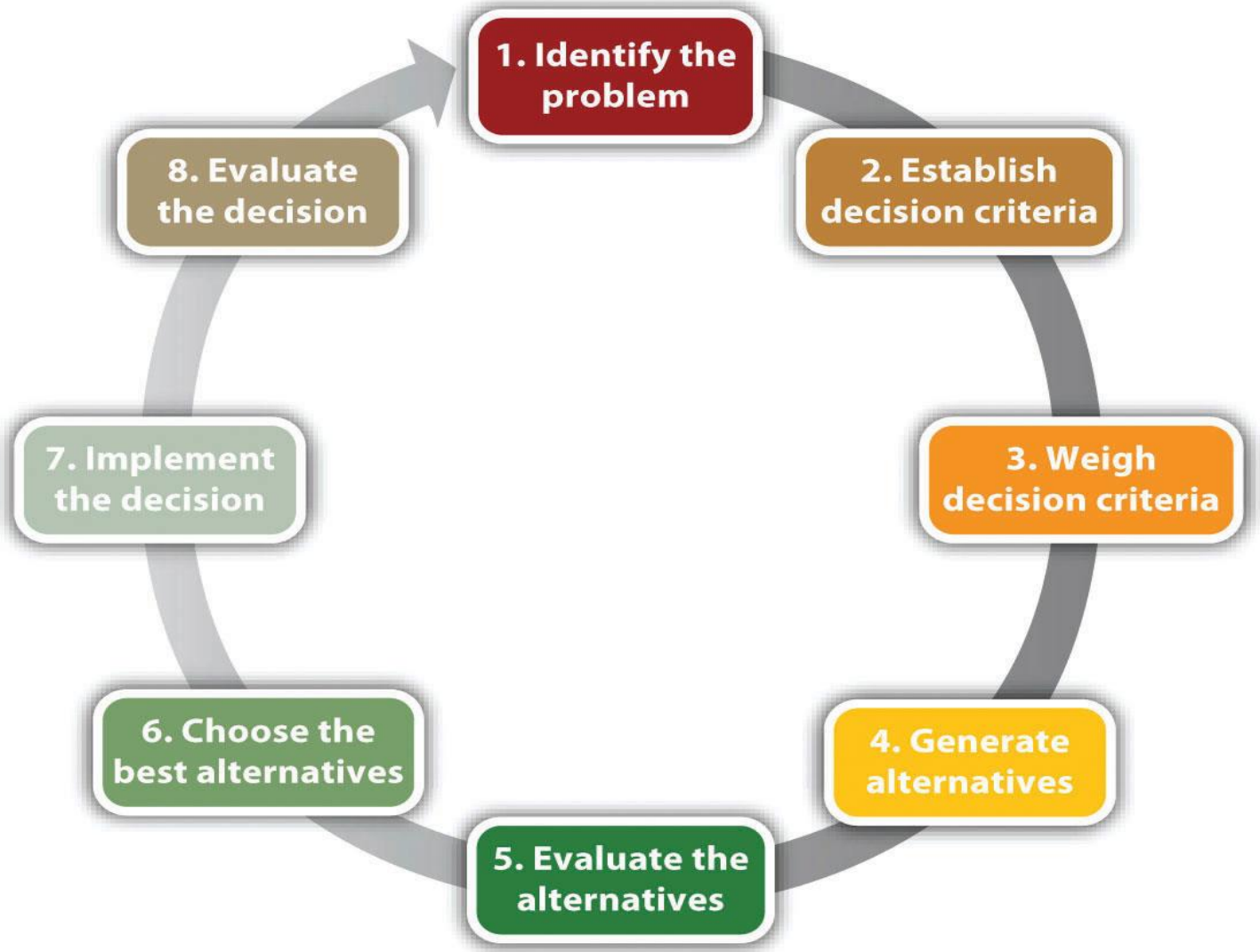
Theoretical Basis

- A central question all SIA practitioners are concerned is:
- How do we know the decision we reach derived from our assessment is an informed one, or an appropriate one, or the best one?
- In answering this question, SIA always relies on a number of key theoretical and methodological bases for guidance, although discussions on these are few

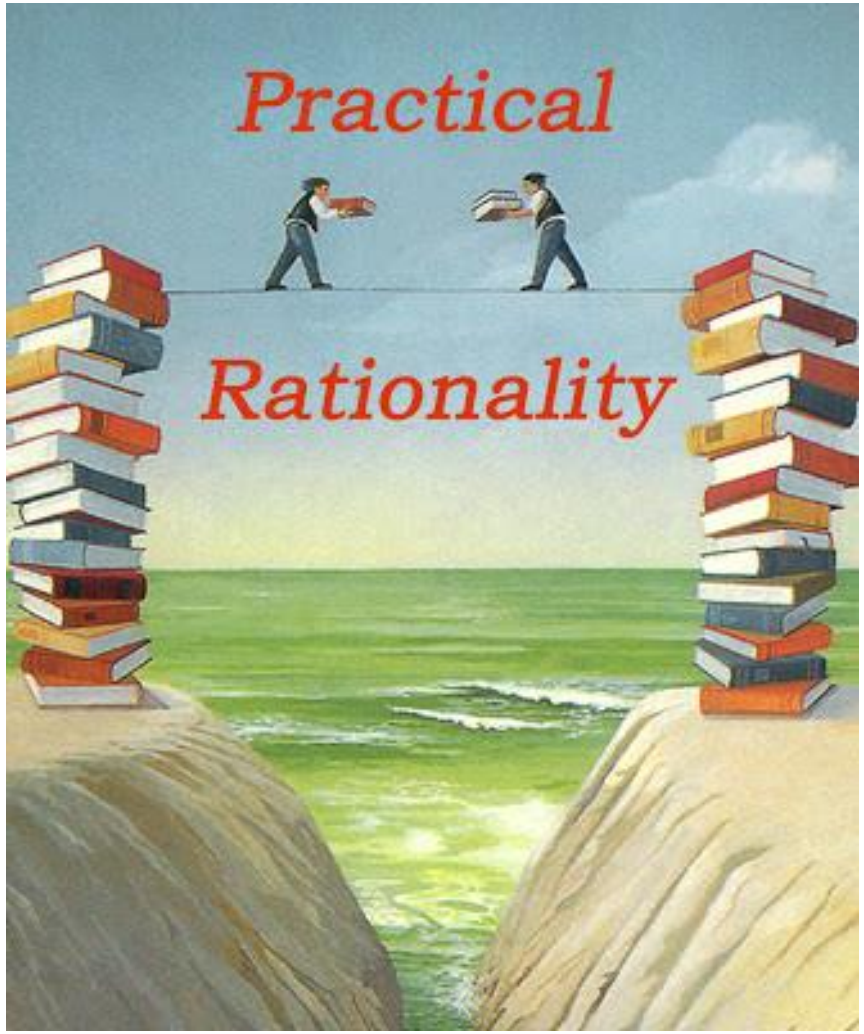
Theoretical Basis

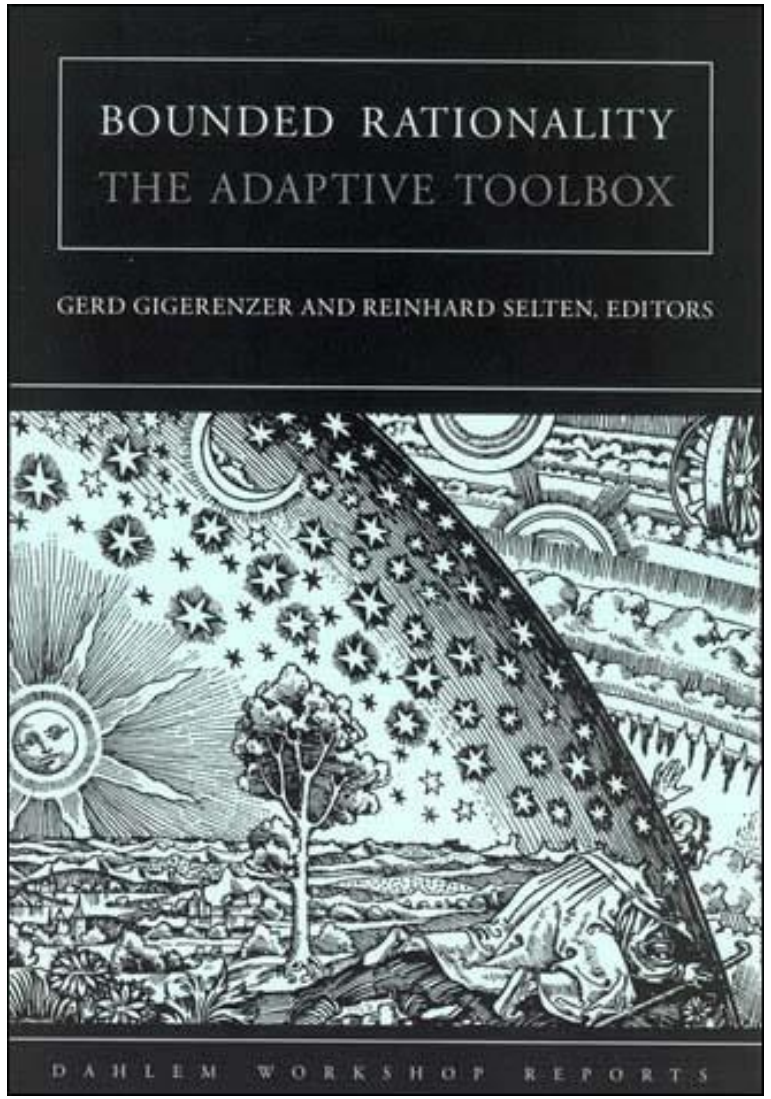
- The first is the notion of a Rational Model which can be best illustrated by the following diagram:


1. Identify the problem
2. Establish decision criteria
3. Weigh decision criteria
4. Generate alternatives
5. Evaluate the alternatives
6. Choose the best alternatives
7. Implement the decision
8. Evaluate the decision

Theoretical Basis

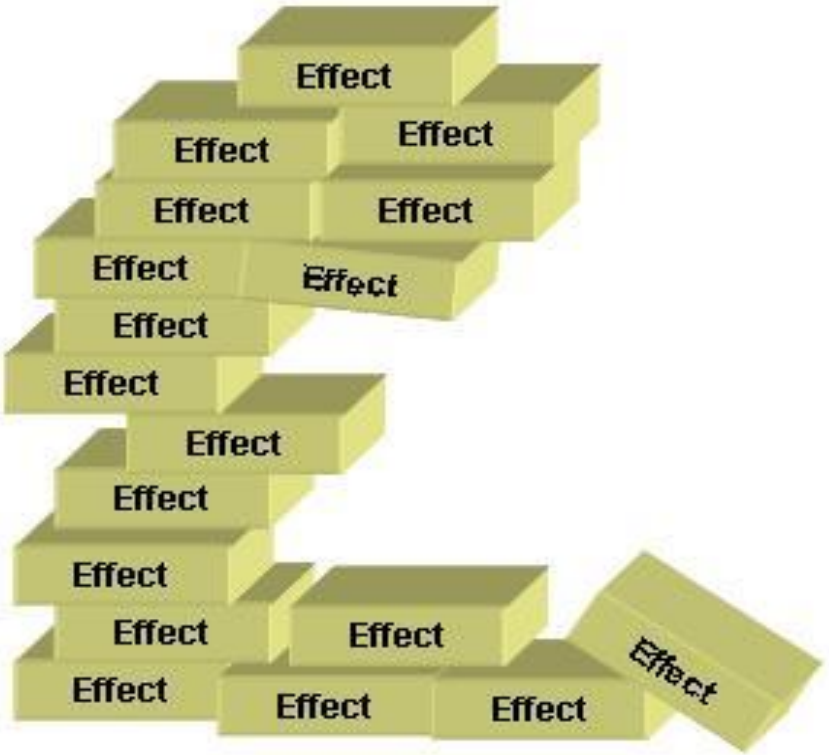
- Problems with the rational model:
  - Requiring excessive knowledge
  - We have limited ability to absorb information
  - Blowing costs in information collection: time and money
  - Conflict of utilities or interests: individual versus collective


Practical
Rationality


BOUNDED RATIONALITY
THE ADAPTIVE TOOLBOX
GERD GIGERENZER AND REINHARD SELTEN, EDITORS
DAHLEM WORKSHOP REPORTS

Theoretical Basis

- The Bounded-Rational Model:
- bounded rationality
- satisfysing versus maximising principle
- practice of taking small steps
- the **Principle of Pareto Optimality:**
  - as long as no one loses, it does not matter if others gain more, and this is the optimal situation.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Theoretical Basis

- Dynamic System Model
  - Conceptualization of impacts
  - Accumulated impacts and compounded impacts
  - Chain impacts and cross impacts
- Comparative Diachronic Model
  - Consideration of impact along timeline: impacts during construction and after completion but forgetting
  - Planning impacts
  - Delayed impacts
  - No-action/no project alternative

Implications

- The implications of all these are that:
  - 1. In studying SIA, the focus should be on the complexity of impacts
  - 2. Likewise, the scoping of SIA should not be limited to the construction or completion period
  - 3. Do not over collect data, but the data collected must be ethical, adequate, unbiased and from a wide range of sources instead of deriving from on one single method/source
  - 4. In conducting SIA, baseline information about the current situation of the local community must be provided as a point of comparison in order to avoid the over-exaggeration of impacts from the proposed project/program
  - 5. These points also lay the foundation of an international framework for SIA good practice.

International Framework

- In 2003, six principles were established by the US Interorganizational Committee on Principles and Guidelines for SIA :
- One: *Achieve extensive understanding of local and regional populations and settings to be affected by the proposed action, program or policy*
  - Identify and describe interested and affected stakeholders and other parties
  - Develop baseline information (profiles) of local and regional communities
- Two: *Focus on key elements of the human environment*
  - Identify the key social and cultural issues from the community and stakeholder profiles
  - Use social and cultural variables to explain the issues identified

International Framework

- Three: *Identify research methods, assumptions and significance*
  - Use methods holistically to describe all aspects of social impacts related to the action or policy
  - Must describe cumulative social effects
  - Methods and assumptions are transparent and replicable
- Four: *Provide **quality information** for use in decision making*
  - Collect qualitative and quantitative social, economic and cultural data sufficient to usefully describe and analyze all reasonable alternatives to the action
  - Data collection methods and analysis must be scientifically robust
  - Collected data must be used with integrity

International Framework

- Five: *Ensure that any environmental justice issues are fully described and analyzed*
  - The issues confronted by under-represented and vulnerable stakeholders and populations must be discussed and addressed
  - In particular is the uneven distribution of all impacts (whether social, economic, air quality, noise, or potential health effects) to different social groups (including ethnic/racial and income groups)
- Six: *Undertake evaluation/monitoring and mitigation*
  - Mechanisms for evaluating and monitoring of the mitigation measures must be provided
  - If possible a plan for assuring effective mitigation to take place should be in place
  - Identify data gaps and plan for filling these data needs

International Framework

- In 2015, however, IAIA, the key international professional association for SIA practitioners, in its Guideline document indicated that the traditional practice of producing a statement of social impacts equivalent to an an EIA/EIS is not enough.
- Best practice is to provide a Social Impact Management Plan (SIMP), which emphasises how the impacts will be managed, what mitigation will be provided, what enhancement measures will be provided, what ongoing monitoring shall be provided, and what governance arrangements will apply.
- In addition, good practice in SIA requires the whole SIA process be subject to professional peer review that includes a period of public comment before it is accepted by regulatory authorities. Where there is not a regulatory requirement, acceptance of the final reports by the affected communities and the peer reviewers is mandatory.

International Framework

- Review Criteria for checking Social Impact Assessment Reports and Social Impact Management Plans:
  - Description of the project and alternatives
  - Description of methodology
  - Community profile and baseline data
  - Community participation and engagement
  - Scoping, assessment of impacts and significance determination
  - Mitigation and enhancement strategies
  - Grievance mechanisms and monitoring procedures
  - Reporting, governance arrangements and overarching issues

- Vanclay, F. et al . (2015) *Social Impact Assessment : Guidance for assessing and managing the social impacts of projects*. http://www.iaia.org/uploads/pdf/SIA_Guidance_Document_IAIA.pdf

Conclusion

- 1. Moving from being a consultancy or a regulatory tool to having broader uses, including for businesses to develop/demonstrate their corporate social responsibility.
- 2. Changed from primarily concerned with negative impacts of projects to how projects might be enhanced to improve the benefits to communities, and to deliver shared value so that all parties, including communities, business/developers/government can benefit from projects.
- 3. Stronger emphasis on human rights, collaboration and empowerment
- 4. Ethics and duty of care for SIA practitioners – follow-up monitoring on outcomes of recommended mitigations
- 5. Shared value : as a useful management tool that reduces risks and bring benefits to businesses and communities