

A Short History of Social Impact Assessment

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“Social impact assessment is predicated on the notion that decision-makers should understand the consequences of their decisions before they act, and that the people affected will not only be appraised of the effects, but have the opportunity to participate in designing their future.” (IGCP 1994)

A properly performed social impact assessment will answer the following questions: “what will happen if a proposed action were to be implemented –why, when, and where? Who is being affected? Who benefits and who loses? What will change under different alternatives? How can adverse impacts be avoided or mitigated, and benefits enhanced?” (Burdge, 2004:4).

INTRODUCTION

The social sciences have long been interested in the impacts to social and economic systems wrought by large industrial, land-use, and environmental changes. Beginning in the early 1970s, a formalized set of practices and procedures called Social Impact Assessment (SIA) emerged to document and/or predict the socio-economic impacts from such large-scale projects. Originally developed in the U.S., through the 1969 National Environmental Policy Act (NEPA), the practice of SIA has changed and expanded since this time.

While originally focused primarily on impacts to such variables as population, employment, and housing, the scope of social and economic variables analyzed through SIA has greatly expanded, especially overseas while the practice of SIA in the United States has waned, with new attention paid to the unique contexts of indigenous populations, forced resettlement, military conflict, impacts to physical and psychological health and wellbeing, and a new consideration to very long-term impacts related to community sustainability (Vanclay and Esteves, 2011). These new types of impact analysis will require the area of study to expand and its practitioners to increase their interdisciplinary knowledge and expertise.

In the U.S., the 1970s represented somewhat of high point for the use of SIA. Through NEPA, Environmental Impact Statements (EISs) were required in nearly all major land use decisions made by U.S. government agencies, and court decisions and additional legislation clarified that managers must analyze “reasonable and foreseeable” impacts to not only environmental concerns, but also to social and economic attributes. By the mid-1970s, the expertise of social scientists was required in dozens of land use decisions made by the federal government each year. Due in part to the U.S. oil embargo, the 1970s were also a period of widespread energy development, including oil, natural gas, coal, and uranium in the western U.S., as well as expansion of the Tennessee Valley Authority hydroelectric dams in the eastern U.S. Many of these projects were federally managed and caused significant

socioeconomic effects in the areas where they were sited, and many SIAs were produced on behalf of the Federal Government because they were required under NEPA, while a host of additional SIA documents were independently sponsored by state and local governments scrambling to manage the adverse impacts. During this time, the U.S. Bureau of Land Management (BLM), among the largest agencies directly affected by NEPA, had an estimated 45 social scientists under full time employment, including dozens stationed at state and local offices (BLM 2011).

STEPS FOR A PROPER SOCIAL IMPACT ASSESSMENT

Following this flurry of SIA activity, several guidelines, handbooks, and textbooks for performing SIA were produced by various government agencies, university professors, and private consultants; a set of principles and best practices developed over time (Finsterbusch, 1980; Finsterbusch and Wolf, 1977; Finsterbusch, et al. 1983; Leistritz and Murdock, 1981). *The Guidelines and Principles For Social Impact Assessment* published in 1994 by the Interorganizational Committee on Principles and Guidelines for Social Impact Assessment (ICGP) is perhaps the most well-known of these texts, and included many of the most experienced and well-regarded SIA practitioners (IGCP 1994).

The ICGP identified 10 steps required to properly conduct an SIA within the U.S. NEPA framework.

1. *Develop an effective public plan to involve all potentially affected publics.*
2. *Describe the proposed action or policy change and reasonable alternatives.*
3. *Describe the relevant human environment/area of influence and baseline conditions.*
4. *After obtaining a technical understanding of the proposal, identify the full range of probable social impacts that will be addressed based on discussion or interviews with numbers of all potentially affected.*
5. *Investigate the probable impacts.*
6. *Determine the significance of the identified social impacts.*
7. *Estimate subsequent impacts and cumulative impacts.*
8. *Recommended new or changed alternatives and estimate or project their consequences.*
9. *Develop a mitigation plan.*
10. *Develop a monitoring program.*

Nearly all SIA guides and texts contain a similar array of steps and principles that include public participation, objective and scientifically valid methods, the development of mitigation strategies, and other attributes commonly found in NEPA analysis.

DECLINING CAPACITY IN THE UNITED STATES

Despite a law that requires SIA in many instances, and the library of detailed guidelines and textbooks available to SIA practitioners, the quality of the social and economic analyses produced in the U.S. greatly varies, with many EIS documents failing to live up to the ideals presented in these texts (Burdge 2002).

The NEPA process places a high degree of importance on documenting and predicting impacts to wildlife, habitats, and ecosystems, while social and economic impacts often receive a much less stringent analyses (Burdge 2003). In comparison to impacts on the biophysical environment, measuring and conceptualizing social impacts can prove to be more complex, and the prediction and/or

interpretation of the costs or benefits of such effects can be controversial (IGCP 1994). Rabel Burdge, a preeminent practitioner of SIA, has described social impact assessment as the “orphan child” of the NEPA process, as few people in federal agencies have either the expertise or desire to take responsibility for producing quality social impact assessments.

Between 1983 to 2003, the amount of large-scale energy development in the United States dropped precipitously, as did the demand for social science expertise related to SIA. Today, most federal agencies have, at most, a handful of social scientists to oversee such matters nationwide, a small number compared to the large amounts of environmental and wildlife expertise in such organizations. The BLM in 2011, for example, had 14 employees trained in the social sciences, most of them part-time employees, compared to 45 full-time employees in the 1970s (BLM, 2011). Today, the vast majority of SIA work published by federal agencies is produced by independent contractors, many of them large firms that may not actually visit the impacted communities they are analyzing. BLM increased the requirements of social science in a 2006 instructional memo sent to BLM staff that stated, “In preparing economic assessments, contractors shall utilize staff having at minimum a master’s degree in economics; in preparing social assessments contractors shall utilize staff having at minimum a master’s degree in a non-economic social science (sociology, anthropology, or geography). In both cases contractors’ staff shall have at least two years’ relevant experience” (Dyer, 2006:1). The memo is perhaps most notable because it illuminates the low level of requirements that were in place for more than 30 years prior.

SIA in Oil and Gas and the Rocky Mountain West

The American West, with its large swaths of public land and a long history of mineral extraction, has seen countless social impact assessments performed by federal agencies such as the Bureau of Land Management and the U.S. Forest Service as part of permit applications for energy extraction and resource management plan revisions.

In practice, given the declining capacity and oversight at federal agencies, the process is in many cases *pro forma*. The basic array of easily-obtainable information such as population statistics, housing numbers, and employment trends is presented as the existing social environment, while changes in employment or tourism spending are estimated using econometric modeling. In the case of oil and gas development, employment impacts typically are estimated using input/output models based on a range of development scenarios. In not all cases are the intricacies of oil and gas workforces discussed, such as the large non-resident worker populations or the leakage of earned wages and royalties to outside areas.

In addition to impacts on employment, other key issues facing energy-impacted communities include housing shortages, stresses on an array of municipal services (including not only roads, but emergency response services, water and sewer infrastructure, etc.), impacts to social services, decline of tourism and amenity-led development, and an over-dependence on mining economic activity that leaves the community susceptible to a large economic downturn if the mining declines. More nuanced impacts

include changes to the community character and sense of place, which can lead to community out-migration and disinvestment.

In theory, analysis under NEPA must estimate impacts to nearby communities and municipalities from such activity, and also offer mitigation strategies to lessen these impacts. While commonplace in realm of environmental impacts, such mitigation strategies are a rare occurrence in the area of social and economic impacts. The Bureau of Land Management and other federal agencies defend this practice by arguing the socioeconomic impacts occur outside of federal jurisdiction. While this may be technically true, the *source* of the socioeconomic impacts occur on federal property and these actions could be altered to remedy possible adverse impacts. Additionally, nothing prevents the NEPA documents from offering voluntary mitigation strategies for other stakeholders to engage.

Local governments depend on such assessments for quality information to use for future planning, but given uneasy histories between western local governments and federal agencies and a poor track record of local relevancy, little faith is put into such estimates.

Increased Capacity in International Contexts

Meanwhile, as SIA has declined in the U.S. over the past several decades, SIA has become much more important in international contexts. Starting in the mid-1980s and since greatly expanded, project funders such as the World Bank and the International Monetary Fund require strict social and economic monitoring and impact assessment protocols to assess the socioeconomic effects of grants that are awarded, with additional evaluation required for projects that specifically aim to affect social or economic goals at the local level (World Bank 2003). Additional funding agencies, such as the African Development Bank, the Asian Development Bank, The United Nations, and the World Health Organization, many national governments, as well as the European Union, also require SIA processes for most large scale projects (Burdge, 2003). In the 1990s and 2000s, an array of textbooks, reports, manuals, and the like were produced to guide SIA practitioners in international applications (Becker, 1997; Becker and Vanclay, 2003).

The international context is much more varied in the types of analyses performed than in the US. While the US follows a set of strict and uniform legal requirements, the types and scopes of social impact assessment that are required or preferred in international contexts can vary greatly, depending on the funder, the nation, and the populations being impacted. Analyses can range from the effects of forced resettlement, to measuring gender equity, to the social sustainability of indigenous populations (Vanclay and Esteves, 2011). The protocols and best practices recommended for international contexts are similarly broad, with such guidebooks often espousing general principles that should be adhered to, as opposed to strict guidelines. In the early 2000s, a group of international SIA practitioners convened to compose principles for SIA in international contexts, and included “core values” and “fundamental principles”, reflecting the differing international realities of SIA.

Core values included:

- 1. There are fundamental human rights that are shared equally across cultures, and by males and females alike.*
- 2. There is a right to have those fundamental human rights protected by the rule of law, with justice applied equally and fairly to all, and available to all.*
- 3. People have a right to live and work in an environment which is conducive to good health and to a good quality of life and which enables the development of human and social potential.*
- 4. Social dimensions of the environment – specifically but not exclusively peace, the quality of social relationships, freedom from fear, and belongingness – are important aspects of people’s health and quality of life.*
- 5. People have a right to be involved in the decision making about the planned interventions that will affect their lives.*
- 6. Local knowledge and experience are valuable and can be used to enhance planned interventions.*

Fundamental Principles include:

- 1. Respect for human rights should underpin all actions.*
- 2. Promoting equity and democratisation should be the major driver of development planning, and impacts on the worst-off members of society should be a major consideration in all assessment.*
- 3. The existence of diversity between cultures, within cultures, and the diversity of stakeholder interests need to be recognised and valued.*
- 4. Decision making should be just, fair and transparent, and decision makers should be accountable for their decisions.*
- 5. Development projects should be broadly acceptable to the members of those communities likely to benefit from, or be affected by, the planned intervention.*
- 6. The opinions and views of experts should not be the sole consideration in decisions about planned interventions.*
- 7. The primary focus of all development should be positive outcomes, such as capacity building, empowerment, and the realisation of human and social potential.*
- 8. The term, ‘the environment’, should be defined broadly to include social and human dimensions, and in such inclusion, care must be taken to ensure that adequate attention is given to the realm of the social.*

The values and principles associated with international SIA reflect the variation in contexts, populations, and legal requirements found in international contexts.

New Frontiers

The list of potential impacts on individuals and communities from environmental change is complex and growing. Many of these impacts—to health, climate, psychological wellbeing, human ecology, and intergenerational well-being—are coming to the fore, but require an interdisciplinary expertise that falls well beyond that harbored by most social sciences. The reverse is also true: many experts in these areas (such as public health, climate implications, etc.) lack the social science backgrounds needed to adequately integrate this expertise in the practices and products requisite of a social impact assessment.

These emerging areas also challenge the legal frameworks under which SIA may or may not be required. The original NEPA legislation used terms such as “environment”, “human environment”, and “man’s environment” to describe the realm of impacts that was required to be analyzed. These were ambiguous enough: their full range and extent were not immediately clear and required additional lawsuits and legislation before social and community impacts were required to be analyzed. Yet, court cases in the U.S. have ruled thus far that social or psychological impacts alone are not enough to trigger an Environmental Impact Statement under NEPA. Only the possibility of environmental impacts can trigger

an EIS; and, at that point, regulators must consider social impacts as well (Llewellyn and Freudenburg, 1989; Edelstein, 2003).

As new types of assessments, such as Health Impact Assessments (HIA), are becoming commonplace ahead of land use decisions that bring the prospect of energy development, it is becoming more difficult for government managers to determine the basis for requiring or not requiring such analysis.

Alternative Governance

Given the poor social science capacity and unclear legal requirements that constrain federal government officials, it has often been left to non-federal organizations to raise the funds needed to perform quality social impact assessments. State and local governments, academic organizations, environmental organizations, and even industry itself have solicited many of the more robust and successful SIAs from the 1970s to today. This has increasingly become the case, especially as new types of assessment are requested that are not traditionally covered under NEPA.

The Emergence of Health Impact Assessment

In performing environmental justice analyses, the Environmental Protection Agency encourages regulators and social scientists to incorporate Health Impact Assessments (HIA) into the NEPA process to ensure that particular populations are not disproportionately harmed. The NEPA legislation explicitly mentions health several times as an important attribute to be protected. The National Research Council notes that “in theory” HIA is required under the NEPA process (NRC 2011).

In practice, however, HIA is almost never performed as a part of the NEPA process. The National Research Council notes that the early 1970s NEPA lawsuits that shaped the legislation were not concerned with health outcomes, and that most federal agencies have even less expertise in public health than they do social science. HIA has been performed as part of a federal EIS process at least once in the case of Alaskan Native populations (BLM 2012), but the instances are rare and HIA overall is not often performed at the federal level in the United States. Instances of HIA solicited by state and local American governments are growing, however, and internationally the use of HIA is much more common. Today, its use is required in most planning decisions in some US states, many parts of the European Union, many Canadian provinces, and other developed nations.

Conclusions

Social Impact Assessment is still a relatively young discipline and the importance of particular SIA variables has continued to evolve. The requirements of SIA have changed in the past, and the idea of adding procedures and analysis to what is required of social impact assessment as they emerge in the scientific community is not new. In 1994, under executive order from President Clinton, analysis related to environmental justice in minority and low income populations was made a requirement of EIS and SIA performed under NEPA.

Today, a new emphasis on SIA has emerged in international contexts, while in the United States non-federal organizations have been responsible for some of the more robust and in-depth analysis of impacts to social, economic, and health outcomes at the local level. Recently, new types of energy

developments have emerged across the United States, giving rise to more opportunity, and more demand, for impact assessments.

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