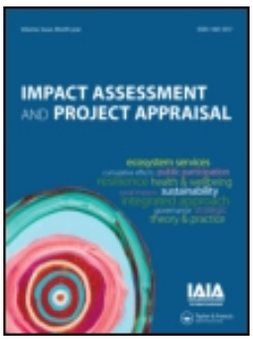

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Social impact assessment: the state of the art

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Social impact assessment (SIA) is now conceived as being the process of managing the social issues of development. There is consensus on what 'good' SIA practice is – it is participatory; it supports affected peoples, proponents and regulatory agencies; it increases understanding of change and capacities to respond to change; it seeks to avoid and mitigate negative impacts and to enhance positive benefits across the life cycle of developments; and it emphasizes enhancing the lives of vulnerable and disadvantaged people. We analyse the strengths, weaknesses, opportunities and threats facing SIA. We assert that the SIA community needs to revisit core concepts, such as culture, community, power, human rights, gender, justice, place, resilience and sustainable livelihoods. It is incumbent on SIA practitioners to educate proponents, regulators and colleagues about these concepts, and to embed them into practice norms. Stronger engagement with the emerging trends of free, prior and informed consent (FPIC); human rights impact assessment; social performance standards; supply chain management; governance; local content and economic development will improve the relevance and demonstrable value of SIA to all stakeholders.

Keywords: social impact assessment; impact and benefit agreements; community development agreements; social impact management plan; social sustainability; FPIC

Introduction

Social impact assessment (SIA) is about the processes of managing the social issues associated with planned interventions (Vanclay 2003a, 2006). SIA is a field of research and practice, a discourse, paradigm, or subdiscipline in its own right. The corpus of practitioners and scholars who profess this field have an established body of knowledge about theory and methods, a stock of tools, accumulated practical experience, insight and a collected history of case studies. Their shared professional values and understandings have been codified in the 'International principles for social impact assessment' (Vanclay 2003a) and in the core literature on SIA (see IAIA 2009). Many individuals identify as being an SIA practitioner or include SIA as a key interest area. There is a community of scholars engaged in research on SIA. The International Association for Impact Assessment (http://www.iaia.org) provides SIA practitioners and researchers with a professional home, and there are journals where SIA professionals publish, notably *Impact Assessment and Project Appraisal*.

SIA is an interdisciplinary and/or transdisciplinary social science that incorporates many fields including sociology, anthropology, demography, development studies, gender studies, social and cultural geography, economics, political science and human rights, community and environmental psychology, social research methods and environmental law, among others.

Originally (but now only in its narrowest conceptualization) SIA was regarded as a technique for predicting social impacts as part of an environmental impact assessment (EIA) in the production of an environmental impact statement (EIS), or as a stand-alone process, usually in the context of national legislation. Now SIA researchers and practitioners are interested in the processes of analysing, monitoring and managing the social consequences of planned interventions, and by logical extension the social dimensions of development in general. In addition to being a field of research, SIA is conceived as being a methodological approach or framework. SIA practitioners use this approach to contribute to the development process. SIA practitioners work with communities to achieve better development outcomes for communities. They also work with development agencies and private sector companies to design better projects and policies, and they work with regulatory agencies to provide information for the development approval process and ongoing regulation of projects. The approach is elaborated in many textbooks (see IAIA 2009) and is adapted to suit local circumstances.

The origins of social impact assessment

Contemporary SIA arguably began along with EIA in the early 1970s in response to the formal requirements of the National Environmental Policy Act (NEPA) 1969 of the USA. However, various writers – notably Burdge and Vanclay (1995), Becker (1997) and Vanclay (1999) – have argued that the consideration of social impacts existed long before NEPA. Nevertheless, it is clear that SIA formalized in terms of legal requirements and/or as part of normal project planning is linked to the spread of NEPA-like legislation and thinking around the world. A scrutiny of listings in Google Scholar (on 11 August 2011)

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Box 1. Current good practice SIA

The activities typically undertaken in an SIA process are well established and documented (see IAIA 2009). Whether proponent-led or community-led, SIA essentially involves:

- creating participatory processes and deliberative spaces to facilitate community discussions about desired futures, the acceptability of likely impacts and proposed benefits, and community input into the SIA process, so that there can be a negotiated agreement with a developer based on free, prior and informed consent;
- gaining a good understanding (i.e. profiling) of the communities likely to be affected by the policy, programme, plan or project including a thorough stakeholder analysis to understand the differing needs and interests of the various sections of those communities;
- identifying community needs and aspirations;
- scoping the key social issues (the significant negative impacts as well as the opportunities for creating benefits);
- collecting baseline data;
- forecasting the social changes that may result from the policy, programme, plan or project;
- establishing the significance of the predicted changes, and determining how the various affected groups and communities will likely respond;
- examining other options;
- identifying ways of mitigating potential impacts and maximizing positive opportunities;
- developing a monitoring plan to inform the management of change;
- facilitating an agreement-making process between the communities and the developer ensuring that principles of free, prior and informed consent (FPIC) are observed and that human rights are respected, leading to the drafting of an impact and benefit agreement (IBA);
- assisting the proponent in the drafting of a social impact management plan (SIMP) that puts into operation all benefits, mitigation measures, monitoring arrangements and governance arrangements that were agreed to in the IBA, as well as plans for dealing with any ongoing unanticipated issues as they arise;
- putting processes in place to enable proponents, government authorities and civil society stakeholders to implement arrangements implied in the SIMP and IBA and to develop their own respective management action plans and embed them in their own organizations, establish respective roles and responsibilities throughout the implementation of those action plans, and maintain an ongoing role in monitoring.

Adapted from Vanclay and Esteves (2011, pp. 11–12)

for 'social impact assessment' for different years of publication confirms this. Discounting a few mis-codings, 'social impact assessment' makes its first appearance with one citation in 1973, 14 in 1974, just over 30 in 1975 and 1976, 97 in 1977, a dip for the next three years, and from 1981 to 1992 a fairly constant rate of around 100 citations per year. Since then, it has been steadily increasing (linearly) from 120 in 1993 to 624 in 2010.

The first 'state of the art' papers on SIA (Wolf 1975, 1976, 1977) contributed to establishing the field. The mid 1980s and mid 1990s saw further state of the art papers: Finsterbusch (1985), Freudenburg (1986), Murdock *et al.* (1986a, 1986b) and Burdge and Vanclay (1995, 1996). Subsequent state of the art papers include Vanclay (1999, 2002a) and Lockie (2001). Many more papers contribute to the knowledge base of SIA.

There are significant documents in the history of SIA, each responding to unease about SIA. Essentially they were developed to codify the state of the art and prescribe best practice (see Box 1). The first was the publication of the *Guidelines and principles for social impact assessment* by the [US] Interorganizational Committee on Guidelines and Principles for Social Impact Assessment (1994). This committee represented various scholarly and professional organizations in the USA that had an interest in impact assessment. The publication was a milestone because it represented agreement as to the core procedures and understanding of SIA at that time. Although clearly based on the regulatory framework operating in the USA, it enabled general guidance in any jurisdiction.

Over time there was demand to develop international guidelines and principles and in 1997 a task force was established for this purpose. However, the task force became embroiled in a major analysis of SIA as a paradigm. It became evident that, in international contexts without the regulatory requirements of the USA, there is a wider purpose for SIA (Vanclay 2003b, 2006). SIA had to be a mechanism that could be effective in the absence of regulation, it had to be able to deal with multiple regulations (e.g. the World Bank and bilateral aid agencies and in some cases national legislation), and it had to enhance the outcomes of development projects.

Developments in the practice of SIA around the world

SIA is widely practised internationally as a predictive study that is part of the regulatory approval process for infrastructure and resource extraction projects. Here SIA is usually included as a component of an EIS. Despite the widespread and longstanding practice of SIA, the legislative context has historically favoured biophysical impacts in most jurisdictions.

While its use in project approvals is still the predominant form of SIA, the drivers and focus for SIA have shifted. Some organizations and companies have implemented ongoing processes – assessment, management and monitoring – to improve the identification of the social impacts that occur during project implementation and to respond proactively to change (Franks *et al.* 2009,

Franks 2011, Kemp 2011, Vanclay and Esteves 2011). This view of SIA as part of an ongoing management process to respond to impacts is linked to the field of community relations (Kemp 2009) and recognizes the importance of social issues as drivers of business risk. Stakeholder-related risks have been identified to be significant influencers on the success, timeliness and cost of projects (Ruggie 2010). The business benefits of improved processes for assessing and managing social impacts are now widely recognized, and include:

- greater certainty for project investments and increased chance of project success;
- avoidance and reduction of social and environmental risks and conflicts faced by industry and communities;
- improved ability to identify issues early on, and therefore to reduce costs and to incorporate unavoidable costs into feasibility assessments and project planning;
- improved planning for social and physical infrastructure;
- a process to inform and involve internal and external stakeholders and to assist in building trust and mutually beneficial futures;
- improved quality of life for employees and improved attraction and retention of skilled workers;
- a positive legacy beyond the life of the project;
- increased competitive advantage through enhanced social performance and corporate reputation.

International codes and standards, particularly when written into conditions of project financing, have provided an additional driver. The International Finance Corporation's Performance Standards, which have been adopted by some private lenders as the Equator Principles, are an example. The 2006 IFC Performance Standards (a revision of its safeguard policies in place since 1998) require the preparation of environmental and social action plans for all projects. These plans summarize the findings of the impact assessment; outline measures for mitigation and community development; provide estimates of the timing, frequency, duration and cost of management measures; and establish monitoring and reporting procedures.

In some jurisdictions, social management processes are required for project approval. In Queensland, Australia, resource projects must submit a social impact management plan (SIMP) as part of their EIS. SIMPs outline the strategies to be undertaken during all phases of a development (including closure) to assess, monitor, report, evaluate, review and proactively respond to change (QDITR 2008, Franks *et al.* 2009, QDIP 2010). South Africa introduced social and labour plans (SLP) in 2004 as a requirement of mining projects. SLPs are prepared by the proponent and submitted with an application for a mining right. They address human resources, career progression and local community development (SADME 2006, Franks *et al.* 2009). A similar system, the Social Development and Management Program, exists for mining projects in the Philippines (Minerals Development Council 2007).

SIA methods and tools are now frequently applied in natural resource management (Dale *et al.* 2001, Fenton *et al.* 2003, Cooper *et al.* 2006), in peace-building and conflict initiatives (International Alert 2005), in international development cooperation projects (Dani and Beddies 2011), in due diligence processes (Joyce and MacFarlane 2001) and in disaster preparation (Benson and Twigg 2007).

Current strengths and weaknesses

The strengthening of SIA practice is evidenced by greater recognition of the importance of social issues and a corresponding proliferation of social specialists in lending institutions, governments, project developers and engineering consultancies. The increased capacities of individuals and organizations, and the greater responsibilities placed on them, are matched by similar trends of increased and expanded corporate policy, standards and tools in SIA and related fields. Project developers engaged in leading practice in impact assessment implement ongoing social monitoring and management programmes, and community feedback mechanisms.

SIA methods are used to assist decision-making and prioritization of social investments by project proponents. Social investments often form part of the corporate social responsibility initiatives of companies and their community development commitments to affected communities. Proponents seek to improve the balance of costs and benefits of projects by enhancing positive outcomes and mitigating negative impacts (João *et al.* 2011). Esteves and Vanclay (2009) developed a social development needs analysis (SDNA) tool to assist managers to evaluate community development alternatives. SDNA can assist with the alignment of a project and its social investments with community needs and regional planning priorities, while simultaneously addressing the strategic risks faced by project developers. Applying SIA methods to social investments can help navigate the potentially contradictory trends of contributing to local communities while reducing dependency on short-term projects.

These encouraging transformations should not be overstated. Compared to the extent of analysis and resources devoted to biophysical issues, SIA usually has a minor role. Social practitioners have insufficient influence in shaping project/development alternatives, and, despite the increase in social roles within many organizations, the project managers who are responsible for commissioning and delivering impact assessments often have little social experience. The limited capacity of regulators and the limited resources devoted to quality control have a significant impact on the standard of SIAs, with a tendency for proponents to produce assessments that only just pass the minimum expectations of regulators.

In transition regions and where multiple projects overlap, data currency is a key issue. Secondary data sources quickly become outdated and it is often necessary to supplement desktop research with local data collected by skilled social researchers. Primary data helps

strengthen baseline information and better identify what unmet needs exist. Methodological issues such as reliability and validity, robustness and significance levels are weaknesses in many SIA studies. Many reports lack adequate details about methods, sources and assumptions. The quality of analysis is another area of variability. Assessments are sometimes little more than a social and economic profile of the impacted communities compiled from secondary data sources. Analysis sometimes lacks identification of the spatial, temporal and stakeholder distribution of impacts and benefits. Integration with environmental, health and cultural heritage issues can be superficial. While there are legitimate constraints on the level of analysis that is possible, better use of scoping and issue prioritization can assist in allocating resources efficiently and in ensuring that in-depth analysis is undertaken for all key issues. Regulators can assist by better formulation of the terms of reference for SIA and EIA studies.

The adequacy of public participation continues to be an issue. SIAs often do not meet public expectations of being a deliberative process to determine the acceptability of a project. Rather they are seen at best as a process for incremental project improvement, and at worst as being little more than a feeble attempt at project legitimization. Public participation ranges from being the provision of periods for public comment and the supply of information, to being the active involvement of stakeholders in shaping the SIA process and the opening-up of governance processes to include local communities in decision-making about projects.

The demands of community consultation can lead to fatigue in communities and local governments, particularly in situations with multiple developments. These challenges are exacerbated where there is limited engagement, leading participants to question the value of their involvement. Some proponents have addressed these issues through joint engagement processes (Franks *et al.* 2010).

The public availability of SIA reports, SIMPs, baselines and agreements is an ongoing issue. Even publicly available SIAs can be difficult to locate after submission, especially in the absence of online repositories.

Finally, cumulative social impacts require greater attention in project-level and strategic assessments (Brereton *et al.* 2008, Lockie *et al.* 2008, Franks *et al.* 2010, 2011). Other SIAs undertaken in the local area are rarely cross-referenced, and co-ordination and collaboration between project developers is rare. SIAs are seldom used by local government to manage impacts at local or regional levels. Where regional and strategic assessments have been conducted, few give adequate attention to social issues (Vanclay 2004).

External influences on the practice of SIA

Here we explore the opportunities presented by several emerging trends: (1) the increasing acceptance of the concept of free, prior and informed consent; (2) heightened attention to human rights; (3) the evolution of social performance standards; (4) enhanced management of social performance in supply chains; (5) improved governance of resource extraction projects; and (6) the rise of local content requirements.

1. Free, prior and informed consent (FPIC)

Advocated in the International Labour Organization (ILO) Convention 169 on Indigenous and Tribal Peoples (1989) and the United Nations Declaration on the Rights of Indigenous Peoples (2007), FPIC recognizes various fundamental rights of Indigenous peoples. The FPIC concept has been adopted by the IFC and other international entities. There is evidence of the FPIC philosophy being applicable to all project-affected peoples (Hill *et al.* 2010, Nish and Bice 2011). The evolving requirements for FPIC potentially shift the statutory basis of SIA from being subordinate to EIAs, to being the process that enables FPIC to occur. The output of such a process could be an impact and benefit agreement (Gibson and O'Faircheallaigh 2010, ICMM 2010, Nish and Bice 2011, O'Faircheallaigh 2011). Agreements should be informed by an SIA process, with decisions on how the compensation for impacts and benefits from projects will be distributed based on a sound knowledge and understanding of the likely social impacts, and of the issues associated with visioning the community's future (Vanclay and Esteves 2011).

The practical challenges in putting FPIC principles into operation (Cariño 2005, Macintyre 2007) are similar to those that have plagued SIA over time (see Burdge and Vanclay 1995, Vanclay 1999), including:

- defining who has the right to give consent and who represents the affected communities and therefore has a right to be compensated and/or to benefit;
- ensuring informed consent in contexts where traditional understandings differ from Western scientific understandings;
- deciding who has legitimacy as an information provider;
- the issue of veto and the potential undermining of state sovereignty and eminent domain;
- the right and/or ability of communities to withdraw consent at a later stage;
- implications for project costs and delay;
- addressing the power imbalances between affected peoples and developers;
- mechanisms for redress in the absence of FPIC.

FPIC is not understood in the same way by all. For example, in the recent review of its Performance Standards, IFC did not define consent in terms of veto (the power to say 'no') but in terms of consensus by all parties on the outcomes of the negotiations (refer to IFC 2012, Performance Standard 7, point 12). This conflicts with the position generally understood by many others (Hill *et al.* 2010, Nish and Bice 2011) that Indigenous peoples have a fundamental right to self-determination, and that FPIC is the ultimate statement of respect for this right vesting in them the right to say 'no'.

Similar to SIA, FPIC faces the risk of being treated only as token consultation rather than being a powerful instrument to build respectful relationships among those who have a stake in the outcome. The growing rhetoric towards supporting FPIC by various organizations is not yet commensurate with formal legal and policy structures for protecting the right of communities to grant or withhold their consent. One exception is the Indigenous Peoples Rights Act (1997) of the Philippines. As with SIA, FPIC requires significant commitment and investment by the community, government and proponent. FPIC is a philosophy; SIA is a process to build knowledge and understanding and manage change; and agreements are the outputs of these processes (Vanclay and Esteves 2011).

2. Human rights

While many in the SIA community argue that rigorous SIA should consider human rights (Vanclay 2003a), as typically practised SIA does not adequately address human rights, and explicit attention should be given to due diligence when it comes to issues such as forced evictions, community access to cultural heritage and human trafficking (IFC 2012). The emergence of human rights impact assessment (HRIA) has been given impetus by the United Nations Special Representative on Human Rights and Business, John Ruggie. His 'Protect, Respect and Remedy' framework is based on three core principles: 'the state duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and greater access by victims to effective remedy, both judicial and non-judicial' (Ruggie 2008, p. 1). Ruggie's final report, endorsed by the Human Rights Council of the United Nations, provided a set of 'Guiding Principles on Business and Human Rights' to assist in implementing the framework (United Nations 2011).

HRIA studies are being commissioned. One example was conducted on Goldcorp's Marlin mine in Guatemala (On Common Ground 2010). The IFC has sponsored an online guide for HRIA (IBLF 2007), and the responsibility of the private sector to respect human rights has been explicitly addressed in the revised IFC Performance Standards (IFC 2012). Early signs point to HRIA and SIA co-existing, with HRIA being conducted primarily to demonstrate due diligence. As with FPIC, a human rights perspective provides SIA practitioners with a legitimate mandate distinct from EIA.

3. Social performance standards

Numerous social responsibility and performance standards are emerging that are consistent with the values underpinning SIA. In 2011, approximately 12% of global assets were managed according to socially responsible investment principles, a share predicted to grow to 30% by 2015 (Just Economics 2011). Relevant standards include (modified from UNCTAD 2011):

(1) Intergovernmental organization standards such as the UN Global Compact (established 2000); numerous ILO conventions and declarations, OECD Guidelines on Multinational Enterprises (endorsed 2008); UN Principles for Responsible Investment (endorsed 2006).
(2) Multilateral financial institution standards (e.g. IFC) which have social performance standards including the need for SIA that they expect their clients to uphold.
(3) Multi-stakeholder initiative standards, mostly developed by civil society and business actors, such as the International Organization for Standardization's *ISO 26000 Guidance on Social Responsibility* (2010). Some private banks have adopted most of IFC's standards in an initiative known as the Equator Principles (first launched in 2003). The Equator Principles require borrowers for high risk projects to conduct a social and environmental assessment and propose mitigation and management measures.
(4) Industry association codes typically jointly developed by companies within an industry to define social performance elements for their industries, such as the International Council on Mining and Metals and the International Petroleum Industry Environmental Conservation Association.
(5) Individual company codes of practice.

The existence of social performance standards strengthens the argument that SIA processes should lead to the development of a social impact management plan which is effectively linked to the proponent's systems and processes (Vanclay and Esteves 2011). Unfortunately, much discussion on the assessment of social impacts is removed from the SIA discourse. For example, the ISEAL Alliance (http://www.isealalliance.org), the global association for social and environmental standards, requires standards systems to develop an assessment plan that includes all the steps required to assess their contributions to impact. While the term 'impact assessment' is used, it is based in the field of programme evaluation. Philanthropic and social investment fields also employ social impact terminology when describing the quantification of benefits associated with a programme, using financial proxy methods such as social return on investment (see Nicholls *et al.* 2009). The European Commission's *Impact Assessment Guidelines* (European Commission 2009) also promote assigning monetarized values to predicted social impacts, something which the SIA community has always resisted. While no group should claim a monopoly on a term, the underlying premises between the various applications need to be differentiated.

4. Social performance management in supply chains

Increasingly, complex supply chains are demonstrating a sense of shared responsibility by implementing systems and procedures to enforce social performance standards and provide incentives for good performance by all participants in the chain, and by recognizing differing cultural and contextual requirements. More proponents are collaborating with contractors in early-stage planning and assessments, agreeing on environmental and social

obligations and standards, and investing in local capacity building. Proponents are encouraging adoption of social standards in pre-qualification and tender processes; designing contracts to provide incentives for good practice; assisting contractors in developing social management plans; supporting local community liaison officers; and building trust and accountability with external stakeholders through public reporting, engagement, resolution of grievances and oversight by third-party organizations (Wilson and Kuszewski 2011).

5. Improved governance of resource extraction projects

The link between governance and the performance of natural resource abundant economies is increasingly under scrutiny. Good governance is demonstrated by political stability and absence of violence, government effectiveness, the extent to which citizens have a voice in selecting their government, freedom of expression, freedom of association, free media, regulatory quality over private sector development, operation of the rule of law and control of corruption (World Bank 2006). Governance refers to the appropriate social and institutional arrangements (at all levels) to achieve these ends. Below are examples of initiatives where SIA is used to strengthen the dimensions of good governance of resources extraction projects.

The *Extractive Industries Review*, an independent review of the World Bank's involvement in the extractive industries sector, recommended that to contribute to poverty reduction the World Bank must ensure that countries meet three criteria: pro-poor public and corporate governance aimed at poverty alleviation through sustainable development; more effective social and environmental policies; and respect for human rights (Extractive Industries Review 2003). Integrated environmental and social impact assessments were also emphasized.

Multi-stakeholder initiatives to strengthen governance are being catalysed by private sector developers. In 2006, ALCOA partnered with the Getulio Vargas Foundation's Center for Sustainability Studies and the Brazilian Biodiversity Fund to develop a draft sustainable development agenda for the municipality of Juruti and the wider region in the state of Pará, Brazil, which was experiencing rapid change brought about by a bauxite mine (Centre for Sustainability Studies 2008). Another example is the rural community of Clermont, Australia. Here Rio Tinto Coal Australia (RTCA) worked with local government to address infrastructure-related impacts associated with the closure of one mine and the opening of another mine. A community strategic planning initiative begun in 2007 was coordinated by the Belyando Shire Council and facilitated by Central Queensland University. The resultant 20-year community plan guides development and provides a framework for ensuring investments align with community goals (Miles 2008, Franks *et al.* 2010).

Indigenous peoples are leading initiatives to strengthen governance of developments. For example, the Taku River Tlingit First Nation (2007) developed a mining policy to provide guidance to developers in British Columbia. Based on the EIA process, an accommodation agreement, and an impacts and benefits agreement, this First Nation gives consent and support if the proposal achieves the policy objectives.

A government-led example of a policy promoting collaborative regional planning is the Queensland State Government's Sustainable Resource Communities Policy. A number of measures were initiated to improve the assessment and management of social impacts, particularly cumulative impacts, to provide for greater co-ordination and collaboration between stakeholders, and to address resource governance issues (QDTRDI 2008), including the establishment of a dedicated SIA function in government. Proponents are also required to prepare a SIMP outlining the forecasted changes to communities, agreed strategies for mitigation of impacts, and responsibility of various parties for management (see Franks *et al.* 2009, 2010).

These are examples of initiatives that aim to strengthen the governance of projects by shifting oversight closer to project-affected peoples. The trend towards improving governance further establishes the need for instruments such as SIA to provide opportunities for affected peoples to be involved in project development and management.

6. Local content requirements

Local content refers to the participation of local peoples in the workforce and supply chain of a project. The requirement for a specified level of local content raises challenges for developers and governments. While the sourcing of local labour, goods and services has obvious benefits, it can not necessarily be assumed that local content is always a 'positive' to be maximized. The extent to which local communities will benefit from a local content requirement depends on their capacity to take up the opportunities, the extent to which these opportunities align with community values and aspirations, and their ability to adapt to the business cycle of the project and changing circumstances (Esteves and Barclay 2011, Esteves *et al.* 2011, Wilson and Kuszewski 2011).

In order to achieve sustainable regional development, an analysis of potential social impacts should be used as a guide against which to assess strategies for local economic development (Ivanova *et al.* 2007, Ivanova and Rolfe 2011a, 2011b). This will ensure the baseline conditions for human and economic capital are considered and potential negative consequences averted. Potential negative consequences include distorting markets, drawing local people from other businesses and much-needed services in the area, vulnerability to business cycles of large corporates, community dissatisfaction from seeing only menial works being given to local people, and reinforcing elite structures (Esteves and Barclay 2011). Strengthening the internal local economy and linkages with external markets requires understanding which strategies for local economic development are appropriate for different types of communities. The analysis should be a collaborative

activity between the proponent and local government to identify which are the key sectors that contribute to the region's economic development, and to engage in local procurement with those key sectors.

Conclusion: where to next for SIA?

There is strong consensus on what 'good' SIA practice looks like – it is participatory; supports affected peoples, proponents, regulatory and support agencies; increases their understanding of how change comes about and increases their capacities to respond to change; and has a broad understanding of social impacts (Vanclay 2002b, 2003a, Howitt 2011, Vanclay and Esteves 2011). In comparison with other forms of impact assessment, the SIA community has always believed that there should be an emphasis on enhancing the lives of vulnerable and disadvantaged people, and in particular, that there should be a specific focus on improving the lives of the worst-off members of society (Vanclay 2003a).

One of the barriers to innovative, positive development outcomes is the limited understanding and skills of those who commission SIAs. The following quotation sums this up from a developer's perspective:

> These studies are usually not commissioned by social scientists. They are typically commissioned by environmental scientists or by permitting or project managers, most of whom have a scientific (or possibly legal) training with little understanding of the more progressive/innovative end of the impact assessment topic. This is a powerful barrier, particularly when the social analyses are often inherently messy, and with uncertain outcomes in terms of implications for the project (i.e. they stick with what they know). (Jon Samuel, Head of Social Performance, Anglo American plc, personal communication, 21 June 2011)

SIA requires an understanding of its core concepts such as culture, community, power, human rights, gender, justice, place, resilience, sustainable livelihoods and the capitals, as well as of the theoretical bases for participatory approaches. It is crucial to understand how these concepts influence the way social relationships are created, change and respond to change, and hence how such concepts should frame analysis in an SIA (Ross and McGee 2006, Howitt 2011). These understandings also require all those involved in SIA to reflect on potential biases. It is incumbent upon SIA practitioners to develop practical guidelines and to educate proponents, regulators and impact assessment colleagues from other professions on these core concepts so that they become embedded in the terms of reference for SIA.

A number of opportunities for SIA have been presented in this paper. The ability of the SIA community to take advantage of these opportunities will depend on its willingness to take an external stakeholder orientation, ironically an orientation that it itself promotes. Engagement with human rights, FPIC, social performance standards, supply chain management, governance, local content and economic development will maintain the relevance and demonstrable value of SIA to affected communities, regulators, civil society and developers. We hope that the maturing of the FPIC discourse and the involvement of the SIA community in that discourse will encourage a speedier shift towards participation as a valued end in itself, rather than merely being a means by which projects are legitimized. Such a shift requires transformational change in the way SIA is practised.

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