



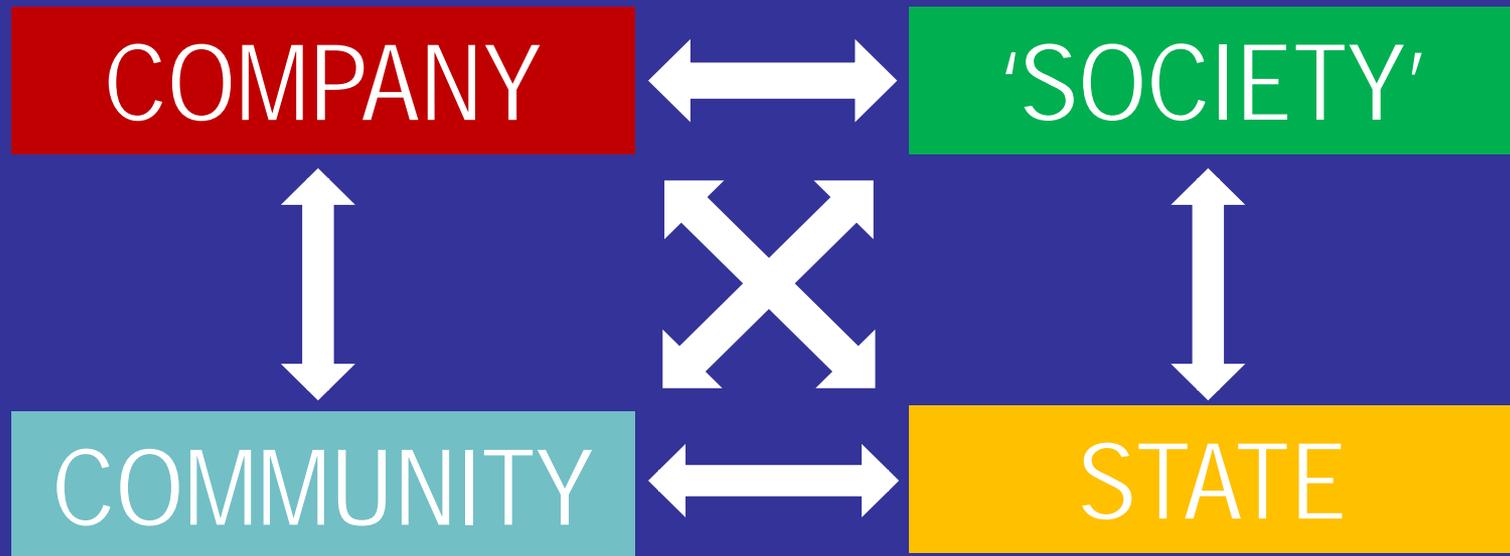
THE MEASUREMENT OF SOCIAL IMPACTS AS A PUBLIC POLICY PROBLEM: THE CASE OF MAJOR RESOURCE PROJECTS IN PAPUA NEW GUINEA

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KEY QUESTIONS

- Who should be responsible for the assessment or measurement of impacts?
- How should this responsibility be exercised and regulated?
- How can such activities produce evidence of more sustainable development?

STAKEHOLDER POLITICS



Communities contain the people who experience (local) social impacts, while 'society' is the space occupied by the people who issue companies with their 'social licence to operate' (SLOP)

TYPES OF IMPACT STUDY

1. Description of changing social environment at some point in project cycle ('What is going on out there?')



2A. Prediction of project impact ('What difference will it make?')



3. Design of impact mitigation or sustainable development interventions ('What can be done to make things better?')

**Impact assessment under
Environment Act = 1 + 2A + 3**



2B. Monitoring & evaluation of project impact ('What difference did it make?')



4. Monitoring & evaluation of these interventions ('Did they work?')



Mining (Ok Tedi Agreement) Act 1976, Schedule II
(‘Environmental Impact Study’)
DME/NPO ‘Socio-Economic Impact Study’ Terms of
Reference 1985 (for Misima, Lihir, then Porgera)

DEC ‘Guidelines for Preparation of Environmental Plans’ 1985
DEC Draft ‘Forestry Environmental Plan Guidelines’ 1992
DEC Draft ‘Social Impact Assessment Guideline’ 1998
DEC ‘Guideline for Conduct of Environmental Impact Assessment’ 2002



DPE Draft ‘Social Mapping & Landowner
Identification Regulation’ 2004
MRA ‘Strategic Environmental and
Social Assessment’ Guideline 2015

(???)



‘Broad objectives’ specified for socio-economic impact studies

1. Describe and analyse the existing socio-economic environment of the region likely to be impacted
2. Identify, describe and recommend strategies for mitigating undesirable social influences and impacts
3. Define strategies for optimizing social and economic opportunities for participation of local people
4. Present strategies to promote the long-term development of the affected area [code for draft mine closure plan]

‘Components of the socio-economic environment’ were listed as a set of topics (e.g. ‘demographic trends’, ‘health and nutrition’, and even ‘current expectations’), but no metrics were specified

CURRENT EIA PROCESS

- Project proponent advises DEC of development plans
- DEC advises proponent of need for impact assessment
- Proponent submits Environmental Inception Report
- DEC comments on impact issues identified in EIR
- Proponent submits Environmental Impact Statement
- EIS subject to departmental and public review
- EIS referred to Environment Council for advice to Minister
- Minister grants Environment Permit (EP) with conditions

None of the conditions attached to EPs issued under the new Act (since 2004) appears to say anything about monitoring and mitigation of social impacts

PROBLEM OF SCALE

Project type	Capital cost (USD million)	Annual output (USD million)
PNG LNG PROJECT	19,000	3,500
LARGE-SCALE MINE	1,000	500
MEDIUM-SCALE MINE	100	50
LOGGING PROJECT	5	10

Looks like a strong case for scale-dependent or sector-specific impact study guidelines

ATTRIBUTION PROBLEM

Local people's attitudes are likely to change from a position in which the project is perceived as the *one and only* source of the 'development' which everyone desires towards a position in which the project is perceived as the *one and only* source of all the social problems which arise from the achievement of their goal (Filer 1992).

Lack of agreement about who is responsible for negative change (or lack of positive change) in the social environment is liable to create an argument about who is responsible for making things better.

If companies are under pressure from 'society' (or 'the market') to deal with social impact issues in some way, why should government try to regulate the way in which they do it? Why not leave them to it?

- Companies not equally subject to this kind of pressure
- Pressure mainly concentrated at 'front end' of projects
- Global standards may lack national and local relevance
- No clear priorities for measurement of social impacts
- Impact mitigation sounds too much like compensation
- Credibility gap in audit and grievance mechanisms



DISCONNECTED INSTITUTIONS

LEASE AREA
LAND
INVESTIGATION



PROJECT DEVELOPMENT FORUM

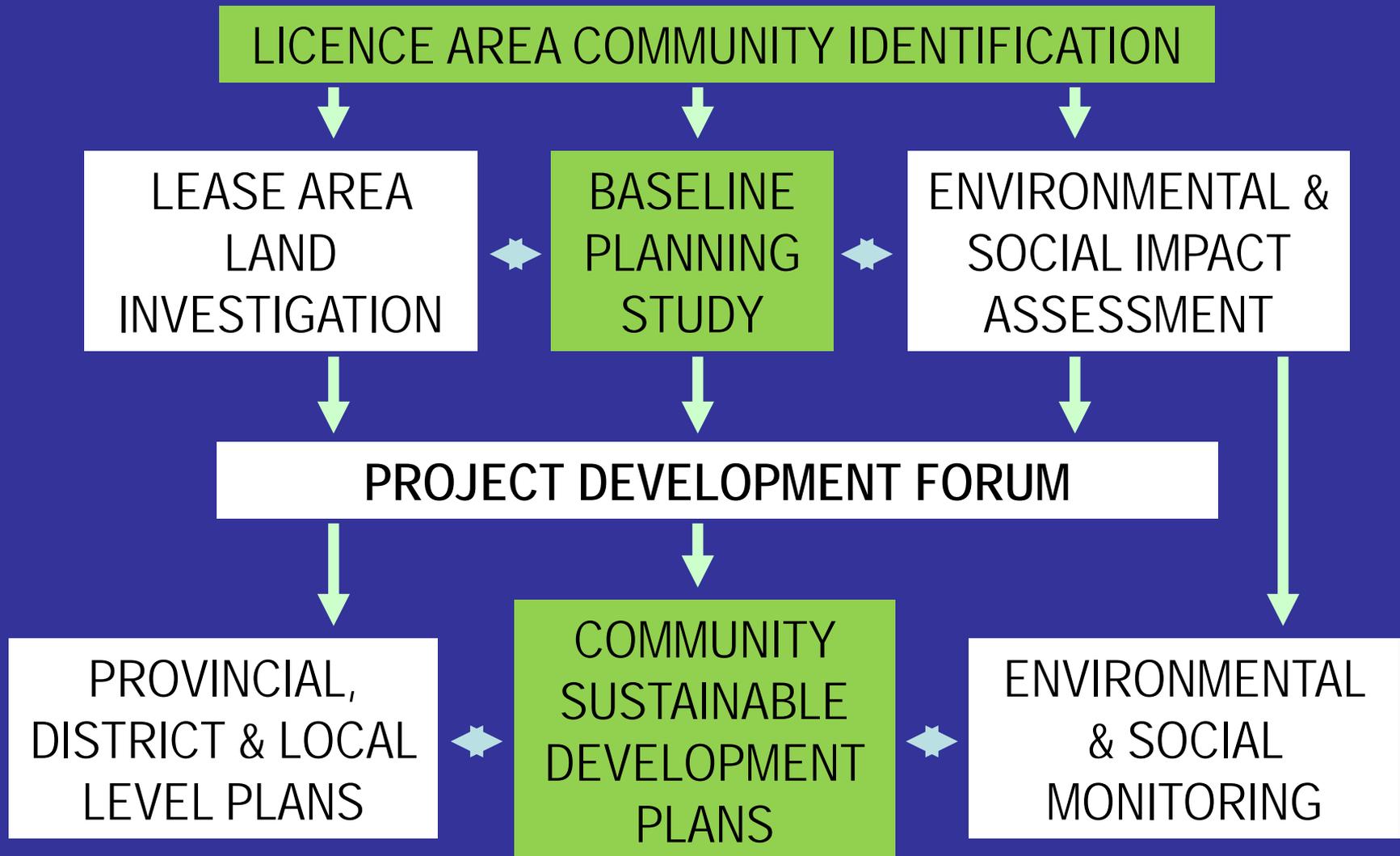
ENVIRONMENTAL &
SOCIAL IMPACT
ASSESSMENT



PROVINCIAL,
DISTRICT & LOCAL
LEVEL PLANS

ENVIRONMENTAL
& SOCIAL
MONITORING

SUSTAINABILITY PLANNING FRAMEWORK 2003



- Multinational companies that specialise in the production of environmental impact statements will tend to collect data for socio-economic indicators derived from global CSR standards unless they are made to comply with guidelines that reflect national or local priorities.
- It is much harder now than it was in the 1980s to collect reliable socio-economic data at a local (project) level and compare it with equally reliable data at a provincial or national level. Even the national census cannot be trusted.
- There is a trade-off between the collection of data for indicators that are really important and the cost of collecting the data. This issue is commonly fudged in the conduct of (quite expensive) household surveys that produce inaccurate or irrelevant information.

MEASUREMENT ISSUE

EXAMPLE OF SOMETHING THAT IS FAIRLY EASY TO MEASURE

Cost (in time and money) of person from village X getting access to health facility that is able to deal with different types of injury or disease. (This is one of many 'accessibility' indicators.)

EXAMPLE OF SOMETHING THAT IS MUCH HARDER TO MEASURE

Incidence of gender-based violence (or any other type of social interaction) in a particular community/area over some period of time. (This is one of many 'behavioural' indicators.)

WHO WANTS TO KNOW?

- Should companies be expected to measure things that they cannot influence, like benefit distribution under development forum agreements? Probably not (at least if the lessons of Bougainville have now been forgotten).
- Does social impact assessment lead to a suitable monitoring and evaluation framework for assessment of what companies do in their capacity as agents of development or proxy states? Probably not. MRA seems to know this.
- Do 'impacted communities' have an incentive to collaborate in the ongoing production of information about themselves and their environment during the life of a major resource project if that information could interfere with the social relations of resource compensation? Probably not.

- It is not possible to describe a process of social change without making assumptions about the way that different variables are related to each other.
- These assumptions constitute a theory of change.
- There is no reason to assume a general theory of change that is equally valid in all parts of the world.
- The MDGs/SDGs look like a global laundry list of key performance indicators for developing countries.
- Who is to say which targets and indicators matter most in any particular context?

- Community participation is generally seen as a good thing in the practice of social impact assessment.
- The people best placed to evaluate the success of a development intervention are the people who are meant to benefit from it.
- But this does not mean that local people will perceive the measurement of 'development' as an activity that will produce more of the 'development' they want.
- Nor does it mean that 'community sustainable development plans' are bound to be compatible with the practice of local-level politics.

WHAT IS 'DEVELOPMENT'?

[PNG highlanders continue] 'to stage the most extravagant "traditional" ceremonies anyone could ever remember.... Let the neocolonial bureaucrats or the development economists complain as they may, this is neither "waste" nor "backwardness". It is, precisely, *development* from the perspective of the people concerned: their own culture on a bigger and better scale. "You know what *we* mean by development?" says a leader of the Kewa people to the ethnographer. "We mean building up the lineage, the men's house, killing pigs. That's what we have done." (Sahlins 1993: 17)

'PRIME Minister Peter O'Neill has put a stop to any more ground-breaking ceremonies on major government funded projects in the country. The Prime Minister, who visited the electorates of Nipa-Kutubu and Kagua-Erave to launch and announce major projects in the two districts, said there was no need for ground breaking ceremonies. "We have been breaking grounds for the last 40-years and there is no more grounds left to break. We must kick start projects and only open when projects are complete," Mr O'Neill told people who turned out at the two districts last week.' (*Post-Courier*, 9/3/15)

BREAKOUT GROUPS

1. National policy frameworks for data collection (Esther Lavu, Joshua Ryan)
2. Monitoring and evaluation of local development interventions (John Burton, ???)
3. Public-private partnerships for sustainable development (Gordon Manub, Richard Slattery)
4. Alternative measures of human well-being (Ida Kubiszewski, David Mowbray)
5. Tertiary-level training needs in research methods (Garry Sali, Bill Sagir)
6. Measuring benefit distribution from major resource projects (Lesley Bennett, Julia Horsley)