

## SESSION 6

# HOW WE MONITOR SOCIAL IMPACTS

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# INTERACTIONS BETWEEN IMPACTS

- Social, economic and environmental impacts
- Any given pair of specific impacts
- Direct and indirect impacts (in general)
- Tangible and intangible impacts (in general)
- Two kinds of cumulative impact

*IN THE FRIEDA CASE....*

# ONE VIEW OF DIRECT AND INDIRECT IMPACTS

Coffey people say 'direct' social impacts are those which 'arise directly from adverse impacts upon the biophysical environment as caused by the development', while 'indirect' social impacts are 'secondary socio-economic effects that are reasonably expected to manifest themselves and are normally best handled by the responsible National, Provincial or Local Level Government agencies'

But if influx of fly-in-fly-out mineworkers counts as a 'direct impact', is it because they will cause damage to the biophysical environment?

And why should the company be absolved from any responsibility for managing 'indirect impacts' such as the influx of outsiders who are not employed in construction and operation of the project?

# MY VIEW OF DIRECT AND INDIRECT IMPACTS

"Direct impacts should be defined as the social effects of changes made to the biophysical environment by the construction and operation of the project, while indirect impacts should be defined as the rest of the specific social changes which can be attributed to the project."

"Loss of land or other resources by local landowners would count as a direct impact, while social changes (e.g. increased alcohol consumption) brought about by the payment of compensation for such loss would count as an indirect impact."

"Direct impacts would include those negative impacts for which impacted people deserve to be compensated, even though some direct impacts (e.g. increased market access as a result of construction of a new road) could be described as positive impacts."

# SIMPLE CUMULATIVE IMPACTS

**LOTS OF SIMILAR BIG THINGS**



**IMPACT**

**LOTS OF DIFFERENT PEOPLE IN**

**COMMUNITIES**

**RELATIONSHIPS**

**INSTITUTIONS**

**ORGANIZATIONS**

# A CUMULATIVE IMPACT STUDY

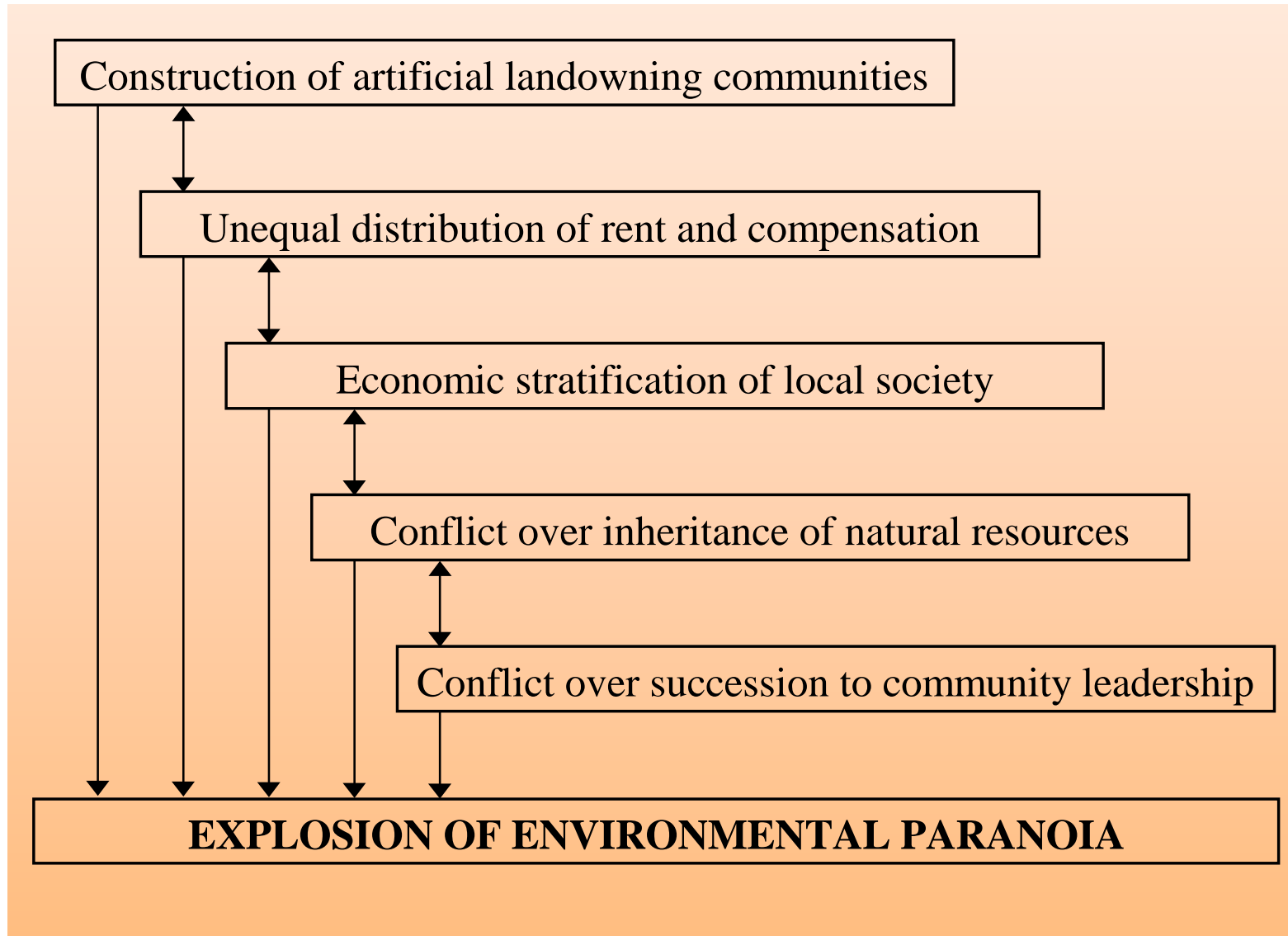
What has been the impact of the recent resource boom (lots of resource projects) on the availability of good jobs in Papua New Guinea?

This is not a study of environmental impacts or direct impacts. It does not belong to the environmental planning paradigm. It has not been commissioned by the mining industry, but by the World Bank and AusAID.

*SO LET'S GO BACK TO BOUGAINVILLE...*

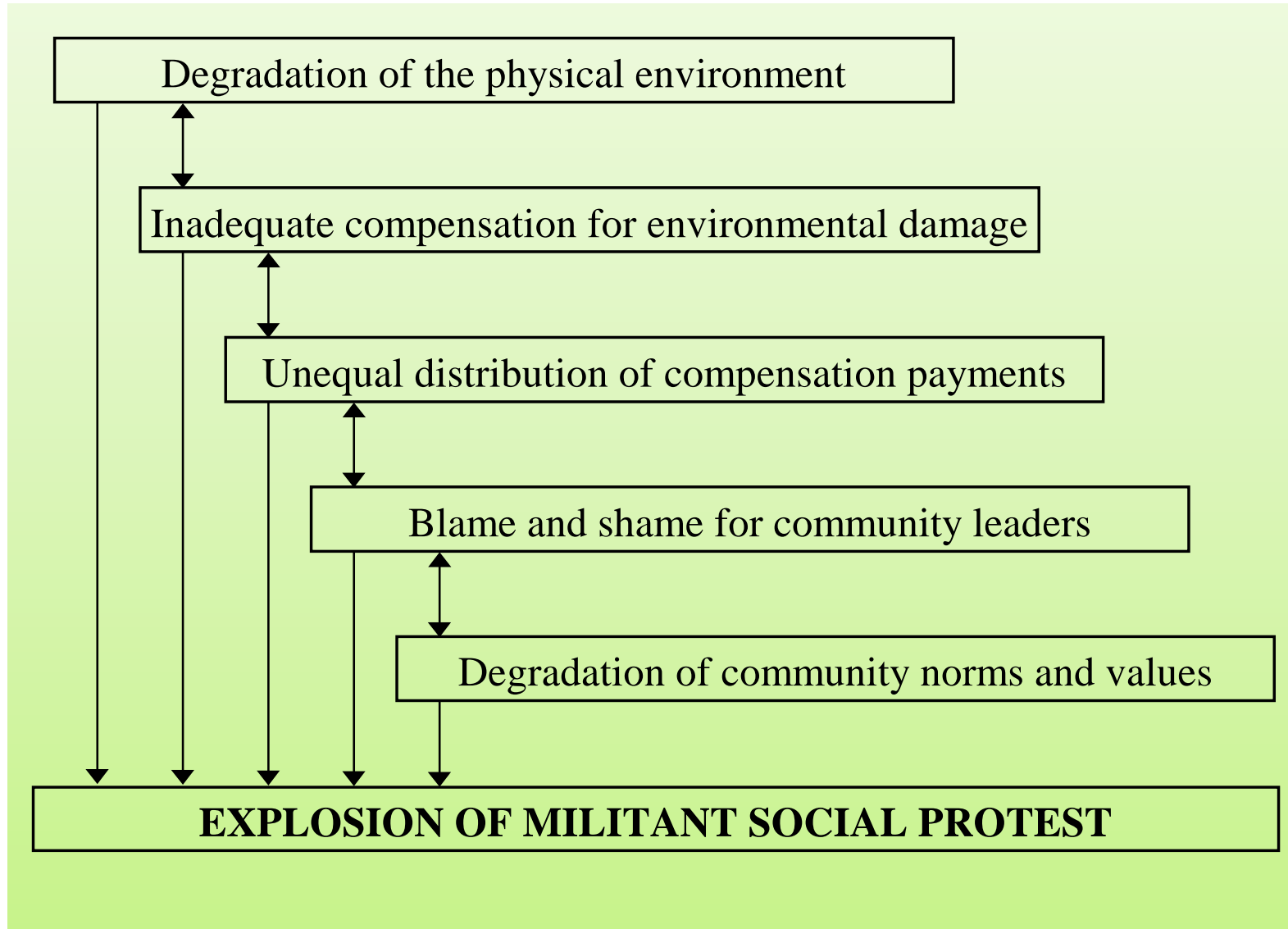


# ONE PANGUNA FEEDBACK LOOP





# SECOND PANGUNA FEEDBACK LOOP





# DISCUSSION TOPIC 1

**How should social monitoring programs be designed to capture the interaction between different types of social impact and thus improve management and mitigation measures?**

# MY LIFE WITH LIHIR 1985-1998



**First social impact assessment 1985-86**

**Second social impact assessment 1988-89**

**Start of social mapping study 1992**

**Design of social monitoring study 1993**

**Advice to local community 1994**

**Evaluation for World Bank 1998**

# PROJECT DEPENDENCY SYNDROME

The social environment of a [mining] project includes a complex mixture of values, attitudes and beliefs that will partly determine the way that local people perceive and respond to the objective features *and impacts* of the project, but which in turn will be transformed, to some degree, by the process of social change to which the project is contributing.

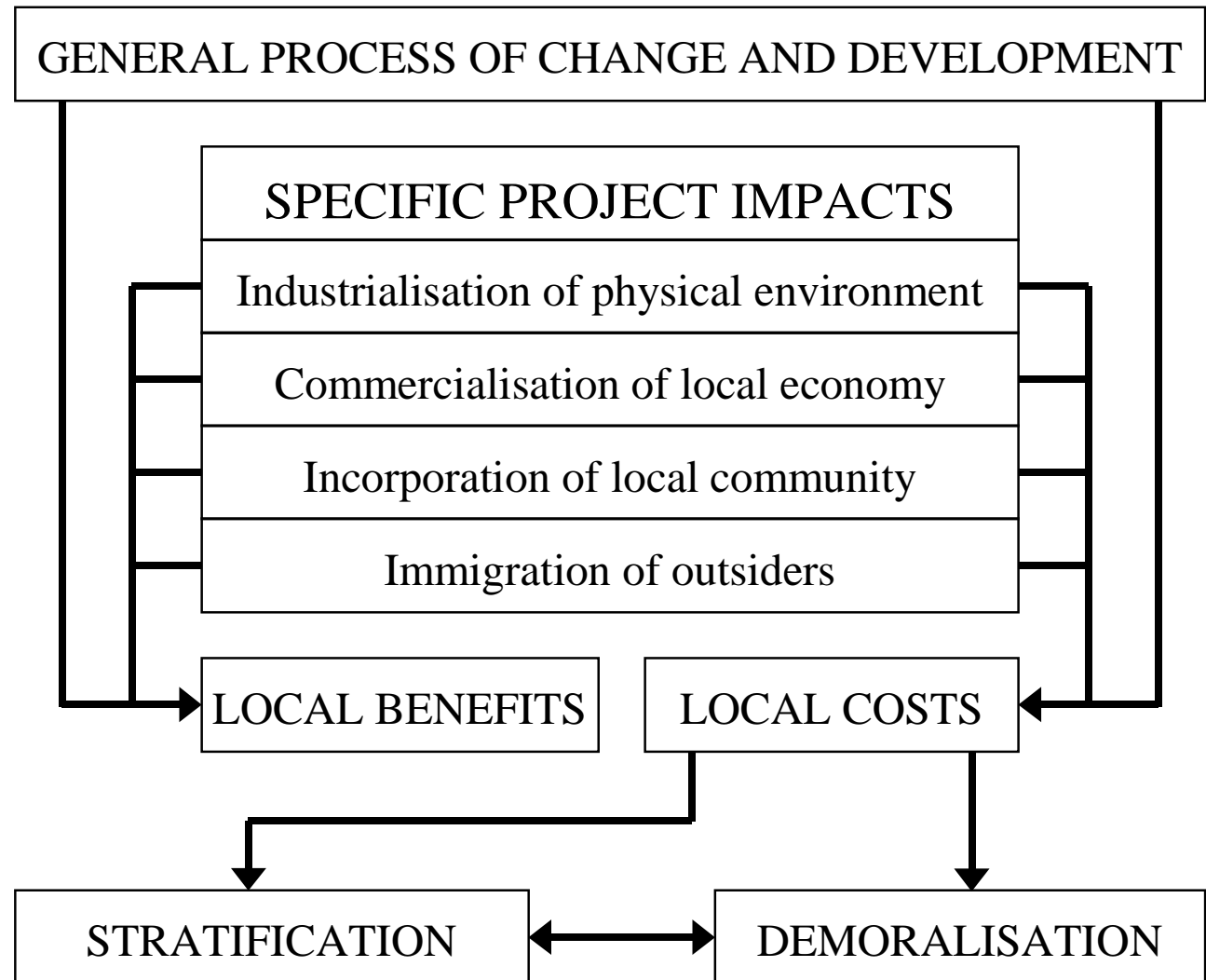
Local people's attitudes are likely to change from a position in which the project is perceived as the *one and only* source of the 'development' which everyone desires towards a position in which the project is perceived as the *one and only* source of all the social problems which arise from the achievement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

## HENCE TWO KINDS OF IMPACT

**STRATIFICATION** effects follow from the probability that different members of the local community will experience the different aspects of the development process in different forms and degrees, and the process as a whole will therefore accentuate old forms, and also create new forms, of inequality, division and conflict within the community

**DEMORALISATION** effects follow from the probability that the community as a whole will be 'overpowered' by the presence of the project, existing mechanisms of social control will be disrupted and devalued, and local people's respect for 'custom' will progressively be transformed into a frustrating sense of dependency on the project as the source of all their problems and the only source of their solution

*Hence a social monitoring model which looks like this*



# TWO KINDS OF MONITORING

QUANTITATIVE monitoring of a mining project should primarily be addressed to the STRATIFICATION effect, and should thus be concerned with the actual distribution of measurable costs and benefits within the local community

QUALITATIVE monitoring of a mining project should primarily be addressed to the DEMORALISATION effect, and should thus be concerned with questions of community participation, cultural conservation, or psychological dependency

A QUALITATIVE monitoring program should then include some mechanism for recording stories about the interaction between local people and outsiders, and amongst the local people themselves, as they adapt and respond to the pressures of rapid social change





What do these pictures tell us about the social impact of the Lihir gold mine?

*Photographs courtesy of Simon Foale*



# EVALUATING ACTIONS TAKEN TO MITIGATE THE SOCIAL IMPACTS OF THE LIHIR GOLD MINE

Terms of Reference (1998): “for two consultants to obtain the views of a representative cross-section of Lihirian society on the positive and negative aspects of Lihir Gold Limited's (LGL's) operations in Papua New Guinea. The evaluation is the third of four which the World Bank's Social Development Department has proposed to undertake of private sector projects in the mining, oil and gas sectors. The objective is to learn in more detail when and how large private sector infrastructure projects can be constructed and operated in a socially and culturally sustainable manner”.



*“The consultants will be responsible for selecting socially and culturally compatible mechanisms for eliciting information.”*



PARADIGM	BIG THING	IMPACTED
ENVIRONMENTAL PLANNING	Planned disturbance	Social environment
POVERTY ALLEVIATION	Aid/welfare projects	Human well-being
CORPORATE RESPONSIBILITY	Social pressures	Business practices
PUBLIC HEALTH	[Anything]	Public health
GENDER RELATIONS	[Anything]	Gender relations
INDIGENOUS PEOPLES	[Anything]	Indigenous peoples
HUMAN RIGHTS	[Anything]	Human rights
NEW TECHNOLOGY	New technology	[Society/people]
PUBLIC POLICY	Public policy	[Society/people]
CLIMATE CHANGE	Climate change	[Society/people]
NASTY ACCIDENT	Nasty accidents	[Society/people]
INVOLUNTARY RESETTLEMENT	Involuntary resettlement	[Society/people]
PROTECTED AREAS	Protected areas	[Society/people]

# *SUTNUS AND SWITNUS*

If you 'sweeten someone's nose' instead of 'shooting them in the nose', then you are palming them off with the scent of something desirable, giving them just enough of a sniff at the goodies to keep them quiet, leaving them to anticipate a more substantial bite at the cherry at some later date.

The phrase was used by one community leader to describe the relationship between brothers and sisters, where the brothers have been collecting very substantial compensation and royalty payments, and have only passed a very small proportion of this money to their sisters.

Another informant told us of a case in which the sister received a single payment of K10 from her brothers, as payment for the 'story' of a block of land from which the brothers have obtained an income running into thousands.

By such actions, men have been building a huge store of resentment among their sisters' sons, who are the legitimate heirs to their land under the local custom of matrilineal inheritance. The men who sweeten their sisters' noses are also giving their nephews a slap in the face.

# MAGDALENA'S STORY

The payment which Magdalena claims to have received in respect of her story would appear to be a typical example of the 'sweetnosing' relationship.

Her story also serves to illustrate the distortion of customary land rights which has been brought about by the sudden attachment of enormous cash values to particular blocks of land.

In this process, the historical knowledge and social status of old ladies like Magdalena have been marginalised and devalued, to the point where they are barely recognised as 'landowners' in their own right.

Their stories are mere tokens in a game played by men for money, which might be compared with a game of poker (with a good deal of bluffing) or a giant lottery (in which most of the tickets go to the men who make the most noise).

- If the Lihirian landowners insist that it is a matrilineal society, then the company can insist that women can have a say.
- We suggested that a taskforce of Bougainvillean women be taken over to Lihir, especially those that had been key players in the peace process.
- The Lihirians constantly refer to Bougainville as a role model for how things should progress on Lihir, so perhaps strong Bougainvillean women could fire up the Lihirian women.
- Custom is constantly reinvented to meet the needs that arise at any particular time.
- The problem on Lihir is that there was (and still is) a small unrepresentative group of men negotiating on behalf of the whole community.

## DISCUSSION TOPIC 2

**What stories will 'local' people tell about the social impact of a typical deep sea mining project?**