

IV- SOCIAL IMPACT ASSESSMENT

Corporate Social Responsibility



Series : Rise

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Know Your Society or The Target Group

(Socio - Economic Survey)

Socio - Economic survey is an important part of any business organization to know about their core stakeholder the “community”, where they operate or intend to operate & sell their product or services.

The sole aim of the Socio Economic study is to plan your business for sustainability along with the transformation of the society living around your business.

Only then, you make your plan & strategy for growth and development. Thus SES is a modest attempt to develop an insight of the various social, cultural and economic aspects of the targeted society.

While conducting the survey we study the Socio-Economic and cultural aspects, living conditions, health and hygiene, educational status, transport & communication facilities, water supply and the problems faced by the people of the area. The information obtained its analysis and interpretation can be used for decision making for business initiatives as well social initiatives.

Aims and Objectives

- ✓ The development of area depends on Geo-Socioeconomic setting of the area.
- ✓ To know about the local area, it's past, present and various problems relating to its Socio-Economic condition.
- ✓ To get acquainted with the past and present geographic environment.
- ✓ To get acquainted with the past and present social environment.
- ✓ To be able to appreciate the rich cultural heritage.
- ✓ To know about the educational status of the particular village and reasons of their educational backwardness, if any.
- ✓ To know about the economic background of the village and the families.
- ✓ To know about the living standards of the villagers.

- ✓ To know about the transportation & communication facilities of the village.
- ✓ To know about the population growth and their views and consciousness regarding this.
- ✓ To know about the health and hygiene of the villagers and the medical facilities of the area.
- ✓ To know about the domestic production of the villagers.
- ✓ To know about the games, sports and cultural activities.
- ✓ To know about the water supply, electricity etc.
- ✓ To know about how much the villagers get benefit from informed education.
- ✓ To know the attitude of the parents towards the education of their children.

So the “Socio-Economic Survey” plays a pivot role for successful business.

Social Impact Assessment



Introduction

The impacts of development projects occur in different forms. While significant benefits result for the society, the project area people may often bear the brunt of adverse impacts. This has given rise to the need to understand beforehand the implications of adverse project impacts so that mitigation plans could be put in place, well in advance.

An assessment of social impact prior to the commencement of a new project or expansion of an existing is now obligatory under the new national R&R policy. In short, it aims to provide practical guidance on carrying out Social Impact Assessment.

Social Impacts and Social Impact Assessment

For better understanding of the social consequences of policies, plans, programs and projects (PPPPs). Social Impact Assessment helps in understanding such impacts.

Social Impact Assessment guides the planners about benefits and costs of a proposed project, which may be social and/or economic. The knowledge of these likely impacts in advance can help decision-makers in deciding whether the project should proceed, or proceed with some changes, or dropped completely. The most useful outcome of a SIA is to develop mitigation plans to overcome the potential negative impacts on individuals and communities.

SIA is now part of the formal planning processes in most development organizations. SIA is a legal requirement. SIA is a way to assess the impacts of development projects before they go ahead.

What are Social Impacts?



We can define social impacts as “the consequences to human populations of any public or private actions that alter the ways in which people live, work, play, relate to one another, organize to meet their needs, and generally cope as members of society. The term also includes cultural impacts involving changes to the norms, values, and beliefs that guide and rationalize their cognition of themselves and their society”.

Changes may effect :

- Employment,
- Income,
- Production,
- Way of life,
- Culture,
- Political systems,
- Environment,
- Health and well-being,
- Personal and property rights,
- Fears and aspirations,
- Religious & sentimental feelings & many more.



These impacts can be positive or negative. In short, a social impact is a significant improvement or deterioration in people's well-being.

Projects affect different groups differently. Some people tends to be benefited, others lose. Often, impacts are particularly severe for vulnerable groups: tribal people, women-headed households, elderly persons, landless persons, and the poor.

Impact is not same for all projects

- ❖ Impacts differ from urban to rural.
- ❖ Impacts differ from projects to project.
- ❖ Mining, steel, cement, beverage, fertilizer, washeries, IT, electronics, medicine, heavy chemical, war weapons etc has their own way of impacting society and environment.
- ❖ Hydropower, big dams badly disturbs habitat and adverse changes in agro-production systems.
- ❖ In urban projects people are affected by loss of jobs, not by loss of agricultural lands.

Social & Cultural

- ❖ Break-up of community cohesion
- ❖ Disintegration of social support systems
- ❖ Disruption of women's economic activities
- ❖ Loss of time-honored sacred places of worship
- ❖ Loss of archeological sites and other cultural property



Economic

- ❖ Loss of agricultural lands, tress, wells
- ❖ Loss of dwellings and other farm buildings
- ❖ Loss of access to common property resources
- ❖ Loss of shops, commercial buildings
- ❖ Loss of businesses/jobs
- ❖ Overall reduction in income due to above losses





Public Infrastructure and services

- ❖ Government office buildings
- ❖ School buildings
- ❖ Hospitals
- ❖ Roads
- ❖ Street lighting

Identifying Impoverishment Risks

Identifying impoverishment risks which projects often create is part of the exercise to identify adverse project impacts. The impoverishment risks analysis model adds substantially to the tools used for explaining, diagnosing, predicting, and planning for development.

Most common impoverishment risks to the project area people are as follows:

- **Landlessness:** Expropriation of land removes the main foundation upon which peoples' productive systems, commercial activities and livelihoods are constructed.
- **Joblessness:** Loss of employment and wages occurs more in urban areas, but it also affects rural people, depriving landless laborers, service workers, artisans, and small business owners of their sources of income.

- **Homelessness:** Loss of housing and shelter is temporary for the majority of displaces, but threatens to become chronic for the most vulnerable. Considered in a broader cultural sense, homelessness is also loss of a group's cultural space and identity.
- **Marginalization:** Marginalization occurs when families lose economic power and spiral downwards. It sets in when new investments in the area are prohibited, long before the actual displacement. Middle-income farm households become small landholders; small shopkeepers and craftsmen are downsized and slip below poverty thresholds. Economic marginalization is often accompanied by social and psychological marginalization and manifests itself in a downward mobility in social status, displaced persons' loss of confidence in society and in themselves, a feeling of injustice and increased vulnerability.
- **Food Insecurity:** Forced displacement increases the risk that people will undergo chronic food insecurity, defined as calorie-protein intake levels below the minimum necessary for normal growth and work. Sudden drops in food crops availability and income are endemic to physical relocation and hunger lingers as a long-term effect.

- **Increased Morbidity and Mortality:** The health of affected persons tends to deteriorate rapidly due to malnutrition, increased stress and psychological traumas. Unsafe water supply and waste disposal tend to proliferate infectious disease, and mortality increases. The risk is highest for the weakest population segments – infants, children, and the elderly.
- **Loss of Access to Common Property:** Loss of access to commonly owned assets (forestlands, water bodies, grazing lands, and so on) is often overlooked and uncompensated, particularly for the asset less.
- **Social Disarticulation:** Community dispersal means dismantling of structures of social organization and loss of mutual help networks. Although this loss of social capital is harder to quantify, it impoverishes and dis-empowers affected persons.

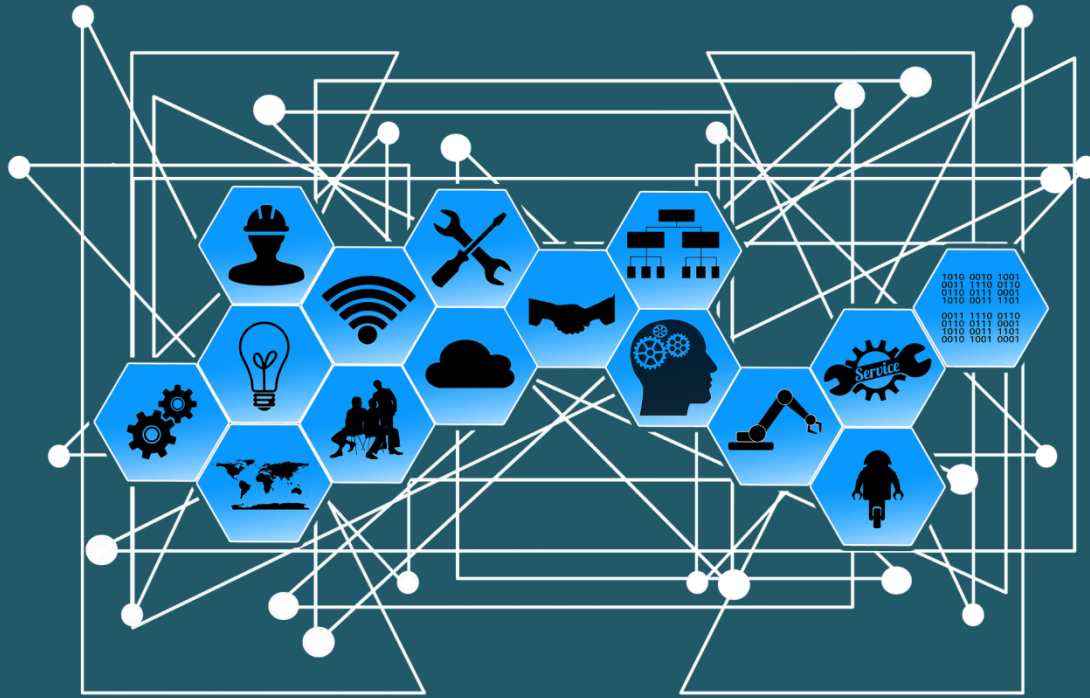
What is Social Impact Assessment?

There is no generally agreed definition of Social Impact Assessment (SIA). It may be defined as a process that seeks to assess, in advance, the social repercussions that are likely to follow from projects undertaken to promote development, such as dams, mines, industries, highways, ports, airports, urban development and power projects. It is a tool that can help decision-makers to foresee the likely negative impacts of their actions so that steps necessary to prevent or at least to contain them could be taken in time. As an aid to the decision making process, SIA provides information on social and cultural factors that need to be taken into account in any decision that affects the lives of project area people.

Advantages of Doing Social Impact Assessment

The main advantages of doing a systematic Social Impact Assessment (SIA) include the following:

- **Identifying Affected Groups:** SIA helps in identifying people and groups who affect or are affected by the project.
- **Allying Fears and Winning Trust:** SIA can help allay fears of affected groups and build a basis of trust and cooperation which is so essential for successful project implementation.
- **Avoiding Adverse Impacts:** SIA provides the basis for preparing mitigation measures to avoid, reduce or manage adverse impacts.
- **Enhancing Positive Impacts:** SIA preparation also helps identify measures to maximize/share project benefits.



- **Reducing Costs:** Addressing social impacts at an early stage helps to avoid costly errors in future.
- **Getting Approval Faster:** A well prepared SIA demonstrates that social impacts are taken seriously and helps in getting project clearance faster.

Thus Social impact assessment is prediction for decision makers to understand the consequences of their decisions before they act and that the people affected will not only be satisfied of the effects, but have the opportunity to participate in designing their sustainable future as well as that of business & society.

CSR & Inclusive Societal Growth

India is a developing country & we want to be in the line with the developed countries and if we want or need to match our self, we have to keep increasing pace of inclusive growth that is “Broad based growth, shared growth, and pro-poor growth”. We need to decrease the growth of poverty in the country and increase the involvement of people into the growth process of the country.

Only then, the gap of extreme poor and extreme rich can be bridged & a developed society of India can be created.



CSR as a Tool for Inclusive Growth

CSR not only includes the activities that a company undertakes in order to utilize their profit to enable social and environmental development, but also includes the methods that a company employs in order to earn these profits including socially responsible investments, and transparency to various stakeholders among others. Realizing the importance and the long-term benefit many companies has adopted socially responsible business practices.

Business & Industry sectors are the critical driver of Inclusive growth. It stimulates economic development and growth because of its transformative impact on production processes and wealth that it creates through value addition to primary resources.

- Provides foundation for entrepreneurship.
- Promotes business investment.



- Fosters technological up gradation & innovations.
- Improves human skills.
- Creates direct & indirect job opportunities.
- Enhance service sector business & employability.
- Provide market for agro, agro based produce & other local produce.
- Expand different other source of employment & income generation.

Elements of Inclusive Growth

In fact inclusive and sustainable Business/Industrial development is the only solution to meet the global objectives of eradicating poverty and reducing income disparities while minimizing environmental damage. Inclusive growth by its very definition implies an equitable allocation of resources with benefits incurred to every section of the society.

Inclusive growth can bring reduction in the incidence of poverty, significant improvement in health issues, and universal access for children to school, increased access to higher education and improved standards of education, including skill development. There should also be an improvement in employment opportunities, increase in wage rates, and betterment in livelihoods and improvement in provision of basic amenities like water, electricity, roads, sanitation and housing. Corporate can endeavor to overcome the social commitment of their CSR initiatives. CSR programs need to be explored to put positive impact on the economic, social and environmental sector which directly affects their relationship with investors, employees and customers.



Although the prime goal of a company is to generate profits, companies can at the same time contribute to social and environmental objectives by integrating CSR as a strategic investment into their business strategy.

Industrial growth with a firm commitment on social responsibility is an important component for inclusiveness of growth in India.



Contact us

Alankar Jha
Director - Social Integration
Delhi - India
Phone: +91 85 2727 5139
Email: admin@sociostark.com

SNPL's social development team

The social development team at SNPL advises clients on the impact that the social development environment may have on their businesses, combining vision, policy and mandate with data analytics to help them develop their strategies for sustainable development and better SROI.

With the social environment expected to remain diverse and at large, risks as well as opportunities to integrate business with inclusive holistic growth of society. At the same time, organizations can benefit themselves by benefitting society, adhering ethics, social policy, regulations and socio economic development with an aim to contribute society, nation and ultimately the world.

The Sociostark team helps clients to identify risks and opportunities in their current and future social development investment for better SROI.

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