

Managing social impacts of resource-based industries in sparsely populated regions

An outline of the **REGINA Social Impact Management Plan (SIMP)** – a framework for collaborative planning, decision-making and implementation to increase the social benefits of industrial projects

The Regional Innovation in the Nordic Arctic and Scotland (REGINA) project focuses on sparsely populated remote regions with large-scale industries. It has developed local planning tools that are tailored to the needs of local areas characterised by the emergence or dominance of a single large-scale, resource-based industry. This fact sheet presents the REGINA approach to monitoring social impacts, and it outlines how to use the REGINA Social Impact Management Plan (SIMP) framework. REGINA is an EU-sponsored project run by Nordregio, an international research centre on regional planning established by the Nordic Council of Ministers. For a full outline of the REGINA Local Smart Specialisation Strategy Framework, please go to www.reginaproject.eu

When companies are developing a large-scale industry, they give careful consideration to the economic opportunities it affords. Public authorities also evaluate and monitor the environmental impacts of industrial projects. Social impact assessments are carried out, but these are mainly one-off processes that take place during the planning phase of the industrial project and are not always based on wide stakeholder participation. The REGINA project has sought to remedy this by developing the SIMP framework.

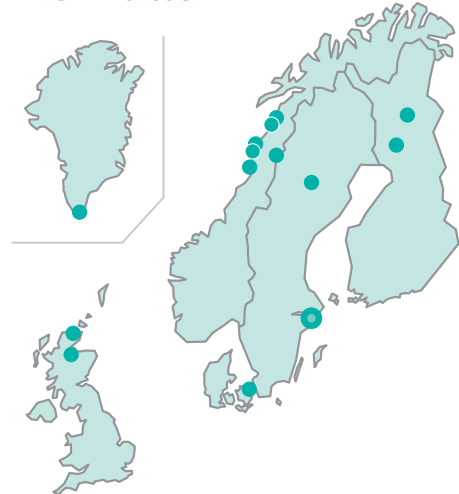
The main societal issues tackled by the SIMP framework are: new jobs and career opportunities; creating balance between livelihoods that rely on nature in different ways; safe and attractive neighbourhoods; and trust in the concept that both local councils and industries seek to promote local well-being.

Tested by communities in the REGINA project, SIMP is a framework for local planners. It invites local stakeholders, political decision-makers and local authorities, as well as businesses, to set joint goals for industrial development and transform these goals into planning and policy actions.

The social impacts of industrial development projects are diverse and context-specific

Various social impacts are experienced in many spheres of life and they often cause significant changes in the social fabric of a community. For example, an inflow of new residents caused by the opening of a new mine will bring up issues of social integration, housing accessibility, traffic, transport and the provision of health and educational services. New industrial projects can preferentially support certain groups as potential employees, while harming others who might rely on pristine nature for their social and economic well-being. Likewise, single sector industrial economies may cause a gender imbalance in

REGINA areas



Lead Partner: Nordregio

Partners: Alstahaug Municipality, BioForsk, Brønnøy Municipality, Kommune Kujalleq, MidtSkandia Norway, MidtSkandia Sweden, Nordland Research Institute, North Highland College, Sodankylä Municipality, Storuman Municipality, University of Lapland

Associated Partners: Highland and Islands Enterprise, Nordlands Fylkekommune, Nordic Council of Ministers

www.reginaproject.eu

labour markets of rural communities. All of these issues influence the economic and social well-being of individuals and groups, be it in the form of job opportunities, social stability or personal health.

The SIMP framework is based on the philosophy that identifying and monitoring social impacts through participatory planning is vital for the long-term social and economic sustainability of the community. Deliberative public discourse with community stakeholders and politicians is key to ensuring the long-term success of a project.

Without a concerted local effort, development is likely

to prioritise the benefits for the company that owns the project rather than ensuring maximum and balanced benefits for the local community. The SIMP framework provides an opportunity to align the respective goals and objectives of the local community members with those who own and develop industrial projects.

Two pilot cases are being used in the development of the SIMP framework: Sodankylä in Finland and Alstahaug and Brønnøy in Norway. Brief descriptions are included in this fact sheet but for a full explanation of the framework – including case studies – please go to www.reginaproject.eu



PHOTO: JUUKA BRUSILARJOLDEN

The SIMP framework explained

The SIMP framework is not a step-by-step model template that needs to be precisely implemented to achieve results. Instead, it is based around three strategic planning actions – collaborative planning, political support and implementation – where the choice of approach can vary.

The three actions can be implemented as a sequence of phases in a comprehensive approach, such as the one carried out in Sodankylä, Finland. Alternatively, single actions can be used to obtain specific input for planners and decision-makers, as was the case in Alstahaug and Brønnøy, Norway. The choice of action or depth of analysis depends on such factors as the scope of the industrial project, the stage of development of the project (i.e. whether it is in the planning or operational phase), existing social issues or tensions, and the presence of a community leader and “champion” to spearhead the effort.

Collaborative planning is about identifying and gaining input from key stakeholders. These can be businesses, special interest and leisure groups, educational organisations, minority groups or the general public. Initiating this process to build participation can often be a time-consuming process. This can influence the choice of approach, varying from a comprehensive approach, such as a series of meetings or workshops, to a simpler approach, such as a single online survey.

Conflicting values and interests are common outcomes of collaborative planning. This should not be seen as a problem but rather as an outcome that helps to understand the complex nature of social issues within a community. For the authorities leading a collaboration, the goal simply needs to be to conduct the process transparently and with respect for the participants.

Political support is important for ensuring that the agreements made during the collaborative planning process are carried out in practice. This can be a challenging step because the political domain is always characterised by diverse values, goals and ideas for development. Also, the link between planning activities by the local authority and political approval is rarely a direct one. The results of collaborative processes must, therefore, be presented by a project manager to the local people, the local council and relevant political decision-makers. The information needs to be presented in order to convince politicians to agree to transition the SIMP results into a policy agreement and an official plan or strategy.

At this stage it is crucial to recognise the issues and ideas generated from the collaborative processes that can be decided at the local level, so that the SIMP is not perceived as something that results in overambitious “wish lists”. The SIMP also needs to be presented together with a clear demarcation of proposed roles and responsibilities for the different actors carrying out the plan.

Implementation is mainly the responsibility of local authorities. Large-scale industrial projects affect education, social and health services, as well as general planning and the development of infrastructure, and this involves different local authority departments, each of which needs to be committed to the objectives and actions agreed in the SIMP. Therefore, good communication between departments is an important success criterion for implementing a SIMP.

In addition, a clear monitoring plan, including follow-up with stakeholders, needs to be organised to routinely evaluate the implementation of the SIMP.

► Case study 1: Creating a new mining programme for Sodankylä

Lapland, the northernmost county in Finland, is home to promising mineral deposits and comprises more than half of all Finnish mining operations. In Sodankylä alone, there are currently a number of mining projects at various stages.

Sodankylä has so far implemented the collaborative planning and political support actions involved in the SIMP framework, as part of the process of drawing up a local mining programme. This began with a survey to explore the social impact of a growing mining industry, which showed that 80% of respondents considered local mining operations acceptable.

Following the survey, a series of stakeholder workshops was held to identify opportunities and challenges related to mining (summarised in Figure 1). Based on the workshops, objectives, actions and follow-up indicators for monitoring mining developments were established, together with a shared vision for sustainable mining in the community. As a result, in March 2018 the local council approved a special policy programme for mining, in which objectives, actions and follow-up indicators for sustainable mining were defined. The full mining programme is available at www.reginaproject.eu.



► Case study 2: Surveys to understand local perceptions of aquaculture development in Nordland, Norway

Aquaculture has been a common industry in Alstahaug and Brønnøy (Norland County, Norway) for decades but due to significant structural change in the 1990s, the industry has shifted from small family-run businesses to large-scale international companies with more cost-effective operations.

Based on a survey conducted in late 2017, residents in both areas responded positively to the growth and restructuring of the aquaculture industry because it has led to increased income in the form of taxes and fees, and

has also generated new employment opportunities.

However, there are local concerns, mainly centred around environmental issues. Respondents feared that there was a risk of considerable negative effects on the coastal zone and on fishing in the local fjords. The study also showed that the industry could benefit from better communication of its presence in the community, especially in Alstahaug where many of the respondents were not aware of aquaculture operations in their area. Information and open communication about the possible impact of the industry play an important role in the acceptance of any large-scale project.



Some conclusions and key messages from SIMP case studies and questionnaires:

- ▶ A REGINA Social Impact Management Plan (SIMP) is a useful tool for securing local benefits and mitigating the challenges of large-scale industrial development.
- ▶ The social impact on communities must not only be measured but also monitored to ensure the long-term social sustainability of projects. One-off assessments during planning phases do not generate sufficient accountability and deliberation to ensure that broader goals of the development are achieved.
- ▶ The maintenance of a diversity of livelihoods and a gender balance are cornerstones for the social sustainability of small, remote communities. Even small rural communities are heterogeneous; hence, different interest groups and the impacts of new developments on the community should be identified.
- ▶ The participation of local residents and interest groups plays an important role in gaining local acceptance for large-scale industries. The SIMP process should involve diverse local groups, political decision-makers and local authorities as well as businesses, and joint goals for industrial development should be set.

The case studies have confirmed the conclusions and assumptions in the SIMP framework: that a series of social impact assessments will provide crucial information for

local authority planning for services and infrastructure; that local businesses will also get to know about possible changes in public opinion by monitoring the social impacts and thus will be better able to respond to potential conflicts; and finally, that the monitoring of social impacts and the assurance of transparent decision-making processes will provide local residents with a channel for expressing their thoughts and concerns about any new industrial development.

Further information

Further information about monitoring social impacts and social impact management planning, including more comprehensive information about the REGINA project case studies, is available at www.reginaproject.eu.

The site presents a comprehensive overview of the REGINA Local Smart Specialisation Framework, including case studies and in-depth reports and analyses.

You can also read more about additional features developed as part of the REGINA framework, including tools like the REGINA Demographic Foresight Analysis and the REGINA Local Benefit Analysis Toolbox.

See more at www.reginaproject.eu.

REGINA

Remote communities & resource-based industries



Northern Periphery and
Arctic Programme
2014–2020



EUROPEAN UNION

Investing in your future
European Regional Development Fund