# How social impact assessment can contribute to conflict management

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## ARTICLE INFO

## ABSTRACT

The potential for conflict is omnipresent in all projects, and even in all human interactions, and conflict itself leads to many second-order social impacts. This article examines the contribution of the methodological approach used in social impact assessment (SIA) to conflict management. We view conflict as a process that has its own dynamic, and is to be expected in all situations. By using game theory (prisoner's dilemma), we describe and conceptualize this process and highlight the importance of communication in managing conflict. We demonstrate the potential use of SIA in preventing, managing and resolving conflict. Emphasis is placed on the participatory character of SIA and the role of public media. In contrast to existing literature, our focus is not restricted to the typical fields of study of SIA (e.g. environmental conflicts), but understands conflict itself as a field of application. In this sense, conflict-sensitive SIA can be understood both as an extension to the SIA tool kit and a broadening of the scope of SIA application.

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## 1. Introduction

Although generally having a negative connotation, conflict constitutes an undeniable characteristic of human interaction. Donohue and Kolt (1992, p. 4) define conflict as "a situation in which interdependent people express (manifest or latent) differences in satisfying their individual needs and interests, and they experience interference from each other in accomplishing these goals". Since needs and goals are diverse and people necessarily rely on others to some degree, conflict can never be entirely avoided. However, when managed effectively, conflict is potentially beneficial. It may, for instance, inspire creative solutions and organizational change by prompting groups to oppose generally-accepted, but outdated principles (De Dreu, 1997). The process of conflict resolution may also improve social relations and strengthen social capital in the long run (Barrow, 2010; Donohue and Kolt, 1992). Indeed, it could be argued that freedom of expression is directly related to the potential for conflict because of the ability to express individual opinions that may vary from those of others. Thus, conflict is fundamentally intertwined with principles of democracy and should not generally be inhibited or suppressed. Nevertheless, the common perception of conflict focuses on its destructive aspects, which may be experienced as the undermining of social relations, the experience of negative emotions and, in the case of severe escalation, physical violence, injury and even death.

The fact that the impact of conflict is context-dependent highlights the importance of *conflict management* as a methodological and practical approach (Vanclay, 2012). Conflict management, as used in the organizational psychology and management literature (see e.g. Conbere, 2001; De Dreu, 1997; Wall and Callister, 1995), refers to efforts made to support the constructive aspects of conflict and to limit the destructive ones. In this sense, conflict management attempts to maximize benefits and minimize costs of conflict.

The definition of conflict presented above emphasizes its social nature, as illustrated by the emphasis on the interdependence between actors — if parties had other options in pursuing their goals, conflict could be avoided. In this sense, conflict is inherently social both in terms of causes and consequences. A prominent cause of large-scale societal conflicts is the implementation of policies (Russell et al., 2010) or development projects by government agencies or private enterprises, especially in situations of resource extraction (Kemp and Vanclay, 2013). Some examples of instances where conflict has occurred include: mining projects (e.g. the Tambogrande Mining Project in Peru, Muradian et al., 2003); hydropower construction projects (Karjalainen and Järvikoski, 2010); environmental or cultural heritage protection (e.g. windfarm on Urk, the Netherlands; Langbroek and Vanclay, 2012); and policy decisions (e.g. global protests against the Iraq war, Walgrave and Rucht, 2010). Therefore, the approach and methodology of social impact assessment (SIA) (Esteves et al., 2012; Franks and Vanclay, 2013), which analyzes the social impacts associated with these types of projects, is appropriate and necessarily addresses conflict management (Kapelus et al., 2011; Sairinen, 2011). Ideally, SIA should serve to prevent harm that might arise from conflict, and arguably should assist in reducing pre-existing conflict in a community (João et al., 2011; Vanclay, 2003; Vanclay et al., 2013). However, the nature

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of the dilemmas that SIA practitioners face and the limited timeframe as well as the strong and opposing interests of concerned stakeholders may lead to the emergence of conflict despite, and often after, the implementation of an SIA process (Baines et al., 2013). Therefore, it is clear that the spheres of conflict management and SIA overlap.

The relationship between SIA and conflict has been recognized and analyzed in the literature, albeit with a strong focus on environmental conflict management (e.g. Barrow, 2010; Karjalainen and Järvikoski, 2010; Manring et al., 1990; Persson, 2006; Sairinen, 2011). While this focus is valuable due to the connection between development projects and environmental impact assessment (EIA) and because of the prevalence of conflict in environmental contexts, it limits the potential application of SIA to other conflict situations. A wide range of other applications can be envisaged. Project-level conflict risk assessment, for instance, is advocated by International Alert (2005), especially for extractive industries. Conceivably, this could be extended to a broader spectrum of activities. For instance, the recent expressions of public opposition to general socio-political and economic developments – such as the Occupy Movement (see Dean, 2012), the riots in Greece following budget cuts (e.g. Smith, 2012), and the Arab Spring (see Kandil, 2012) – represent conflict situations that may not have generally attracted the attention of SIA practitioners, but which could benefit from the application of SIA methods.

The focus of this article therefore lies with the general socio-economic importance of conflict. Conflict is not understood solely as a consequence of a given project development, but is interpreted as potential field for the application of SIA. The aim of this article is to articulate how SIA can inform the process of conflict management at its different stages and support the constructive and sustainable resolution of conflict.

In order to investigate how SIA can be applied in conflict situations, first the distinction between conflict-sensitive SIA and conflict impact assessment is discussed. Second, an overview of the varied nature of conflict and its likely social impacts is presented. Third, a game-theoretic framework for thinking about conflict escalation is introduced. Fourth, the opportunities for SIA to address conflict at the stages of conflict prevention, management and resolution are illustrated. Fifth, due to the close interrelations between SIA and public participation, the importance of public involvement in conflict-sensitive SIA is examined before concluding with remarks about the limitations and challenges of this approach.

## 2. Conflict-sensitive social impact assessment

As described above, the interrelations between SIA and conflict situations are widely acknowledged. Conflict-sensitive SIA is a form of SIA that explicitly considers and addresses conflict situations (Kapelus et al., 2011). It could be argued that Peace and Conflict Impact Assessment (PCIA) (Bush, 1998; Hoffman, 2004) is similar, however, PCIA is usually applied within a context of peace-building and the prevention of violent conflicts (Bush, 1998). PCIA was not specifically created to be applied to situations with a stable institutional context, i.e. where peace-building is not necessary and violence unlikely. Clearly though, conflicts and their social impacts also occur in these circumstances, although their extent and appropriate conflict management strategies may be quite different.

Barrow (2010) argues that PCIA focuses on existing conflicts, whereas conflict-sensitive SIA focuses on conflict potential. Although this does not invalidate the application of PCIA methods within SIA, it does mean that PCIA may not generally be the most effective or efficient framework of impact assessment in conflict situations. This article therefore focuses on the more general approach of conflict-sensitive SIA.

## 3. Conflict as a social process

At the core of conflict situations is a disagreement between two parties (or stakeholders or rights holders), which is reflected in a divergence of interests. It is important to note that this divergence does not need to be objectively true but depends strongly on each party's perceptions. Thus, conflict can result from the subjective belief that the other party has opposing interests, regardless of the accuracy of this perception (Wall and Callister, 1995).

Manifestations of conflict are diverse and can occur at interpersonal, inter-group, inter-organizational and international levels (Wall and Callister, 1995). Donohue and Kolt (1992) highlight that conflict at an individual level can be latent or explicit, and they characterize conflict as a process having seven levels of tension ranging from no conflict to overt dispute and a complete breakdown of communication. Similarly, social conflict ranges from a failure to communicate or cooperate, to open protest, surreptitious acts of sabotage, and outright eruptions of violence. The focus in this article lies with large-scale, inter-organizational and inter-group conflicts, as these provide the most potential for the application of SIA.

The characteristics of a given conflict depend on the behavior of the opposing sides, which may contribute to constructive or destructive conflict. Constructive conflicts allow a strengthening of personal relations and may lead to gain on both sides, whereas a destructive approach focuses on short-term, face-saving actions (Donohue and Kolt, 1992). The escalation of conflict to the extent that it results in violence or significant property damage can never be constructive and should be avoided.

Before continuing below with a discussion of the social impacts of conflict, it is important to note how active (as opposed to latent) conflicts develop. International Alert (2005) distinguishes between structural causes, proximate causes, and triggers. Structural causes of conflict are identified as the underlying preconditions that are conducive to conflict and deeply embedded in political and social institutions. Proximate causes are the more immediate causes of conflict, and may be the consequences of structural ones. These categories are not direct causes of active conflict, but rather the underlying factors that determine if and how conflict will develop. They may also form the basis of a latent conflict. Triggers represent the most direct cause of overt conflict as they refer to a specific event that initiates a conflict or its escalation.

Since each conflict has many different facets, a precise analysis of the social impacts of a given situation depends on the specifics of the case. However, drawing on Vanclay's (2002) conceptualization of social impacts, it is possible to identify some of the consequences that are likely to occur in most conflicts.

- Conflict may disrupt economic activity. A disagreement between a corporation and workers, for example, could lead to reduced productivity through shirking, pilfering or reduced workplace harmony. At a more serious level, conflict can lead to strike action leading to a halt in production for an extended period of time. This could lead to unemployment or a temporary loss of income, with individuals experiencing financial hardship. For companies, disruptions can have financial and social costs in terms of delays in production, and a loss of reputation and shareholder value (International Alert, 2005).
- Conflict may disrupt social activity, people's daily lives can be interrupted and the quality of their living environment (liveability) can be reduced while conflict occurs.
- Conflict may harm social relations leading to decreased social cohesion, a weakening of social capital, and reduced resilience. This may lead to psychological, sociological and economic effects within a society due to social disintegration.
- Conflicts may lead to property damage, thus imposing costs on firms and individuals.