

Review Article

Social Impact Assessment (SIA): A Review of SIA Procedure in Malaysia

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ABSTRACT: Social Impact Assessment (SIA) essentially is an individual report or a subfield of an Environmental Impact Assessment (EIA). It is demarcated as the social sciences required in developing a knowledge base to provide a systematic assessment, in advance of the impacts, on the day-to-day quality of life of persons and communities whose environment is affected by a proposed project, plan or policy change. SIA is a platform for diverse groups and people in a community to voices out their need and concern. SIA are the ‘people impacts’ of development actions. Social impact assessments focus on the human dimension of environments, and seek to identify the impacts on people who benefits and who loses. New provision has been enforced in January 2017 to the Malaysia SIA procedure. Therefore the objective of this paper is to review the new provision and procedure of SIA enforcement in Malaysia.

Keywords: Social Impact Assessment (SIA), Act A1522, Act 172.

Introduction

SIA defined as a “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 Inter-organizational Committee on Guidelines & Principle for SIA, 1994) . Essentially social problems arise due to conflicts between natural resources and economic development. Economic losses and social costs from environmental degradation often occur long after the economic benefits of development have been realized. Most often, the development projects provide economic benefits and better living environment, but they also affect local people adversely. Social impact assessments help in understanding such impacts

Impact assessments in the context of social development are (A Comprehensive Guide for Social Impact Assessment (2006)):-

1. Processes through which the government departments/agencies can better understand how the socio-cultural, institutional, historical and political contexts influence the social development outcomes of specific investment projects and sector policies;
2. The means to enhance equity, strengthen social inclusion and cohesion, promote transparency and empower the poor and the vulnerable in the design and/or implementation of the project;
3. The mechanisms to identify the opportunities, constraints, impacts and social risks associated with policy and project design ;
4. A framework for dialogue on development priorities among social groups, civil society, grassroots organizations, different levels of government and other stakeholders;

5. Approaches to identify and mitigate the potential social risks, including adverse social impacts, of investment projects.

It is in this context that Social Impact Assessments (SIAs) assume great relevance. SIA mainly involves the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions (Vanclay, 2003). These assessments can enable the project implementing authorities to not only identify social and environmental impacts, but also to put in place suitable institutional, organizational and project-specific mechanisms to mitigate the adverse effects. They can also aid in bringing about greater social inclusion and participation in the design and implementation stages of the project.

In addition, SIA include changes in people’s way of life, their culture, community, political systems, environment, health and wellbeing, their personal and property rights and their fears and aspirations. Examples of projects with significant social impacts include: landfill and hazardous waste disposal sites (perceived health risks, loss of amenity); power and industrial plants (community stress from influx of work force, pressure on infrastructure); dams and reservoirs (lifestyle disruption resulting from relocation, land use alteration or long lead time to full impoundment); and roads and linear developments (dislocation of activity networks and relationships).

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The main types of social impacts that occur as a result of these projects related changes can be grouped into five overlapping categories; i) lifestyle impacts - on the way people behave and relate to family, friends and cohorts on a day-to-day basis; ii) cultural impacts - on shared customs, obligations, values, language, religious belief and other elements which make a social or ethnic group distinct; iii) community impacts - on infrastructure, services, voluntary organisation, activity networks and cohesion; iv) quality of life impacts - on sense of place, aesthetics and heritage, perception of belonging, security and livability, and aspirations for the future; v) Health impacts - on mental, physical and social wellbeing, although these aspects are also the subject of health impact assessment.

SIA involves characterising the existing state of such aspects of the environment, forecasting how they may change if a given action or alternative is implemented, and developing the means of mitigating any changes that are likely to have adverse effects from the point of view of an affected population. SIAs are done to help individuals, communities, as well as government and private-sector organisation understand and anticipate the possible social consequences on human populations and communities of proposed project development or policy changes.

New provision on Malaysia SIA - Jan, 2017.

Subsection 20B (1) & (2) has been inserted to replace subsection 21A (1)(ea) throughout Law of Malaysia A 1522. The previous 21A (1)(ea), “an analysis of mitigation measures for the social impact and other impacts as determined by local planning authority” and subsection (1A) was deleted.

The new subsection 20B (1), “without prejudice to section 20A, it shall be the duty of every Federal Government department or agency to seek advice from the Council on the development proposal relating to (a) any coastal reclamation excluding reclamation for the construction of jetty or beach rehabilitation; and (b) any construction of a major national infrastructure including- (i) airports, seaports, inland ports, railway transportation networks, highways, power stations, dams and toxic waste disposal sites; and (ii) other infrastructure of national interest as determined by Council”.

In addition, subsection 20B (2), “ for the purpose of seeking the advice from the Council under subsection (1), the Federal Government and State Government department or agency shall submit to the Council the development proposal together with a social impact assessment report and other reports as determined by the Council”.

This Act may be cited as the Town & Country Planning (Amendment) Act 2017 which applies to Peninsular Malaysia and the Federal Territory of Labuan. In addition, this Act comes into operation in a State on a date to be appointed by the State Authority, with the concurrence of the Minister, by notification in the State Gazette. As for federal Territory of Kuala Lumpur, Putrajaya and Labuan, this Act comes into operation on a date to be appointed by the Minister responsible for the Federal territory of the area by notification in Gazette.

Table 1: SIA Implementation & Development in Malaysia

<u>Year</u>	<u>Description</u>
1990s	Throughout *National Social Policy, government has started discussion on social issues and the need for a national social policy. <i>*National Social Policy is a social development policy based on good values and the improvement of human potential to achieve unity and social stability, national resilience and the well-being of a progressive and robust Malaysian society.</i>
1996	National Social Policy has setup Cabinet Committee to combat social problems (KJMMS).
1998	SIA presented in the Cabinet Committee
2001	A study was conducted together with *Taylor Baines & Associates with 8 local consultants for almost 8 months on SIA. <i>*Taylor Baines & associates is an independent researcher provider and consulting firm works mainly in the areas of Social and natural research assessment, policy and management.</i>
2002	SIA Handbook of Malaysia by Women, Family & Community Development and United Nation Development Programme.
2012	Manual for Social Impact Assessment of Project Development by PLAN Malaysia & *Malaysia Social Impact Assessment (MSIA). <i>*MSIA is an association of professionals involved in Social Impact Assessment. The Association was formally approved by the Registrar of Societies in 2005. Since then, Annual General Meeting has been held every 2 years.</i>
2017	Manual for Social Impact Assessment of Project Development, 2 nd Edition by PLAN Malaysia.

Table 2: SIA inclusivity Provision in the Town & Country Planning Act 172

<u>Social Inclusivity Provision</u>	<u>Legal Provision</u>
Preparation of Structure Plans	S9 (1a): Public presentation at the Report of Survey Stage. S9 (3): Public objection at the Draft Structure Plan.
Preparation of Local Plans	S12A: Publicity & representation prior to preparation of Local Plan. S13: Public objection to Draft Local Plan.
Planning Permission Stage	S21 (6): Objection from neighboring land owners. S21 (7): Hearing of Objections. S21 (6): There is a legal presumption that there is no need for site notification and solicit objections from adjoining landowners if there is a Local Plan. S21A (1A): The SA may give directions to include Social Impact Assessment in the Development Proposal Report (LCP).
Rules	S58: No specific provision in the Act for the SA or NPPC to prepare rules on SIA although both the SA under S58 (1) and the NPPC under S58 (1A) are empowered to make rules in general. Note that SA under S21A (2) has powers to make rules to exempt any category of development from submitting the LCP or exclude any of the contents thereof.

Table 3: Type of SIA Report in Malaysia

<u>Type</u>	<u>Indication</u>
SIA (General)	Development Proposal where Social Impacts are not significant and can be easily mitigated or overcome via mitigating strategies. The SIA report is usually incorporated into the Development Proposal Report (LCP).
SIA (Details)	Development proposal which involve significant Social Impacts that require an in depth and comprehensive analysis of the Social Impacts and will require extensive social discourse and negotiation to resolve. This report is a separate stand-alone report.

Figure 1: SIA Report Preparation Process in Malaysia

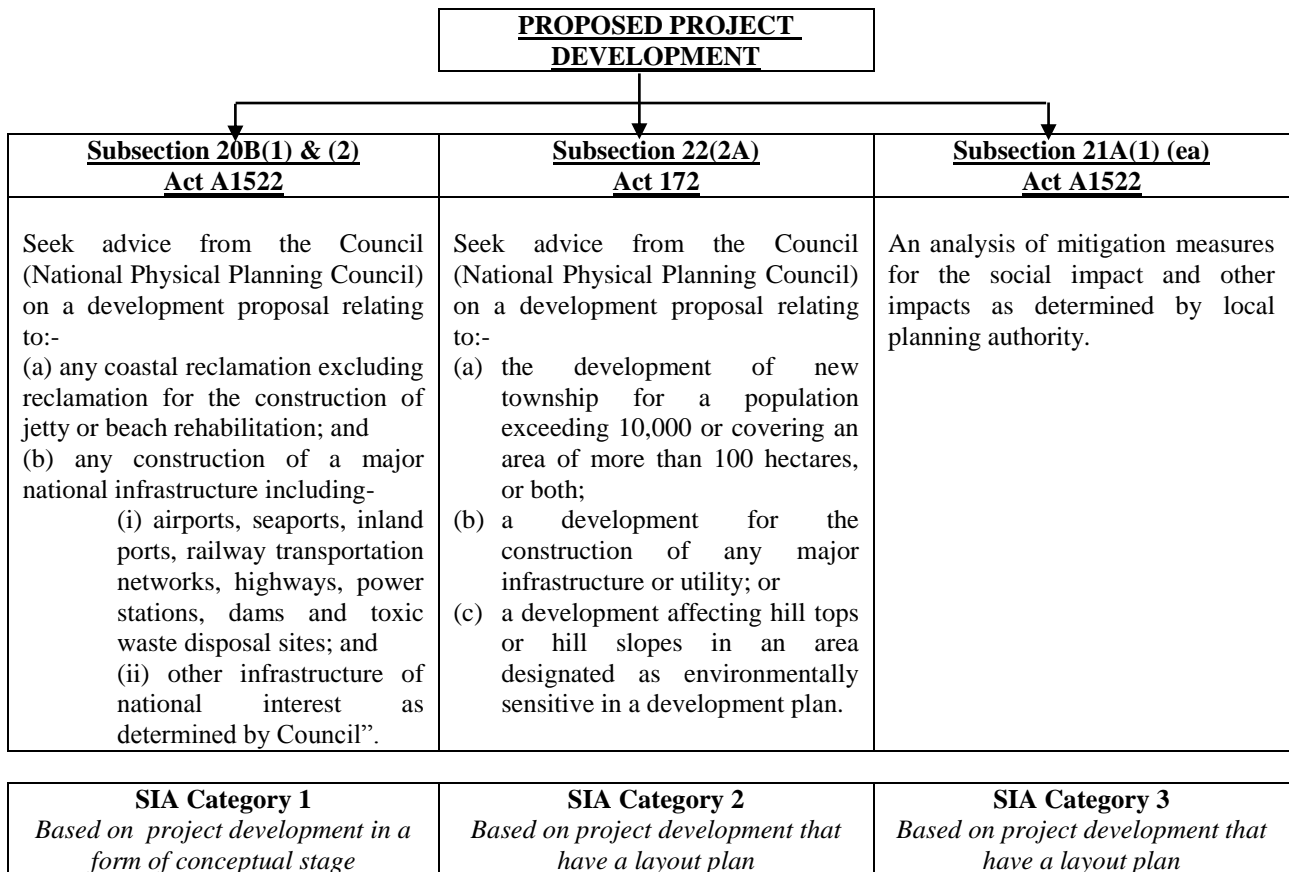


Figure 2: The main operations within SIA procedure in Malaysia

<u>STAGE</u>	<u>OPERATIONS</u>	<u>OUTPUT</u>	<u>PERSON IN CHARGE</u>
SIA Report Preparation	Screening	SIA Report	Project Executor
	↓		
	Scoping		
	↓		
	Baseline Study		
	↓		
	Impact Projection & Evaluation		
	↓		
Mitigation			
↓			
Social Impact Management Plan			
↓			
Monitoring	Monitoring	Social Monitoring Report	PLAN Malaysia
↓			
Evaluation & Audit	Evaluation & Auditing	Social Audit Report	Auditor

SIA Operation Description

1. Screening

To determine which category project fall under. There are 3 categories, which are:-
 Category 1, under subsection 20B (1) & (2);
 Category 2, under subsection 22 (2A)
 Category 3, under subsection 211(ea)

Kindly refer to Figure 1: SIA Report preparation Process in Malaysia.

2. Scoping

After obtaining a technical understanding of the proposal, identify the full range of prob-able social impacts that will be addressed based on discussion or interviews with numbers of all potentially affected.

After initial scoping, the social impact assessor selects the SIA variables for further assessment situations. Consideration needs to be devoted both to the impacts perceived by the acting agency and to those perceived by affected groups and communities. The principal methods to be used by experts and interdisciplinary teams are reviews of the existing social science literature, public scoping, public surveys, and public participation techniques. It is important for the views of affected people to be taken into consideration. Ideally, all affected people or groups contribute to the selection of the variables assessed through either a participatory process or by review and comment on the decisions made by responsible officials and the interdisciplinary team.

Basically there are three (3) main scoping for Malaysia SIA (Bahagian Penyelidikan & Pembangunan PLAN Malaysia, (2018)), which are:-

- i. The Field that Need to Address
 - a) Social Impact Variables
 - health & social wellbeing
 - environmental quality
 - economic impact & material wellbeing
 - cultural impact
 - family & community impact
 - the impact of institutions, legislation and equity
 - b) Variables Of Social Change Process
 - demographic process
 - economic process
 - geographical process
 - socio-cultural process

- ii. The Main Stakeholder
 - a) the groups that affected
 - b) the groups of interest
 - c) authorities
- iii. Research Methodology
Methods and techniques of designing, collecting and analyzing data that can support research finding. Describes how an issue is viewed and why certain methods are used.

3. **Baseline Study**

Describe the relevant human environment/area of influence and baseline conditions. The baseline conditions are the existing conditions and past trends associated with the human environment in which the proposed activity is to take place.

In the next step, the proposed action is described in enough detail to begin to identify the data requirements needed from the project proponent to frame the SIA. At a minimum, this includes; location; land requirement, need for ancillary facilities (road transmission lines, sewer and water lines); construction schedule; size of the work force (construction and operation, by year or month); facility size and shape; need for a local work force & institutional resources.

The level of effort that is devoted to the description of the human environment should be commensurate with the size, cost, and degree of expected impacts of the proposed action. At a minimum, the existing literature on comparable or analogous events, knowledgeable experts, and readily available documents such as government reports should be consulted. On-site investigations and the use of previous field studies and surveys are recommended, as well as rapid appraisals and mini-surveys.

4. **Impact Projection & Evaluation**

Determine the significance of the identified social impacts. This is a difficult assessment task often avoided, but the responses of affected parties frequently will have significant subsequent impacts. After direct impacts have been estimated the assessor must next estimate how the affected people will respond in terms of attitude and actions. Their attitudes before implementation predicts their attitudes afterwards, though there are increasing data that show fears are often overblown and that expected (often promised) benefits fail to meet expectations.

This literature should be consulted. The actions of affected groups are to be estimated using comparable cases and interviews with affected people about what they expect to do. So much depends on whether local leadership arises (and the objectives and strategies of these leaders), that this assessment step often is highly uncertain, but at least policy makers will be notified of potential problems and unexpected results.

This step is also important because adaption and responses of affected parties can have consequences of their own-whether for the agency that proposes an action (as when political protest stalls a proposal) or for the affected communities, whether in the short-term or in the longer-term.

5. **Mitigation**

A social impact assessment not only forecasts impacts, it should identify means to mitigate adverse impacts. Mitigation includes avoiding the impact by not taking or modifying an action; minimizing, rectifying, or reducing the impacts through the design or operation of the project or policy; or compensating for the impact by providing substitute facilities, resources, or opportunities.

Ideally, mitigation measures are built into the selected alternative, but it is appropriate to identify mitigation measures even if they are not immediately adopted or if they would be the responsibility of another person or government unit.

6. **Social Impact Management Plan (SIMP)**

Basically SIMP includes:-

- i. The findings of the research study which also include social development aspect;
- ii. Mitigation strategies and impact management for both negative & positive impacts;
- iii. Impact monitoring;
- iv. Role & responsibilities of developer, society & stakeholder;
- v. Outcome towards strategies;
- vi. The impact management shall be in line with Government Policy and Local Plans;
- vii. KPI/objective s of the research study shall be determined;
- viii. The implementation process and procedure to be determined accordingly.

Table 4: The content of SIA Report in Malaysia

Chapter	Content
1.0	Introduction 1.1 Aim 1.2 Objective of Research Study 1.3 Principal of Research Study 1.4 Significant of Research Study 1.5 The Benefit of Research Study 1.6 Provision of SIA & National Social Policy 1.7 Direction of Spatial Planning & Land Use based on Development Plans
2.0	Project Background 2.1 Background of Site 2.2 Current Site Analysis 2.3 Propose Project Development 2.4 Community Environment Description 2.5 Category of provision of SIA
3.0	Research Methodology 3.1 Public Engagement 3.2 Scoping 3.3 Baseline Study 3.4 Impact Expectation & Analysis
4.0	Mitigation Measures 4.1 Planning Stage 4.2 Construction Stage 4.3 Operation/implementation Stage
5.0	Social Impact Monitoring Plan (SIMP) 5.1 SIMP Schedule
6.0	Conclusion

Table 5: SIA Evaluation Panel in Malaysia

No.	Federal Level	State Level
Permanent Members		
1	Head of Director, PLAN Malaysia - Chairman	State Head of Director, PLAN Malaysia - Chairman
2	Economic Planning Unit (Social Service Section)	State Economic Planning Unit
3	Implementation Coordination Unit (ICU), Prime Minister Office	State Development Office
4	Ministry of Women, Family and Community Development	Department of Social Welfare
5	State Economic Planning Unit	Local Authority (related Local Authority)
6	Local Authority(related Local Authority)	SIA expert/related - Malaysia Social Impact Assessment (MSIA)
7	PLAN Malaysia (related State)	SIA expert/related – Malaysia Institute of Planner (MIP)
8	SIA expert/related - Malaysia Social Impact Assessment (MSIA)	SIA expert/related – Academician
9	SIA expert/related – Malaysia Institute of Planner (MIP)	
10	SIA expert/related – Academician	
Invited Guest		
1	Federal Level – Ministries & Agencies (related)	Federal Level – Ministries & Agencies (related)
2	State or Local Authority Level (related)	State or Local Authority Level (related)
3	PLAN Malaysia – appointed member	PLAN Malaysia – appointed member
4	Non-Governmental Organisation (related)	Non-Governmental Organisation (related)

SIA Evaluation Panel Responsibilities:-

- (a) To give approval for SIA report, either – approved or approved with condition or reject;
- (b) To give their input which to enhance SIA report presented;
- (c) To ensure that SIA report meets Manual for SIA of Project Development, 2nd edition; and
- (d) To ensure that Social Impact Management Plan (SIMP) is comprehensive and effective.

Malaysia SIA Approval Procedure

Figure 3: Approval Procedure for Category 1 & 2

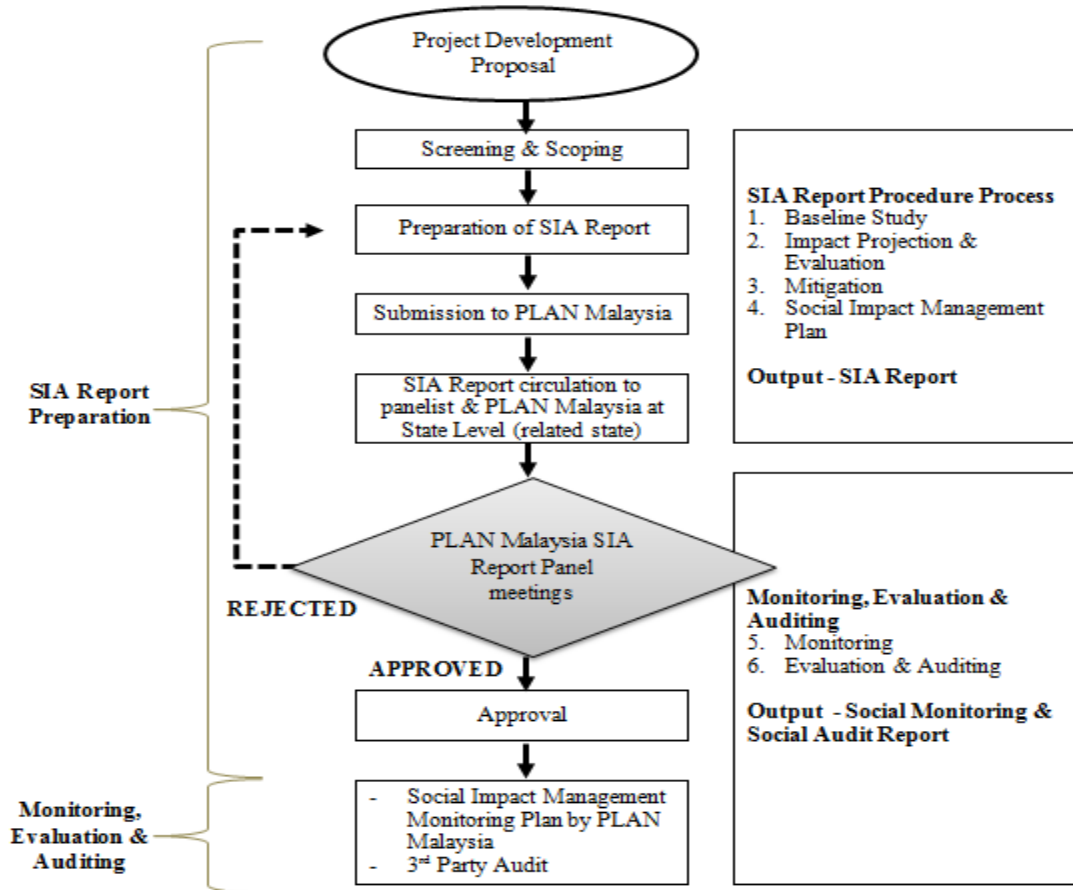
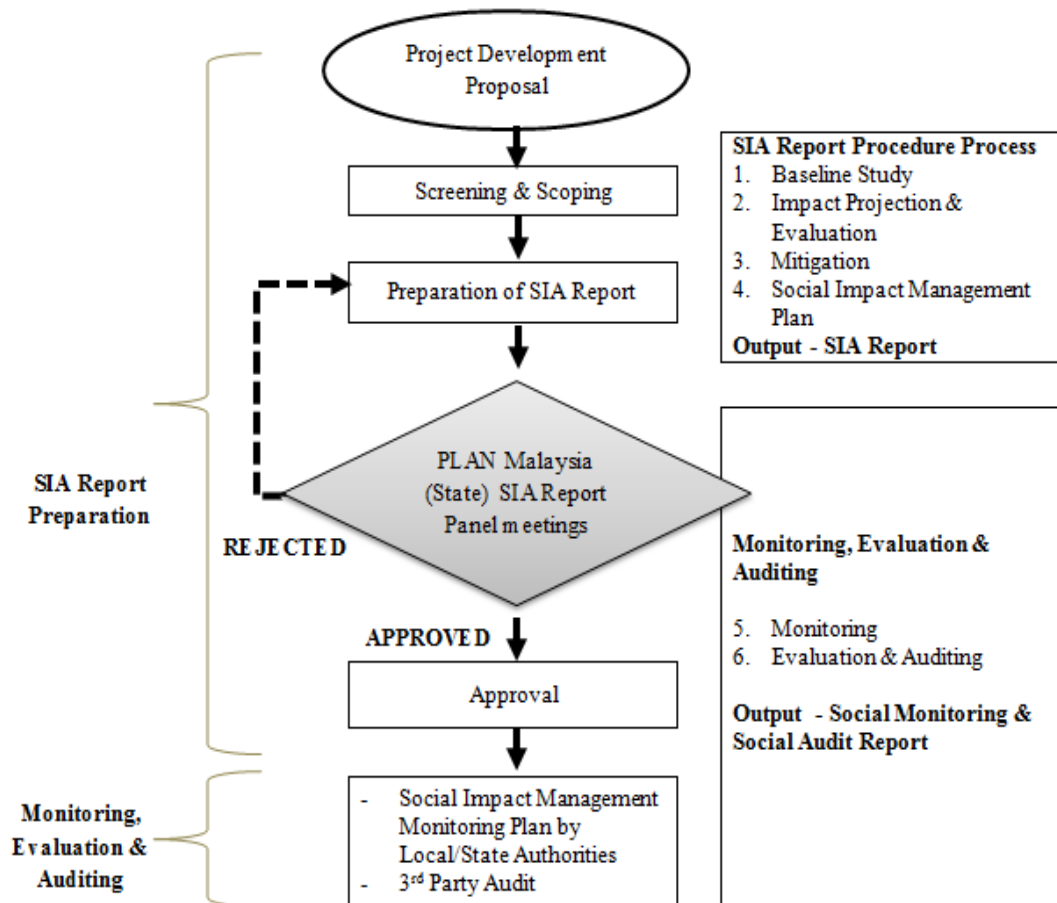


Figure 4: Approval Procedure for Category 3



Who is qualified to prepare SIA in Malaysia?

Only for individual who is:-

1. Registered as chartered Malaysia Institute of Planner (MIP), Corporate Member; AND
2. Registered as chartered Lembaga Perancang Bandar Malaysai (LPBM), corporate member; AND
3. Registered as Professional Malaysia Social Impact Assessment (MSIA) member.

Background of MSIA

MSIA established in year 2005 with 47 ordinary members, 22 student's members and 9 committee members. There are three categories of members in MSIA which are:-

1. Professional Members

A member accepted by the Committee and subject to stringent screening of his/her professional capabilities in carrying out SIA studies.

2. Ordinary Members

An individual who recognized qualifications to SIA in the disciplines of Social Science; Land use & Natural Resource Planning & Humanities; or/and any other relevant course that is accepted by the committee.

3. Student Member

An individual who has satisfied the requirements of membership and is a student at the time of joining membership.

MSIA Improvement Ideas for SIA Implementation & Development in Malaysia.

1. To set a standard duration for SIA preparation;
2. To set a standard scale of fee;
3. To proposed SIA as a syllabus or subject in University especially to those related field/faculty/school/kuliyah;
4. To set SIA manual for Development Plan;
5. To ensure that all State and Local Authorities are expert and qualified to sit at the related position.

Conclusion

The significance of SIA in development impact studies cannot be deprived of. SIA is predicted on the notion that decision-makers should understand the consequences of their decisions before they act, and that the people affected will not only be apprised of the effects, but have the opportunity to participate in designing their future. The guidelines and principles presented herein are designed to assist agencies or individual to have better view on SIA implementation & development in Malaysia. If a well-prepared SIA is integrated into the decision-making process, better decisions will result.

Acknowledgement

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