

The background features a blue field with several large, black, interlocking gears. On the left side, there is a vertical bar with a complex, multi-colored texture in shades of orange, red, and yellow. The text is overlaid on this background.

INDUSTRIAL MEGA- PROJECTS: CONFRONTING COMMUNITY EXPECTATIONS

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PRESENTATION STRUCTURE

- ★ Community expectations as to the impacts of mega-projects**
- ★ Why they are commonly negative**
- ★ The effects of these expectations on:**
 - ★ Project proponents**
 - ★ Local communities and regions**
- ★ Appropriate responses**

COMMUNITY EXPECTATIONS

- ✱ Most benefits accruing to non-local corporations and shareholders
- ✱ Few benefits for local people
- ✱ Boom-bust during construction
- ✱ Social, economic, cultural and biophysical threats during operations
- ✱ Negative social, economic, cultural and biophysical legacy

THE EMPHASIS ON NEGATIVE IMPACTS

★ Main causes:

- ★ Image of mega-projects
- ★ Economic development theory and practice
- ★ Impact assessment and the culture of the environment industry

THE EMPHASIS ON NEGATIVE IMPACTS

- ✦ Economic development theory and practice stress approaches that are:
 - ✦ Local capacity-based
 - ✦ Bottom-up
 - ✦ Small-scale
 - ✦ Community-based

THE EMPHASIS ON NEGATIVE IMPACTS

- ✶ Impact assessment and the culture of the environment industry:
 - ✶ US National Environmental Policy Act
 - ✶ Initial focus on biophysical effects
 - ✶ The culture of the environmental industry, including regulators
 - ✶ Focus negative effects and mitigation

THE EMPHASIS ON NEGATIVE IMPACTS

- ☀ Impact assessment and the culture of the environment industry:
 - ✱ Early SIA focus on 'boom town' model
 - ✱ World Bank E&P 'Social Impact Mitigation Practices'
 - ✱ OGP/IPIECA 'Key Questions' report

THE EFFECTS

☀ For mega-project proponents:

- ☀ Rejection of project
- ☀ Long-winded and expensive approvals processes
- ☀ Unrealistic negotiating positions
- ☀ Limited access to local goods and services

☀ For the local communities and region:

- ☀ Benefits foregone or delayed
- ☀ Distorted public expenditures (police, social, health, etc.)

RESPONSES

☀ There is a need to:

- ☀ Avoid such distortions
- ☀ Allow a balanced assessment of impacts

☀ Important to facilitate access to information on:

- ☀ Mega-projects
- ☀ Possible positive and negative impacts
- ☀ How they can be managed

RESPONSES

- ☀ **Local stakeholders may use industry information sources:**

- ☀ Websites, reports, journals, brochures and videos
- ☀ Conferences and trade shows

- ☀ **However, while these describe technologies, issues and opportunities:**

- ☀ Little on community and regional impacts and their management
- ☀ Industry sources may be seen as biased

RESPONSES

✱ As a result, local stakeholders may use:

- ✱ Web-searches, academic research, study tours & conferences

- ✱ These commonly seek to learn from the experience of others

✱ However, comparative study is problematic

RESPONSES

✱ **Erroneous assumptions are common:**

- ✱ **Different types and scales of activity**
- ✱ **Different local contexts**
- ✱ **The attribution problem**
- ✱ **Uncertainty**
- ✱ **Self-interest**
- ✱ **The role of management**

✱ **Can lead to inappropriate and harmful responses**

CONCLUSION

- ✦ Expectations are commonly based on stereotypes and limited understanding, leading to:
 - ✦ Delays, moratoria and increased costs
 - ✦ Loss of local benefits
- ✦ Requires collaborative education re:
 - ✦ Proponents and their activities
 - ✦ Their possible positive and negative effects
 - ✦ Managing these effects
- ✦ Comparative study is powerful but problematic