

## **Conflict management in the process of impact assessment**

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### **Abstract**

Communication can be critical for success in the process of impact assessment and public participation, and conflict management can be seen as the key for effective communication in this context. I shortly describe some aspects of conflicts in the contexts of impact assessment and public participation and draw attention to the paradox of public participation and the social dilemma arising from public goods problems. I suggest that effective conflict management in such circumstances should not necessarily be restricted to measures mitigating emerging conflicts, but may also involve pro-active conflict management. This can bring issues to the agenda at an early stage of the process that would otherwise not be discussed at that time. Pro-active conflict management may improve coping with inherent challenges such as the paradox of public participation and the tragedy of the commons.

## **Introduction**

Conflicts are a driving force involved in all social interactions among individuals and groups on all levels of organisation and have long been recognized as one of the driving forces of evolutionary (Darwin 1859) and economic processes (Smith 1977). Conflict is an inherent feature of social interactions, which can be defined as a situation arising “when individuals act on competing goals or interests” (Aureli & de Waal 2000). While the costs of escalated conflicts between people and nations are obvious, there is also growing body of data highlighting the economic costs of conflicts within companies, between companies and between stakeholders in the society with economic, environmental, social or political interests. Impact assessment can be regarded as a means to resolve the conflicts among economic, environmental and social interests (Noble 2010). In the process of impact assessment and public participation, communication is a key factor determining success and failure. A central issue determining efficiency of communication is how individuals with competing interests deal with conflicts (e.g. Bannink 2010). Interestingly, practitioners in the field do not typically use the term “conflict” (but see Prenzel & Vancley 2014). Instead, presumably because of the negative connotations of the term, other more neutral terms such as “challenge” are often used. However, the term conflict seems to better capture the issue as it emphasizes that more than one interested party is involved and that beneficial solutions of such interactions mostly also depend on what others do. To deal with the negative implications of the term conflict, I draw attention to the benefits of a positive and interested attitude towards conflicts using the example of pro-active conflict management. I outline some conflicts that are inherent in the contexts of impact assessment and public participation and result from paradoxical situations. Finally, I propose future avenues for the implementation of efficient conflict management in the process of impact assessment and public participation.

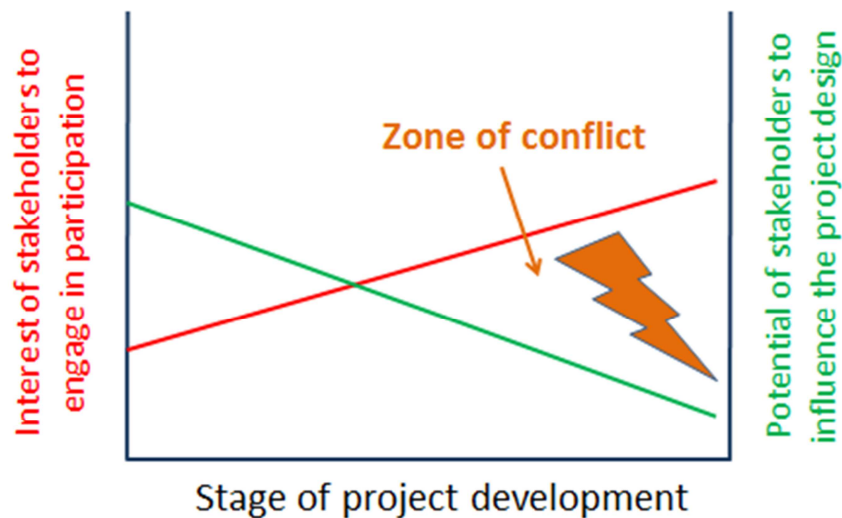
## **Conflicts in impact assessment and public participation**

Even though there is a wealth of information, knowledge and experience about how to deal efficiently with situations of conflict such as the IFC Performance Standards, Best Practice Guidelines, Equator Principles or the EU Standards on public participation, we could witness many examples of escalated conflicts in infrastructure projects in the last decades. A substantial part of these project delays has been attributed to non-technical risks, which also involve unresolved or unmanaged conflicts. Even though a court of law may resolve some of these conflicts (Spang et al. 2012), projects can become impossible to be realised when the operator or project has lost its “social license to operate” (Moore 1996; Prno & Slocombe 2012).

## **The paradox of public participation and the tragedy of the commons**

The paradox of public participation describes a situation in which a project proponent aims at involving all stakeholders in a participation process (Universität Leipzig 2013, Rottmann 2013). In the early phases of project planning the opportunity of stakeholders to take influence on the project is high but the interest to do so is low. This is likely because it is not yet fully clear who will be affected by the project in which way, or whether the project will be realised at all. With increasing detail concerning the project design,

the interest of stakeholders increases, but the potential to exert influence on project design during the participation process declines. These circumstances lead to a “zone of conflict” and can result to frustration and conflict escalation among project proponents and stakeholders (Fig. 1) (Universität Leipzig 2013, Rottmann 2013). This situation cannot easily be resolved simply with more or earlier stakeholder engagement, as this may cause other unwanted effects such as fatigue of stakeholders to participate.



**Fig. 1.** The paradox of public participation emerges as a result of increasing interest of stakeholders to engage in the participation process over time and the decreasing potential of stakeholders to influence the project design as the project develops and the basic parameters of the project become more and more tangible and fixed. In the zone of conflict, frustration of stakeholders and escalated conflict can result when stakeholders obtain the impression they were not sufficiently involved in the participation and project design process.

Another paradox involves a classical cooperation problem that emerges in a social dilemma or public goods problem (Hardin 1968). A social dilemma arises in a situation when all individuals enjoy the benefits of a public good or resource, but those individuals who do not contribute to maintaining the public good, profit most. Examples for public goods problems include exploitation of water resources, the problem of climate change, overfishing and peace. For instance, concerning the issue of climate change, all people on earth profit from an intact climate, but those who do not restrain themselves by reducing their carbon foot print profit most (at least in the short run). As a result of this, the “rational solution” in this situation is not to invest in reducing the own carbon footprint, a situation, which ultimately is predicted to lead to the collapse of the common good or resource, that is, the so-called “tragedy of the commons” (Hardin 1968). Solutions to avoid the tragedy include, among others, reputational effects (Bergmüller & Narval 2012, Francey & Bergmüller 2012) and management by institutions (Hardin 1968,

Ostrom et al. 1999). Public goods problems are highly relevant for impact assessment and public participation, since both are typically concerned with finding solutions for a social dilemma arising between economic, environmental and social interests (Noble 2010). For instance, Germany is currently in the process of a national “energy revolution” with a nuclear power phase out and a planned reduction of fossil energy, which should be replaced by renewable energy sources. This energy revolution requires the development of large-scale energy storage facilities (e.g. pumped storage plants) and a power transmission infrastructure. These may result in public resistance due to “not in my back yard”-effects. Hence, even though a successful energy revolution would provide benefits to all (e.g. all German citizens), the different interests of stakeholders (e.g. fast and cost efficient project realisation, low level of impacts) may preclude finding a solution. The dilemma here is that social or environmental challenges that affect all (e.g. climate change, social peace, etc.) require a constructive process of finding solutions that accommodate all interests. In contrast to what would be required, stakeholders typically have a mindset that mainly focuses on implementing own interests. Given that the tendency of conflicts between economical, environmental and social interests is more likely to increase than to decrease in the future, it is a key challenge to find solutions to deal with inherent paradoxes and dilemmas involved in impact assessment and public participation.

### **Pro-active conflict detection and management**

One of the critical features involved in project realisation is that conflict escalation is often unpredictable. Therefore, to enhance predictability, I propose pro-active approach to conflict detection, which provides the opportunity to manage key conflicts in time, that is, before they escalate to a point after which conflict mitigation becomes difficult.

This can be illustrated with a general example. Linear projects such as roads, pipelines, or electric power lines follow a similar process of route selection. The classical approach is to develop several route corridor alternatives based on critical factors such as the shortest route, the lowest level of geological risks, access to other infrastructures, avoidance of settlements and protected sites. Typically, the interests and fears of stakeholders are not taken into account at this stage in the sense that they might act as constraint. Once one or more preferred corridor options have been defined, they are usually presented to the public in the process of stakeholder engagement. Even though stakeholders are thereby involved relatively early in the process, their position to the project has not been integrated in the initial routing process. Because the potential resistance of stakeholders to the project has not been taken into account as a potential constraint, unexpected resistance of stakeholders may cause major delays or even a stop of project planning and execution due to a loss of the social licence to operate (Moore 1996). The key point is that a conflict may exist even though there are no visible signs of its existence. A pro-active approach provides a potential solution. In contrast to starting stakeholder engagement as early as possible with route options that are already developed to some degree, public resistance should be an additional constraint taken into account in route planning just as any other measure of constraint (e.g., geological or environmental). The result of this approach could be a “landscape” of public resistance, which can be used to develop route options in an early phase of project planning with a low potential of public resistance (such as planning new electric power lines along already existing lines). In contrast to stakeholder engagement, which aims at establishing trusting relationships with stakeholders to a specific project, pro-active conflict detection may also involve a more challenging approach with less focus on

mitigating emerging conflicts. Such an approach could generate sufficient interest in stakeholders and at the same time involves low risk of unwanted conflict escalation as no specific project is involved.

Another approach involving pro-active conflict management has also been applied to the problem of dealing with the tragedy of the commons in public resource use, such as the context of overfishing of fishing grounds (Beckenkamp 2009). Fishers were confronted with two possible outcomes of their behaviour. If all fishers continue to maximise exploitation of the fishing grounds, their yields from fishing would decline over time until the point of a population break down of fish. Alternatively, if fishers would agree on fishing quotas, their yields would be lower than with maximal exploitation but the fish population, and, as a consequence their business could be sustainable over time (Beckenkamp 2009). The pro-active approach in this case is to consider the long-term pay-offs of the interaction. Applying this example to impact assessment, there may be different strategies of maximising the result of the project in the long run. While affected parties typically have the goal to minimising the project impacts, project proponents aim at minimising the costs and duration for project realisation. This situation involves the potential risk of missing the target (successful conflict management) altogether (in the fisher example: a population break down) or at relatively high costs for all, due to a potential enduring escalated conflict with an unpredictable outcome. The alternative is to invest in a constructive communication process, which may involve refraining from the target of maximal short-term output, with a higher likelihood of accommodating all interests in a sustainable way (e.g. Bannink 2010) and enhancing the “social license to operate” in the long run (Moore 1996; Prno & Slocumbe 2012).

Importantly, pro-active conflict detection as a means to obtain information requires a sensible approach as it may trigger undesired conflict escalation. This is particularly the case in areas of violent conflict and post-conflict areas. The way the issues are presented could cause public unrest and violence. Therefore appropriate integrated conflict mitigation and de-escalation procedures need to be implemented. When handling projects in areas of public unrest, managing expectations and dealing with historic legacy issues can be critical. Conflict management also needs to be adjusted to the specific cultural conditions. On the positive side, a sensible approach to pro-active conflict management may also contribute to peace building in areas affected by recent violent conflicts.

## **Conclusion**

Dilemmas inherent in the process of impact assessment and public participation such as the paradox of public participation and the public goods problem require novel approaches of conflict management. Pro-active conflict management that incorporates early information about attitudes of stakeholders as a potential constraint and early consideration of long-term pay offs depending on the type of interaction may be of value. Moreover, a shift of mind-set concerning the properties of conflicts may be useful: an interested attitude towards situations of conflict that considers them as a valuable source of information may create opportunities for novel solutions to complex challenges.

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