



Innovation Hub  
**Social Licence to Operate**  
Concept Guide for New Technologies

# Introduction

This guide provides content on developing a 'social licence' as part of your market strategy for bringing innovative ideas to the aviation market.

There are multiple definitions of a social licence, referred to in a growing number of writings. Our explanation on [page 3](#) defines it as the ongoing approval from stakeholders for an organisation's products, services, business practices and operations.

The concept of 'social licence' is not new, but the introduction of the social licence concept into public discussions relating to aviation is particularly timely, as described on [page 4](#). It has become increasingly important for you to seek this type of approval for commercial reasons.

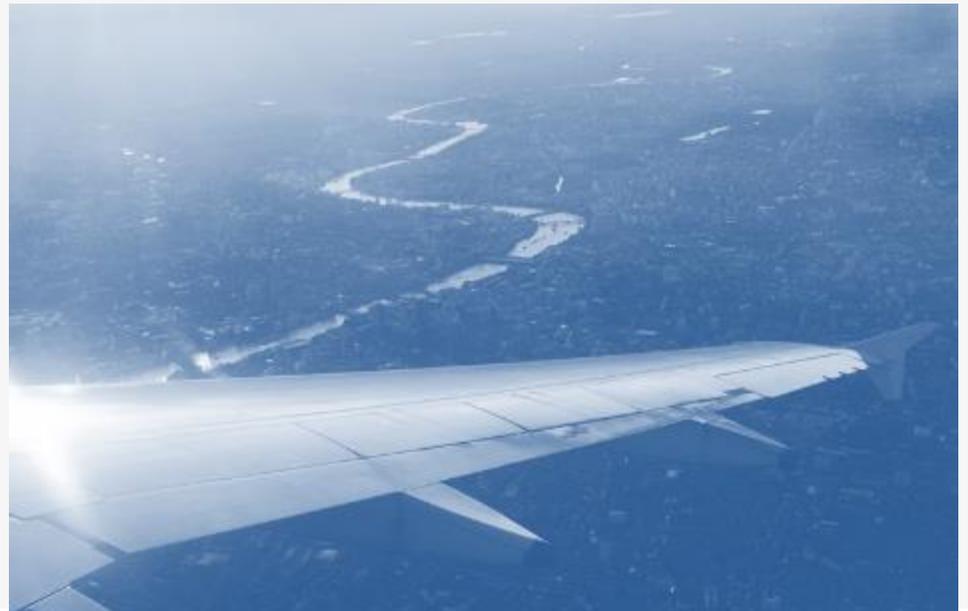
A social licence is particularly important where there is a high degree of change or disruptive and new services involved. [Page 5](#) describes how it is often not immediately evident to the public whether innovations will help or harm them. Where there is no existing regulatory framework there may be no independent authority to give oversight.

When working towards a social licence innovators might find it helpful to consider the 6 key principles outlined on [page 6](#). The Aviation sector is composed of a broad range of stakeholders, not all of whom can be viewed as consumers of its services, but all of whom can be affected by change. [Page 6](#) also draws out some of these key groups.

Thanks to the popularisation of the social licence concept, you can draw from examples to explore the principles in practice. An aviation sector and non-aviation sector case has been included on [page 7](#).

A social licence strategy should be developed flexibly and be considered in accordance with local needs, company ethos and any unique selling points. It must be achievable and practical for you to deliver. The hints on [page 8](#) are therefore only starting suggestions.

The CAA has produced this guide to assist innovators in developing their products and services. The CAA's regulatory approvals will be assessed against its statutory duties, which are first and foremost about safety. Wider UK social policy and the setting of regulatory requirements are matters for Government to determine.



# What is a Social Licence?

There are multiple definitions of a social licence, referred to in a growing number of writings. Our definition combines the key features from several of these.

Whilst the concept was popularised in reference to the mining sector, uses of 'social licence' now apply in many domains. For example, the New Zealand Government has set out a social licence framework, now adopted by its national statistics agency.

There is broad agreement that [a social licence is increasingly important for business](#). Ernst and Young listed a social licence to operate as the number one business risk facing the mining and metals sector in 2019-20.

While a social licence does not provide a complete response to the challenge of implementing new technologies with social impacts, it does provide a way to identify the impacts ahead of time.

## Definition

A social licence is **the ongoing approval from stakeholders for an organisation's products, services, business practices and operations**. Underpinned by a **360° view of stakeholders**, a social licence brings with it the tangible business benefits of being considered legitimate, credible and trustworthy.



A social licence is [not a replacement for formal regulatory processes](#) or a regulatory permission, licence or approval. Although there could be some synergies, for example where best practices for delivering services also provide consumer protections. But an attempt to regulate social licence activities could even have detrimental effects. Reviewing technology sector behaviours towards regulation, Elizabeth Pollman warns that "overly aggressive regulatory arbitrage can erode social licence and create a more-costly environment for sustainable operation."

Because individuals within different stakeholder groups hold different values and opinions - which reflect behaviours and emotions - establishing a single measurement for assessing a social licence is difficult. Although acceptance is needed from 'the public' in its broadest sense, [local communities and individual views](#) can often make a material difference. Therefore, for a social licence you need to consider impacts on individuals, alongside larger societal issues such as the environment.

# Social Licence in Aviation

The concept of 'social licence' is not new, but the introduction of the social licence concept into public discussions is particularly timely. It has become increasingly important for you to seek this type of approval for commercial reasons.

Aviation sector participants are developing ever more innovative and disruptive technologies and services, at a faster pace and in a multitude not experienced since the beginning of aviation in its modern commercial form.

These changes are happening against a backdrop of social empowerment through technology. With growing access and use of social media, Big Data and continuous 24-hour news cycles.

CAA [Consumer surveys](#) since 2016 have identified a **decreasing trend of satisfaction** in aspects of the customer experience within the commercial aviation sector in the UK. This gradual reduction in satisfaction levels, indicates a disconnect between what the customer wants and what aviation organisations are offering. Clarity and deeper understanding of customer needs can help to bridge this gap.

There is no CAA regulatory role for overseeing or assessing a social licence. That said, we support the adoption of the right 'social licence' activities by new and existing market participants. We believe this will bring reputational and practical benefits to individual organisations and the aviation sector as a whole.

This guide is therefore intended to highlight the benefits and high level principles you should consider towards attaining your own social licence. Please note we do not offer a replacement to existing regulatory requirements or set out an exact model to follow.

## Satisfaction rates of commercial aviation passengers

UK Aviation Consumer Survey Key findings report August 2019



# Why is a Social Licence Important?



A social licence is important for commercial and regulatory reasons, particularly where there is a high degree of change or disruptive and new services involved. It is often not immediately evident to the public whether innovations will help or harm them, and where there is no existing regulatory framework there may be no independent authority to bring clarity.

Public opinion can form surprisingly quickly. When an organisation fails to clearly communicate its approach and objectives, there is a real danger that rumours, assumptions and negative conclusions will be formed, regardless of the facts.

The challenge to maintain positive and constructive engagement across communities and public spheres of influence can be particularly acute for new technologies. There is a substantial body of research on this topic. One reason for this challenge is that new technologies typically combine high levels of unfamiliarity, with the potential for a high degree of change. The impressions this can produce are encapsulated by the 'Privacy Panic Cycle'. This model also highlights that negative views often diminish over time: once a new service has been witnessed in use.

However, new aviation technologies are complex. For example, before a full Urban Air Mobility (UAM) service can be offered, [iterative developments](#) demonstrating the safety and effectiveness of operations will be needed. It may be possible to demonstrate or share some aspects of the service or new technology whilst development is still in progress.

If you act before relying on the “deflating fears” stage of the Privacy Panic Cycle you can increase your chance of successfully introducing your novel development to the public. Failure to do so could [slow the development](#) of your and other related new technologies.



**The Privacy Panic Cycle**

*A Guide to Public Fears About New Technologies, September 2015*

## The danger of failing to engage

Writing on the topic of Genetic Modification (GM) in the UK, Simon Burall warned that “there’s been **little attempt to engage the public** on the implications of the technology in a way that could alter the decisions of scientists and policymakers.”

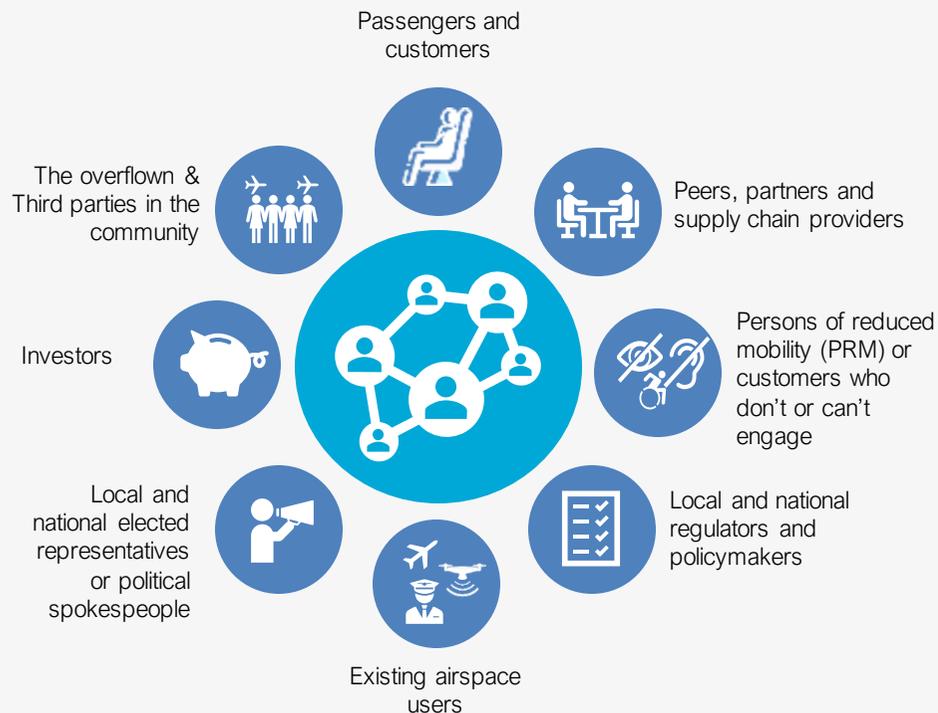
On this basis, any new policies would be unlikely to address the concerns or issues of most importance to the public, leaving policy makers and industry participants in a **poor position** to gain trust and acceptance for their decisions.

# Principles of Social Licence

When working towards a social licence your activities should be guided by 6 key principles.

CAA Innovation work is underpinned by principles that we believe apply equally to our expectations for the commercial organisations we interact and collaborate with. These principles are shown in the table on the right.

Similarly, a [360°degree stakeholder view](#) will enable you to fully understand your stakeholder's needs and wants. This view is most commonly applied in business for customers but can work well for peers and the public too. Examples of key groups in aviation are depicted below.



Principle	Explanation
<b>Public safety</b>	At all times, your responsibility is to maintain high levels of public and consumer safety, security and economic protection.
<b>Transparency and openness</b>	It should be clear to stakeholders how they could be affected by an operation in terms of safety, environmental, security and privacy issues.
<b>Accessibility</b>	Accessible proposals are good proposals. They should be as inclusive, legible and readable as possible.
<b>Evidence-based</b>	Data should drive decision-making, not hunches or guesswork. Gathering data should be an essential part of any proposal, easy to read and widely shared. Your decisions should be clearly recorded and explained.
<b>Stakeholder needs</b>	Proposal design starts with identifying potentially affected stakeholders and their concerns. If you don't know what your stakeholder needs are, you won't build the right thing. You should research, analyse data, and talk to stakeholders.
<b>Integrity</b>	To maintain trust you must act with integrity in all aspects of your operations.

# Case Studies

Thanks to the popularisation of the social licence concept, you can draw from examples to explore the principles in practice.

The two examples on this page highlight the benefits of using input from communities to shape practices; rather than just seeking acceptance from them. Other social licence activities may be equally as effective for you.

## Wisk in New Zealand



Wisk, an Urban Air Mobility company, is developing and certifying a self-flying, electric, vertical take-off and landing (eVTOL) air taxi. Wisk and Air New Zealand signed a collaborative development agreement in 2018. By that time Wisk's New Zealand entity had already spent two years [engaging with communities](#) on the ground on a range of social and aviation matters.



Face-to-face meetings, innovative research and [comprehensive audience mapping](#) enabled Wisk to identify the issues that really mattered to local communities. They have built and sustained lasting relationships by convening discussions on those topics with communities and policymakers. Members of the community were [invited to see Wisk's operations first hand](#). For example, a group of young leaders of the Ngāi Tahu Iwi (Māori) tribe have visited Wisk's headquarters in California.

Local talent has also been trained and hired to develop operations in New Zealand.

## TELUS Mobility



Canadian Telecommunications firm TELUS was established in 1990, putting [community initiatives](#) at the heart of its operating model. It uses technology to address Canadian societal issues: from projects to protect native Canadian plants, to helping keep families safe from online criminal activity through education.



TELUS manages [Community Boards](#) to allow local community representatives to have a say in how the company allocates funds in that country for its operations and for social good.



The 'Tech for Good™ program', allows TELUS to work with customers with disabilities who require assistive technology. It provides additional hardware, software and skills training to support customers' independence.

# Helpful Hints

A social licence strategy should be developed flexibly and be considered in accordance with local needs, company ethos and unique selling points. The following hints are therefore only a starting point. Validation of your approach will come from your own stakeholders and the public.



## Begin at the very beginning

- Know who your stakeholders are: those you touch directly and indirectly.
- It is never too early to begin engaging with stakeholders, but it can very quickly become too late.
- Activities should take place during the concept and design phases - not only as part of the final roll-out. This includes creating familiarisation of your aims and technologies, and understanding the expectations and role of your stakeholders.
- Input from stakeholders will help you to learn and adapt on an ongoing basis and gain competitive advantage.



## Change needs to be demonstrated

- Listening and considering the opinions of the public and stakeholders is key.
- Consultations are necessary tools for some processes – for example airspace change applications. In other circumstances they are also useful tools for gathering insight. However, they are most effective when stakeholder feedback is taken on board affecting real change.
- You should be prepared to demonstrate the changes you have made as a result of input, before the public may be willing to grant you social licence.

“While society eventually overcomes [the fear of new technology], they can significantly slow the **pace of technological progress**, imposing real costs on society in the process”

- Daniel Castro and Alan McQuinn



## Make their issues, your issues

- It is important to make the effort to understand what it is that stakeholders care about and what issues or concerns they have.
- Whilst you may have highly novel technology, it will almost always be the output that the stakeholder cares most about. In other words, consider ‘what’s in it for me’ from a stakeholder perspective.
- Working with innovators and other stakeholders on their issues can sometimes be the most direct or efficient way to obtain a social licence.



## Be prepared to refresh your approach, and be creative!

- A social licence is not a static state and can be lost more quickly than it can be obtained. No organisation can afford to be complacent.
- It may not be possible to continuously engage with stakeholders, but it is important to put in place a mechanism for ongoing review. This will let you assess and update your approach for improvement.
- You should approach a social licence with the same innovative mindset as you use in other parts of your business. Being agile and creative in how you speak and work with stakeholders and the public will help to pique their interest to learn more, building a more mutually beneficial and enjoyable relationship in the long run.

# References

CAA Consumer Survey August 2019

[https://publicapps.caa.co.uk/docs/33/CAP1831b%20ComRes\\_CAA\\_Wave%207\\_Key\\_Findings.pdf](https://publicapps.caa.co.uk/docs/33/CAP1831b%20ComRes_CAA_Wave%207_Key_Findings.pdf)

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[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3352203](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3352203)

European Molecular Biology Organisation, Derek Burke,

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Rethink public engagement for gene editing, Simon Burall, 21 March 2018,

<https://www.nature.com/articles/d41586-018-03269-3>

Wisk in New Zealand

[www.wisk.aero](http://www.wisk.aero)

TELUS

<https://www.telus.com/en/>

## What next?

We, the CAA, will encourage those we engage with to consider the development of their own social licence and how this concept fits into their own development and commercial goals. Any regulatory decisions we make will be reference to our statutory duties, which are first and foremost about safety.

We are keen for industry participants, communities and wider stakeholders to feed into this discussion. This will help to raise awareness of and to bolster social licence activities carried out in the UK and the aviation sector globally.

**We want to hear from you.** Please send your views on this topic and any requests or queries to [innovation@caa.co.uk](mailto:innovation@caa.co.uk)

Marketing Institute Digital Digest

<https://digitalmarketinginstitute.com/en-us/blog/the-what-why-and-how-of-360-degree-customer-view>

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