

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.