

## COLOPHON

Title: Private actors' role in trust: A case study of the Stadshavens redevelopment project.

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## **ABSTRACT**

The legitimacy of collaborative governance is, in theory, based on direct participation by members of stakeholder groups. However in practice there are varying levels of participation often due to power imbalance. The increasing level of private participation in redevelopment projects suggests that private actors are to an extent creating the feeling of legitimacy. This research examines the role that private actors play in creating trust among residents. Trust being a key component of legitimacy. Using interviews and official documents, a case study of the Stadshavens redevelopment project was conducted. It was found that private actors do not consider themselves to play a role in the creation of trust in the planning process. Neither residents nor private actors believe private actors to be accountable for the creation of trust. Private actors were considered to not be trustworthy by residents. However the residents expressed trust in the public sphere (the democratic process), believing that the municipality had the final say in the project. This research concludes that planners should consider educating civil actors on the primary role of power that private actors hold as residents do not seem to be aware of how decision making takes place in these large projects.

#### I. INTRODUCTION

The following thesis analyses the role that private actors play in the creation of trust among the residents of large scale redevelopment projects. Private companies take front seat in the development projects. As these projects are the place making mechanisms of the future. Thus private functioning, image and relationship with citizens is important in Spatial Sciences. As planners are actors in development markets, directly involved in their control. According to Adams and Tiesdell (2010) development control is a part of spatial planning as is development planning. Thus for spatial sciences understanding the mechanisms in development markets allows for their improvement.

Representative democracy has traditionally been grounded on electoral legitimacy; in contrast, governance involves a shift towards representation based on shared experience and direct participation by members of stakeholder groups (Connelly, 2014). Collaborative governance brings public and private stakeholders together in collective forums with public agencies to engage in consensus-oriented decision making (Ansell and Gash, 2008). In practice however, different stakeholders have varying levels of participation often due to power imbalance (Choi and Robertson, 2013). On top of that, according to Nelson (2001), local communities are excluded from the decision-making process creating problems with project legitimacy.

So in theory, the legitimacy of governance involves representation based on shared experience and direct participation but the levels of said participation can vary according to the power of the governance actors. In projects where citizen participation is low, private and public actors might then be concerned with creating a feeling of legitimacy through different mechanisms. Much of the theory underlying collaborative governance is largely based on general insights about the conditions required for success rather than on empirical evidence demonstrating consistent relationships between particular features of collaborative governance systems and their consequences (Choi and Robertson, 2013). Because of this the role that private actors play in creating trust among residents is analyzed via case study using the ongoing Stadshavens Redevelopment project in Groningen, the Netherlands in specific representing a shift towards collaborative governance.

As legitimacy is commonly held to be a precondition for political stability in advanced capitalist democracies (Useem and Useem, 1979). And is composed of three measurable indexes: perceived obligation to obey; trust and confidence; and normative alignment (Tyler and Jackson, 2013). The role that private actors play in the creation of trust, as a component of legitimacy, will be studied using the case study method. As this will provide an in context understanding of the mechanisms within development planning and control. Trust is chosen because of its being one of the most subjective and thus malleable dimension of legitimacy. This makes it easier for private companies to take responsibility for its creation.

The societal relevance of maintaining a feeling of legitimacy in redevelopment projects is based on this feeling being pivotal for the existence and acceptance of ruling institutions (in this case the institution of collaborative governance, including public and private actors). Societal dependence on the current ruling institutions to provide means for living makes it convenient to maintain their efficient and effective realization of projects. As these are in the end trying to deliver basic life necessities, as is housing.

The main research question aims to understand the role private actors play in the creation of trust among residents. Our first research question is: What role do private actors play in the creation of trust amongst residents? To answer this question, we created three sub-questions. Firstly: Who are the private actors and resident groups and how do they relate to each other? For this question we used a classification proposed by Mitchel et al (1997) and an institutional map for further detail. Secondly:

How is the creation of trust perceived by the actors involved in a redevelopment project? To answer this question interviews are conducted (sub question 2). Thirdly: Do residents express trust in the project and why? This question is also answered via interview analysis

The study found that private actors do not consider themselves to play a role in the creation of trust nor do residents hold them responsible for this creation. They have minimal to no communication with residents. While residents expressed feeling no trust towards private actors, they did express trust towards the democratic process. Also mentioning that public actors had the final say in the project. Residents did however say that the private actors should be responsible for the creation of such a feeling. These results show that there are other mechanisms that are leading to trust in the planning process. Creating an image of trust is a complex process, linked to the history where collective memory plays a big role. Residents do not seem to be aware of the position of power that private actors hold and thus do not hold them responsible for being trustworthy.

# II. THE CHALLENGE OF IMPLEMENTING LEGITIMACY IN A GOVERNANCE PROCESS

The notion of governance generally refers to a group of interdependent stakeholders. Who work together to develop and implement policies to address a complex, multi-faceted problem or situation (Choi and Robertson, 2013). In this case study, an in-context definition of governance is applied, defining it as a communicative, collaborative process between stakeholders that guarantees mutual coherence (note: not a consensus), where legitimacy is based on representation and direct participation by members of stakeholder groups.

According to Connelly (2014) governance rests its legitimacy on representation based on shared experience and direct participation by members of stakeholder groups, with the aim of policies and strategies being shaped through collaborative deliberation between stakeholders. In practice levels of participation can vary according to power (Choi and Robertson, 2013), also local communities can find themselves excluded from participation in decision making processes (Nelson, 2001).

Mitchel et al (1997) define legitimacy as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. Also as a desirable social good, it is something larger and more shared than a mere self-perception, and it may be defined and negotiated differently at various levels of social organization. A projects legitimacy is difficult to measure, as the perception that something is appropriate within a socially constructed belief system. People cumulatively provide this feeling for a ruling institution, creating a social environment where this organ is considered proper. Tyler and Jackson (2013) composed three measurable indexes: perceived obligation to obey; trust and confidence; and normative alignment.

This paper will be focusing on trust as a key dimension of legitimacy. According to Rousseau et al. (1998) trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another. Being vulnerable means to be exposed to the possibility of being attacked or harmed, either physically or emotionally (Schroeder & Gefenas, 2009).

Thus positive expectations of the intentions or behavior of the private actors are related to the trust in the new governance and according to van Dijke and Verboon (2010) trust mediates procedural fairness effects on authority's legitimacy. According to Tan, He, Han, and Zhang (2019) the process and results of the urban transformation are equally important.

Collaborative governance is thus basing its democratic legitimacy on direct participation from stakeholder groups. Government interest in collaborative governance has been summarized according to Entwistle and Martin (2005), into three key propositions: 1. Encouraging trust and thus reduce conflict 2. 'Unlocking' the distinctive competencies of other sectors 3. Delivering a transformational approach to service improvement. Whether a collaborative process encouraging trust is actually the case when participation is limited according to power is not clear.

However, according to Choi and Robertson (2013) in reality, different stakeholders in a collaborative forum have varying levels of both formal and informal power, which stems from a variety of sources including power based on "structural position (e.g., formal authority), need imbalance (e.g., skills, information, money), importance imbalance (e.g., strategic centrality).

Mitchel et al (1997) proposes a model to study stakeholder importance, where it is dependent on three attributes: power, legitimacy, and urgency. In the framework, power is conceptualized as power over, i.e. the relationship among social actors in which one social actor can get another to do something that he/she would not otherwise have done. Legitimacy refers to a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. In terms of stakeholder relationships, legitimacy provides an understanding of what types of firm/stakeholder actions are maintained as socially acceptable. The third attribute of the model is urgency, referring to the degree to which stakeholder claims call for immediate attention. Sensitivity to time and criticality are the bases of urgency. The concept of urgency positions stakeholders' stance to the stakeholder relationship management as critical. This can be used to study the stakeholder's relationships in a governance system. This conceptualization leads to seven categories of saliency, as shown in figure 1.

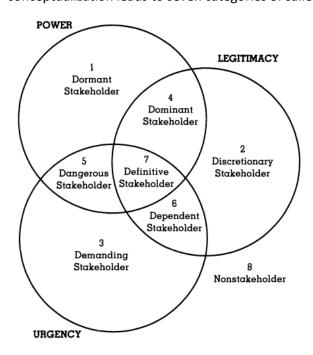


FIGURE 1: ACTOR SALIENCY DIAGRAM (MITCHEL ET AL, 1997)

According to Nelson (2001) the shift to governance involves a growth in the importance of public private partnerships. The modern urban government is characterized by Stoker (1998) as an enabler, a catalytic agent facilitating provision and action by and through others (private entities).

A PPP is defined as a voluntary, stable collaborative effort between two or more public and private autonomous organizations to jointly develop products and services, sharing risks, expenses, and benefits (Ysa, 2007). These partnerships provide solutions to problems that neither the public nor the private sectors can achieve alone, the conceptions of partnerships need to be understood in their cultural context. (Nelson, 2001).

The three predominant criteria proposed for distinguishing between public and private organizations are ownership, source of financial resources, and model of social control (polyarchy versus market), however, in empirical research, the differences become ambiguous (Meier and O'Toole, 2011). Even though they can be very beneficial, Nelson (2001) identifies a problem of legitimacy in PPPs because these projects are being formulated outside of a democratic context, often with local communities excluded from the decision making. The extent to which partnerships are open to community involvement is unclear, there is an issue of openness and accountability.

The differences between public and private enterprises become ambiguous, they are interdependent for the realization of projects. Both hold a much greater level of power in collaborative governance than civil actors. Project legitimacy is thus created through a mechanism other than participation.

Thus the theorized relationship between stakeholders in the governance process is different to the one found in practice. Figure 2 illustrates how power may dictate the level of participation in the processes and civil society finds itself often excluded from decision making. However they are providers of legitimacy and thus stability for the whole system. The new role of the private sector in collaborative Governance stems from public entities becoming dependent on private entities to provide services that society needs. They are not obliged to take part in public projects but the project cannot take place without them. This puts them in a position of power.

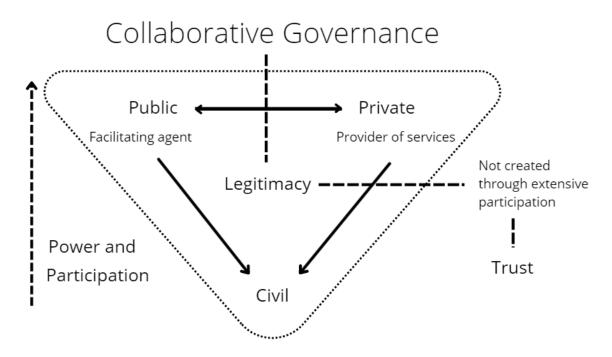


FIGURE 2: THE NEW ROLE OF THE PRIVATE SECTOR IN COLLABORATIVE GOVERNANCE. SOURCE: AUTHOR

#### III. METHODOLOGY

The following model shows the hypothesized relationship between the variables:

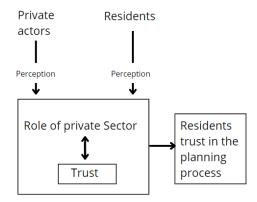


FIGURE 3: CONCEPTUAL MODEL

Private actors are thought to play a role in creating trust among the residents involved in a redevelopment project, because of its contribution to a larger sense of project legitimacy. This would be important to them seeing the primary position of power they hold.

The actors, private and residents, are the dependent variables. The role in trust and residents trust are the independent variables.

The case study method has been chosen as this hypothesis is analytical and heavily theoretical. A common charge against case study research is that its findings are not generalizable in the way that those of social surveys are, creating more analytical than empirical generalizations (Hammersley, Gomm and Foster, 2009). The method is considered more appropriate for qualitative research because of its foremost strength - the in-depth study of complex issues (Bhatta, 2018).

The role that private actors play in creating trust among residents in redevelopment projects will be studied the Stadshavens redevelopment project. As it is an ongoing, large scale project where development is taking place in very close quarters to existing households. Meaning that there are residents close to the project that can be affected by it.

Data was collected using in depth semi structured interviews analyzed deductively and a review of official municipal documents regarding the case. Originally the interview were meant to be structured. During the interview this prove inept as the answers were not direct. Because of this. Semi structured interviews were used instead (Appendix 2). Using open ended question open-ended questions to understand the respondent's perspective better and also to obtain reactions to new ideas (Adams, 2015)

The interviews are directed to two main populations: residents and private companies. However throughout the process of recruiting participants, only one private actor agreed to an interview and finding interviewees was challenging owing to the limited time frame in which this project must be realized. The interviewees were contacted through email and other online sources, conducted through video call on google meets, recorded and transcribed manually. Interviews were conducted with one private actor, two residents involved in resident's organizations.

Interview quotes were classified according to interviewee position within the project and research question answered. Because interview themes resulted being different to those predicted, an inductive method was used instead of the planned deductive code tree (appendix 1).

The interviewees were sent a consent form via email, declaring the intentions and general objectives of the research (appendix 3). Their rights to remain anonymous and the right to correct transcript if inaccurate were stated. Interviewees were asked if they agreed to being recorded before the interview began. The interviewee issued an oral agreement to what was stated in the document, this was also reiterated to the orally before the interview.

Table 1 includes an overview of the interviewees, position, date and duration of the interview:

INTERVIEWEE POSITION		DATE	DURATION
1	Residents Org.	05/04/2022	00:54:37
2	Residents Org.	26/04/2022	01:02:45
3	2 private actors, representing one company	14/04/2022	00:29:15
4	Private actor	13/05/2022	Last minute cancellation

TABLE 1 Municipal documents regarding organization and finances were reviewed and used to map the project organization and actor saliency according to the model proposed by Mitchel et al. (1997). Table 2 includes an overview of the documents used:

DOCUMENT NAME	ACCOUNTABLE ORGANIZATION	DATE PUBLISHED
Toelichting deel 1 openbaar Eemskanaalzone, Stad aan het water: Organisatorisch kader behorend bij de ontwikkelstrategie Eemskanaalzone, Stad aan het water	Gemeente Groningen	23/12/2021
Stadshavens   informatiekrant	Gemeente Groningen, VanWonen, VolkerWessels Vastgoed, Wonam, BPD, Lefier and Nijestee	11/2020
Samenwerkingsovereenkomst Stadshavens 1	Gemeente Groningen	02/2022
Toelichting deel 2A openbaar Eemskanaalzone, Stad aan het water Financieel kader behorend bij de ontwikkelstrategie Eemskanaalzone, Stad aan het water	Gemeente Groningen	23/12/2021

## IV. THE STADSHAVENS PROJECT

Started in 2018 and still in progress, the Stadshavens project is a large development project. Developed in 4 phases (shown in figure 4) starting in phase 1, this includes the area of Damsterbuurt. Planning to build in phase 1 about 2400 homes with 600 of them being middle and low income homes (Gemeente Groningen et al., 2020). This is however still in the planning stage.



FIGURE 4: IMPLEMENTATION PHASES OF STADSHAVENS, BASE MAP FROM GOOGLE MAPS (2022)

Phase 1 of the project is being realized in mostly in a brown field area, very close to the city center. While this area does contain homes it is mostly underused and a great opportunity for development in Groningen.

Phase 4 represents a connection of the city with Meerstad. The project is part of a larger strategy to combat the housing crisis along with other large redevelopment projects including De Held and Suikerzijde.



FIGURE 5: TENTATIVE PLAN FOR PHASE 1 BY KCAP (2022)

## V. PRIVATE ACTORS AND RESIDENTS

#### ORGANIZATION OF PRIVATE AND PUBLIC ACTORS:

Private and public actors in the Stadshavens project are organized in a private limited company (BV). This type of company is characterized by its equity being divided into shares. The shareholders hold ultimate power, but the company directors run the business on a day-to-day basis, the BV is liable for any debts (Government information for entrepreneurs, nd). Publicly this includes the following companies: VanWonen, VolkerWessels Vastgoed, Wonam (no longer involved), BPD, and Lefier. According to interviewee 2, Wonam is no longer part of the project and in its place is Dura Vermeer. The BV counts for a part of the project organization as votes for the steering committee are also taken outside of it.

The steering committee and voting rights for the Stadshavens Project are organized as follows. The three market parties (VanWonen, VolkerWessels and BPD) and two corporations (Nijestee and Lefier) each have a vote in the steering committee (5 private votes). As the executor of the investment program, Stadshavens BV, through a shareholder meeting (AVA) has voting rights (1 PPP vote, where the municipality is one out of 6 shareholders). Development and Implementation (Grond explotatie), as a land owner and production holder, and the director of Spatial Planning have voting rights (1 public vote). The director of Stadshavens BV is a member of the steering committee but has no voting rights. Decisions within the steering committee are made unanimously.

#### **ORGANIZATION OF RESIDENT GROUPS:**

The residents' part of the terrain in phase 1 are located in Damsterbuurt (725 residents). This is located inside Oosterparkwijk (10 890 residents (CBS, 2018).

The resident organization of Oosterparkwijk advises the organization of Damsterbuurt however it also has its own interests, for the whole neighborhood. As mentioned by interviewee 2, Oosterparkwijk advises them to get their goal but is responsible for the whole neighborhood.

Org. Damsterbuurt was created solely to address residents' discontent for the Wonam plan (interviewee 1 and 2)



FIGURE 6: RESIDENT ORGANIZATION'S ADMINISTRATIVE AREA

## RELATIONSHIPS:

In order to map actor saliency the actors are classified according to power, legitimacy and urgency (table 3).

ACTORS	POWER	LEGITIMACY	URGENCY
Corporations and market parties	5 independent votes in steering committee.  Capital investment: 62 million euros  Owns 60% of the land	Considered a business following own interests (interviewee, 1 and 2)	Unknown
Stadshavens Bv	AVA shareholders meeting 1 dependent vote (majority private)	Unknown	Unknown
Municipality	1 dependent vote from R&U and Grondexplotatie  Capital Investment:  Woninbouwimpuls: € 18,2 million *  € 36,5 million  Owns 40% of the land	Legitimacy maintained image of fairness. Considered legitimate by interviewees 1 and 2.	Urgency for housing is high (Woonvisie gemeente Groningen, 2019).
Residents Org	No votes  No investment  No land destined for the project  Power through media	Civil actor, in charge of defining legitimacy.	Urgency to be taken into account before building begins.
Ranking	Even though outvoting the Municipality can easily be done, the decisions must be made unanimously. Together the Private actors have a higher budget that the Municipality, but this is divided between 5 actors. Making the Municipality the independent actor with the highest budget.  Power from civil actors is obtained through media influence.	Residents are by definition the most legitimate actors. The Municipality according to interviewee 1 and 2. Private companies are ranked lowest in legitimacy according to interviewees 1 and 2.	Municipality ranks highest in legitimacy.

TABLE 3

#### **ACTOR SALIENCY:**

According to the previous table an actor saliency model has been constructed. The stakeholders have been divided into 3 groups, private, public and residential stakeholders in the project. Ranked in order of their power, urgency and legitimacy in the project, according to the proposed system of Mitchel et al (1997).

Stakeholder attributes are socially constructed, and not objective reality (Mitchel et al, 1997). The ranking is meant to be constructed from the viewpoint of the firm manager.

So when recreating an actor saliency model, only a speculative idea of saliency can be represented, additionally not all information is available. Because of uncertainty on how to classify private actors in legitimacy and urgency they've been placed into 2 positions.

The results of the classification consist of a characterization of the actors as the following, as defined by Mitchel et al (1997):

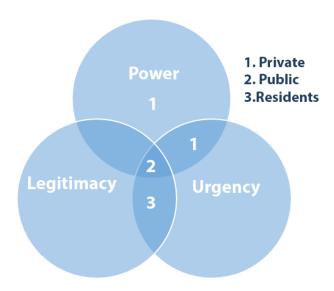


FIGURE 7: STAKEHOLDER SALIENCY IN THE STADSHAVENS PROJECT

Private stakeholders are classified as dormant and/or dominant stakeholders. The relevant attribute of a dormant stake- holder is power. They possess power to impose their will on a firm, but by not having a legitimate relationship or an urgent claim, their power remains unused. Dormant stakeholders will become more salient to managers if they acquire either urgency or legitimacy.

The other classification of private actors is as dominant stakeholders. Stakeholders are classified as dominant when they are both powerful and legitimate. Because of this their influence in the firm is assured, since by possessing power with legitimacy they form the "dominant coalition" in the enterprise. Thus, we might expect that dominant stakeholders will have some formal mechanism in place that acknowledges the importance of their relationship with the firm.

The classification of the Private actors as dormant stakeholders suggest that their use of power is either illegitimate, urgent or minimal. As dominant stakeholders there is some form of formal mechanism in place that acknowledges the importance of their relationship with the firm. Their overwhelming amount of voting rights in comparison to the private stakeholders might be such a mechanism. Their position might lie amid these two definitions

The public actors in the project are classified as a definitive stakeholders. Stakeholder salience will be high where all three of the stakeholder attributes-power, legitimacy, and urgency-are perceived by managers to be present. By definition, a stakeholder exhibiting both power and legitimacy already will be a member of a firm's dominant coalition. When such a stakeholder's claim is urgent, managers have a clear and immediate mandate to attend to and give priority to that stakeholder's claim. Public participation on the project comes in 2 forms of direct participation, the PPP vote, the Grondexplotatie and R&U vote. Indirectly the public enterprise participates by being symbolically responsible for the city, the municipal council monitors the municipal executive and take part in municipal decision making. When stakeholders are considered to be definitive, managers have a clear and immediate mandate to attend to and give priority to that stakeholder's claim (Mitchel et al, 1997).

Residential stakeholders are classified as dependent stakeholders. These are stakeholders who lack power but who have urgent legitimate claims because. They depend upon others (other stakeholders or the firm's managers) for the power necessary to carry out their will. Because power in this relationship is not reciprocal, its exercise is governed either through the advocacy or guardianship of other stakeholders, or through the guidance of internal management values. Their source of power in this case came from their ability to manipulate the image of the public actors.

#### **INSTITUTIONAL MAP**

In order to further understand the relationships between the actors, an institutional map has been constructed (figure 8). Showing attributes such as forms of participation, power, responsibility and main communication lines.

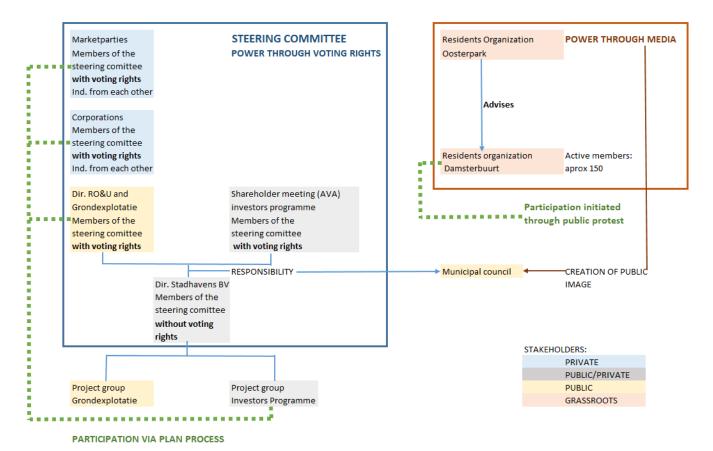


FIGURE 8: INSTITUTIONAL MAP

## VI. EFFECTS ON TRUST

The definition of trust used for this study is comprised of 2 dimensions: positive expectations of the intentions or the behavior of another and intent to accept the possibility of exposure to being attacked or harmed based on these expectations.

Trust also involves at least 2 subjects, those whom the expectations are based on and those who expect. In this case, the private actors and the residents.

#### PERCEPTION OF PRIVATE ACTORS' ROLE IN CREATING TRUST:

Private actors are the subject who the expectations are based on. How private actors create trust would then be defined as how they try to create positive expectations of intentions or behavior among residents.

When referring to their relationship with the residents, they mentioned that their communication with the residents is mediated through the municipality. Stating that they "have no structural contact with the residents" also stating that the communication "all comes from the municipality (interview 3)". The project is still at a very early stage so it is hard to talk about this case in specific. When being asked about how they treat negative views of the company they mentioned that, "it depends on which channel they come us. How serious it is also makes it important. If it is only once then, we don't even need to react. But it is not black and white (interview 3)." This quote reinforces the aforementioned no structural contact with residents. As it entails that if there are negative views they will only find out if the resident reaches out to them, it also points out to the insistency of the problem "if it is only once, we don't even need to react (interview 3)".

This hands off attitude towards their relationship with the residents is reinforce by the interviewee 1 who also does not hold the private companies as responsible for creating trust. Seeing the private company as a neutral entity whose sole purpose is to create capital and protect its interests. With quotes such as: "they have their own interest and we have our interest (interview 1)", "The Gemeenteraad, got the final word to make this decision (whose interest to put forward) (interview 1)". Interviewee 2 follows a similar narrative however evoking an image of the private company as a more complex entity, "private companies do have responsibilities in turning it around (situation of distrust) but they do not feel responsible for it (interview 2)".

Interviewee 1 also makes a distinction between the types of private actors and their relationship with social responsibilities, "You need to make a difference between 2 sorts of stakeholders, the investors and the woningcorporaties. The woningcorporaties became private and didn't start private, so this history, woningbouw verenegign have more social responsibilities". Making a relationship between a company's history and the views or expectations related to the company. So part of how the private actor creates trust is through a positive history of behavior.

The interviewees (interview 3) believed that the company plays no role in creating trust. With quotes such as: "The company has no role in creating trust (interview 3)" or a more moderate relationship with creating trust with the quote "we try to communicate, tell them if we have to cut a tree, maybe this leads to trust (interview 3)".

#### A ROCKY START, NO INITIAL COMMUNICATION:

The residents of Damsterbuurt were informed of the project, however not of the preliminary plan design. Which allegedly leaked against the developing companies' (Wonam and Lefier) will. The

residents disagreed with the high rise in the plan, "they presented their plans, sky high, the residents don't agree with the sky high building (interviewee 1)", "the residents hung posters against the high rise (interviewee 2)", "the high rise building was a building from Lefier. The large building was from Lefier, Lefier understands that there is a lot of protest about this building (interviewee 2)". The residents also disagreed on the displacement of the squatting community Betonbos, "They want to destroy the Betonbos and make a new park at the end of Stadshavens, the residents want to keep Betonbos (interviewee 1)". These main conflicts lead to the creation of an organization within the Oosterparkwijk Organization. The resident organization Damsterbuurt, consisting of approx. 150 active residents (interviewee 1).

The residents were allegedly not brought along the planning process, they only entered into communication when they protested. The residential organization of Damsterbuurt strategically choose a day that the municipality was hosting tour for the involved stakeholders around the terrain (interviewee 2). Which, according to interviewee 2, caused the alderman to get the residents in communication with Wonam.

#### RESIDENTS' TRUST IN THE PLANNING PROCESS AND IN THE PRIVATE ACTORS:

When it comes to the second dimension of trust (positive expectations of intention or behavior) there are expectations of unwanted behavior (building high rise and moving Betonbos). This dimension is also expressed in comments such as: "They pretend to listen (interviewee 1)". The first dimension is referenced by the residents (in a position of vulnerability) not accepting the behavior by protesting. Also according to interviewee 2, among the residents there was first a situation of trust, which during the communication process turned into distrust. Interviewee 1 made a distinction between types of actors alluding to company history being one of the determinants for a more positive image; "The woning corporations became private and didn't start private, so this history, woningbouw verenegign have more social responsibilities".

While it can by these actions be said that they do not express trust in the actors, it must be brought back into light that they do not hold these actors as responsible for trust making it unnecessary for them to trust the private actors. When asked, interviewee 1 does however show trust and belief in democracy, stating that they are the only tools available so there is no other choice but to trust. Also stating that "they understand that building houses is a necessity but there has to be balance". Interviewee 2 however describes the process as a "political game that you need to know how to play". Thus it may be possible to conclude that trust is in the process itself, not in the actors. With these results however it is impossible to predict or generalize as the number of interviewee is too small, it would be interesting to find out if there is any relationship between the level of trust towards the stakeholders in the process and the trust for the process.

#### VII. CONCLUSION:

The role that private actors thus play in residents' perceived trust in the planning process was studied through: the relationships between the stakeholders, their role in creating trust as perceived by actors and the actual expressed trust of the residents in the project.

It was found the private stakeholders have the majority of the projects steering committee votes. They, together with the investors and two public actors participate in the plan process. Private actors have a much larger amount of decision making power and coercive power than the residents. However, as the steering committee can only decide through consensus, this power is limited to situations where everybody wants to cooperate. This creates a vaguer power dynamic that can only be studied by knowing the full details of the cooperation.

The residents exhibited the possession of power, the threat of their influence on public figures images proved to move the actors in power. A power to influence the image of those who lead through media or other sources relates to their influence on the governing institution's legitimacy. Mitchel et al (1997) define legitimacy as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. The power to influence the legitimacy of the governance institution. Seeing that if the residents wouldn't have protested then they would not have been invited to participate at all.

The difficulty to compare types of power to each other, the gaps of knowledge when it comes to urgency and legitimacy of the private intuitions made it difficult to actually rate the actors on these themes. The actor saliency model is designed to be built from the point of view of the project manager. Which in this case is actually nonexistent. The model however produced fitting descriptions of the relationships and behavior of the stakeholders. But the full picture and complexity of the power and participation was still not clear enough. For this the institutional map was created (figure 8). Here the low level of participation and unregulated form of power the residents have is made clear.

According to Nelson (2001), local communities are excluded from the decision-making process creating problems with project legitimacy. This was also the case in Stadshavens until they protested. According to Choi and Robertson (2013) the difference in participation of stakeholders is often due to power imbalance. Residents suddenly were given space to participate the moment they exhibited their awareness and willingness to use their form of power. Showing the biggest imbalance would not have been a power imbalance but an imbalance in awareness of holding power if they would not have acted.

Nelson (2001) identified a problem of legitimacy in PPPs because these projects are being formulated outside of a democratic context, often with local communities excluded from the decision making. In Stadshavens residents were originally excluded and later included. The process itself was considered to be legitimate by the residents. However it is important to take into account that legitimacy can be composed by 3 measurable indexes, perceived obligation to obey, trust and confidence and normative alignment (Tyler and Jackson, 2013). High perceived obligation to obey combined with trust and confidence in the public sector could be found in the resident interviewees.

Among the data collected there are two dominant findings about the role that private actors play in trust. The first, that the private actors do not and are not considered responsible for creating such a feeling. They are only responsible to upholding the image of legitimacy of the public actor. Creating a trickledown effect where the actors find themselves in obliged to have a minimal relationship with the residents to maintain the position of the public actor. The second was that, in the data, it was

mentioned that company history (starting public and latter privatized) lead to a more socially responsible image, creating a more trust worthy image (this was mentioned about woningcorporaties).

In conclusion, participation was indeed not given in the initial stage of the project, catalyzed by threats to the public image of the actors. Trust in the private actors did not mediate the feeling of legitimacy in the process. Private actors and the residents within the data did not consider private actors as responsible for creating trust in the process. Making the role that the actors play in creating trust an unnecessary addition. Since the data also showed that legitimacy and more specifically trust was attributed to the process itself and not the private actors within it. It is the past that determines the present trust, and thus legitimizes the present action; however the power structures of the past are no longer existing.

## VIII. REFLECTION

The case turned out to be very complex regarding the amount of time and resources available. Not enough interviews were conducted to actually consider any of the results conclusive. Private actors turned out to be extremely hard to reach, especially taking into account that these are big companies. Reaching out to the people in charge of them requires much higher social resources than those at hand. Reaching out to residents turned out also to be quite complicated as it would be quite time consuming to start ringing on doorbells.

It was also found that when conducting inductive interviews, or open format interviews, maintaining an open conversation while trying to remain unbiased also proved to be difficult. As there is a fine balance between guiding a conversation and predetermining it. The case chosen is also at it initial stages of development, which also leaves the results of the participation and final trust assessment open to change.

Themes for future research, based on the research include: the relationship between history of a property market private company and the perceived legitimacy of the project. Because of the result that company history (starting public and latter privatized) lead to a more socially responsible image, creating a more trust worthy image. In Stadshavens participation had little to no effect on the legitimacy of the project, residents did not seem to expect being able to participate. Leading to a recommendation for future research on whether non participation in the planning process has any effect on the feeling of legitimacy (as it seemed to have no effect according to the interviewees 1 and 2). With regards to policy advice this thesis concludes that there is a need for civil actors to be educated the primary role of power that private actors hold. As residents do not seem to be aware of how decision making takes place in these large projects.

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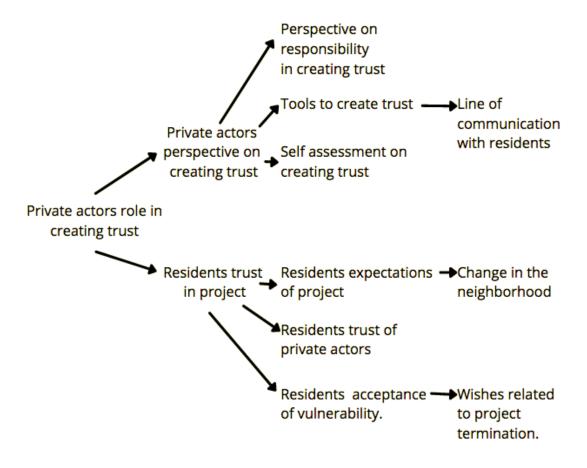
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## X. APPENDIX:

#### 1. Deductive code tree:



2. Interview questions, organized via research question.

Questions starting with a 1 are for private actors, questions with a 2 for residents.

Research question	Interview question	
Who are the private and resident groups and what are their relationships?	<ul> <li>1.1. What relationship does the company have with the residents?</li> <li>1.2. Is there any line of communication between the company and the residents?</li> <li>2.1. Have you been informed of the development project in this area?</li> <li>2.2. How?</li> <li>2.3. Did you participate in any activity related to the project?</li> <li>2.8. Do you know what companies are participating in the project?</li> </ul>	
2. How do private actors perceive their own role in creating trust among residents?	1.3. Does the company try to create positive expectations among residents, if so then how? 1.4. Is this important to the company? 1.5. Is the company responsible for creating trust among the residents? 1.6. Does the company play a part in creating trust in the residents of redevelopment projects? 1.7. If so, is it working? 1.8. Why do you think so?	
3. Do residents express trust in the planning process and in the private actors?	<ul> <li>2.4. Do you like your neighborhood?</li> <li>2.5. Do you think the neighborhood will change because of the project?</li> <li>2.6. How will your living situation change due to this project?</li> <li>2.7. How do you feel about this project taking place?</li> <li>2.9. Do you think these companies have good intentions?</li> <li>2.11. Would you stop the project if you had the power to?</li> <li>2.12. Do you trust the companies involved in the project?</li> </ul>	

#### 3. Consent Form:

#### Informed Consent:

Bachelors Thesis,

I.V. Ferreira Lok,

Supervised by Dr. S. Özogul

Faculty of Spatial Planning, Rijksuniversiteit Groningen.

Contact Information:

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Tel: 0651838447

Thank you for helping me with my research regarding the role that private companies play in the Eemskanaal redevelopment project. With this letter, I inform you about the interview and your rights as an interviewee.

The interview will take place online. The call will last approximately 30 minutes. You can indicate at any time that you want to stop, or not answer a question.

The interview will be recorded with an audio recorder and then transcribed. You have the possibility to check the transcript and adjust it where necessary for factual inaccuracies, as well as having your interview deleted.

The transcript will be used to analyze the information from the interview, in order to answer the research questions. The audio file will be deleted when the investigation is finished. The data collected during the interview will be treated confidentially.

The data, as well as the transcript, will be shared with my supervisor Dr. S. Özogul. The thesis will be included in the archive of the University of Groningen. The transcript will not be included. You have the option to remain anonymous if you wish.

By agreeing to this interview, I declare that:

- It is clear to me what this research is about.
- I understand that participation in this study is voluntary and I have the right not to answer individual questions.
- I understand that my participation in the study is confidential and that without my objections, this
  material (general or in the form of quotes) can be used in the report.
- I understand that all information obtained will be kept confidential, albeit in a password protected computer or file.
- I understand that the data resulting from the interview can be used in articles, book chapters, published and unpublished work and in presentations.
- I understand that after the interview I can only adjust my answers based on factual inaccuracies.
- I understand that I can remain anonymous if i wish to do so.

For further information and questions you can contact:

I.V. Ferreira Lok (student) i.ferreira@student.rug.nl and

Dr. S. Özogul (Supervisor) s.ozogul@rug.nl