THE DIMENSIONALITY OF PUBLIC TRUST IN PUBLIC PRIVATE PARTNERSHIP PROJECTS

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Public Private Partnerships (PPPs) are becoming increasingly popular around the world. However, concerns around the politicisation, transparency and failure of numerous PPP have fuelled community mistrust in official government messages about the economic, social and environmental risks and opportunities of these projects. While community trust in government initiatives has been explored by social psychologists in numerous controversial policy areas such as nuclear power and genetic engineering, PPP projects have been ignored in these analyses. Similarly, while the subject of risk in PPPs has been explored extensively in construction management research from an 'insider's' perspective, the challenge of managing 'outside' community concerns about these projects, has been largely neglected. To address these gaps in knowledge, a new conceptual framework is presented which is based on an integration of Poortinga and Pidgeon's (2003) Dimensionality of Trust theory, Kasperson *et al.*'s (2003) theory of risk perception and Rowe and Frewer's (2005) typology of public engagement. Using these new theoretical lenses, a number of important propositions are derived to guide future empirical work in this area.

Keywords: community, consultation, engagement, perceptions, public private partnerships, risk, trust.

INTRODUCTION

While there is a whole spectrum of public private partnership (PPP) models, PPPs generally involve a private sector consortium forming a special purpose vehicle (SPV) to finance, design, construct and operate public infrastructure against pre-defined service standards (Grimsey and Lewis 2000, Eadie *et al.* 2013). The PPP debate is a highly politicised and contested arena. While many governments, researchers and commentators advocate the benefits of PPPs, there are an equal number of critics which question the validity, bias and reasoning underlying these claims. For example, the Australia Productivity Commission (2014) cite many benefits of PPPs such as better value for money, lower life cycle costs, more innovation, integrated procurement and services, better risk management and better public services. However, it also cites a whole range of challenges including: Governance (lack of transparency in project selection; politicisation of decision-making around projects; poor or unclear business case for projects etc.); Procurement (poor project planning and feasibility; rushed projects; contractual complexity; high bid/transaction costs; lack of competition etc.); Risk management (poor risk assessment; inappropriate risk allocation - culture of risk transfer; optimism bias around issues such as patronage; public risk perceptions/mistrust in government around political motives, privatisation

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of public assets, poor business cases and low value for money etc.); Skills (low public sector skills in areas like negotiation and bid assessment around value for money; poor communication between public and private sectors; SPV management) and Data (lack of research, empirical data and analytics around value for money and costs and benefits of projects and about successes and failures).

Many of these challenges have already been extensively investigated in the PPP literature (Bing *et al.* 2005, Akintoye *et al.* 2003, Akintoye and Beck 2009, Cheung *et al.* 2014, Nguyen *et al.* 2014). However, the issue of community trust in PPPs has not yet been investigated and nor has a theoretical foundation been established to do so. The While there has been a large amount of excellent research looking at the risks of PPP's, it has primarily been from the 'internal' perspective of the project participants and community perspectives have been largely missing (Siemiatycki and Farooqi 2012, Ng and Loosemore 2006). This 'internal' focus is also reflected in the considerable work on trust in construction which has largely focussed on trust between internal team members rather than between the community and the project representatives (Badenfelt 2007, Brewer and Strahorn 2012, Ceric, 2014, 2016). Furthermore, although the issue of community trust in the construction industry are beginning to be explored in the construction management field (Teo and Loosemore 2010, Close and Loosemore 2014), PPP projects have never been a specific focus of research in this area. This is despite trust being implied as critical to the concept of PPPs by the term 'partnership' being central to its title.

It is within this context that the aim of this paper is to explore the issue of public trust in PPP projects by merging theories of trust, risk perception and community engagement to create a theoretical foundation on which to base future empirical research in this area. Three propositions are developed and presented to provide the foundation for future emperical work which will help advance PPP policy and practice by enabling policy makers to better build community trust in PPP projects. This is important for a number of reasons. First, the Productivity Commission (2014) cites community concerns about numerous PPP projects which have become highly politicised and gone ahead without a clear business case, thereby exacerbating levels of community mistrust in this procurement approach. Second, the conceptual framework developed addresses three significant gaps in knowledge: the lack of externally orientated PPP risk research; the lack of PPP focus in community-based research; and the lack of community focus in construction trust research. Third, not only are PPPs becoming more popular around the world as a relational procurement approach, but PPP projects present special challenges in terms of community trust. PPP's are typically large complex and controversial projects which have significant environmental and social impacts on the communities in which they are built. As Loosemore and Close (2014) show, communities are seen as a risk rather than an asset by most construction project managers and as Sharp (2004: 8) noted, while PPP projects might offer creative solutions to public infrastructure needs "Any PPP lives or dies on its reputation with these people".

THEORISING COMMUNITY TRUST IN PPP PROJECTS

A 'community' refers to a social unit that shares common values and interests and which normally lives in close proximity (Parsons, 2008). From the perspective of a construction project, 'community' refers to the people who perceive their interests to be affected by that project (Loosemore and Close). Atkinson and Cope's (1997) analysis of community participation and activism in urban regeneration projects

showed that communities cannot be treated as a single homogeneous, easily identifiable group and Teo and Loosemore (2011) showed that in reality, communities affected by construction projects are far more dynamic and complex than first thought.

Theoretically, trust is a social and psychological construct which is used to define the nature and quality of relationships between actors in a social system. Trust is not just an interpersonal phenomenon but is also of relevance to relationships within and between social groups such as communities and organisations (Hardin 2002). Rousseau *et al.* (1998) conceptualize trust across a number of disciplines defining it as a reflection of the degree to which one party is willing to accept vulnerability in a social relationship based on beliefs about the honesty, fairness and altruism of another party. Trust is the act of believing that the trustee can be relied upon to do what is expected and to not intentionally harm the trustor. Mollering (2005) argues that the act of trusting another person is one of the methods by which people resolve dependencies where there are significant power differentials to be navigated. This relationship between trust, uncertainty, complexity and power is particularly relevant in the context of PPP projects because of the high levels of uncertainty and complexity which characterise them and the power differentials which can exist between communities, governments and SPVs.

Job's (2005) notes that research into community trust in government is increasingly popular due to the increasing publication of scandals which suggest abuses of power and control, poor governance and a lack of ethics and honesty. She also shows that that community trust in government can either be theorised as rational (based on data and evidence and calculate) or relational (based on faith) and that both are at work in shaping the community's trust in government. Drawing on this extensive literature around community trust in government, Poortinga and Pidgeon (2003) provide empirical evidence to show that community trust can be synthesised into two main dimensions: a *general trust* dimension which is concerned with issues such as competence, fairness and openness; and a *scepticism* dimension that is concerned with the process by which risk policies and regulations are brought about and enacted and with the enactor's credibility and reliability. Based on these two new dimensions of trust, Poortinga and Pidgeon (2003) produced a typology which identified four main types of trust ranging from outright distrust - to rejection based on cynicism - to critical trust based on a healthy level of scepticism (the most healthy form of trust according to Poortinga and Pidgeon) - to uncritical emotional acceptance. Drawing on their dimensionality of trust model and extending it to PPPs it is possible to develop a proposition (conceptualised in Figure 1) that different members of the community might have different types of trust in government.

> *Proposition 1: Different groups in the community have different types of trust in government about PPP projects.*

The (P1) branch in Figure 1 uses Poortinga and Pidgeon's (2003) theory to hypothesise that people from the community affected by a PPP project can be categorised into four groups depending on the type of trust they have in a government communications about a PPP project (critical, acceptance, distrust and rejection). As shown in Figure 1, this categorisation is based on how community members differ in their attitudes towards government communications about PPPs across seven categories as detailed in Table 1.

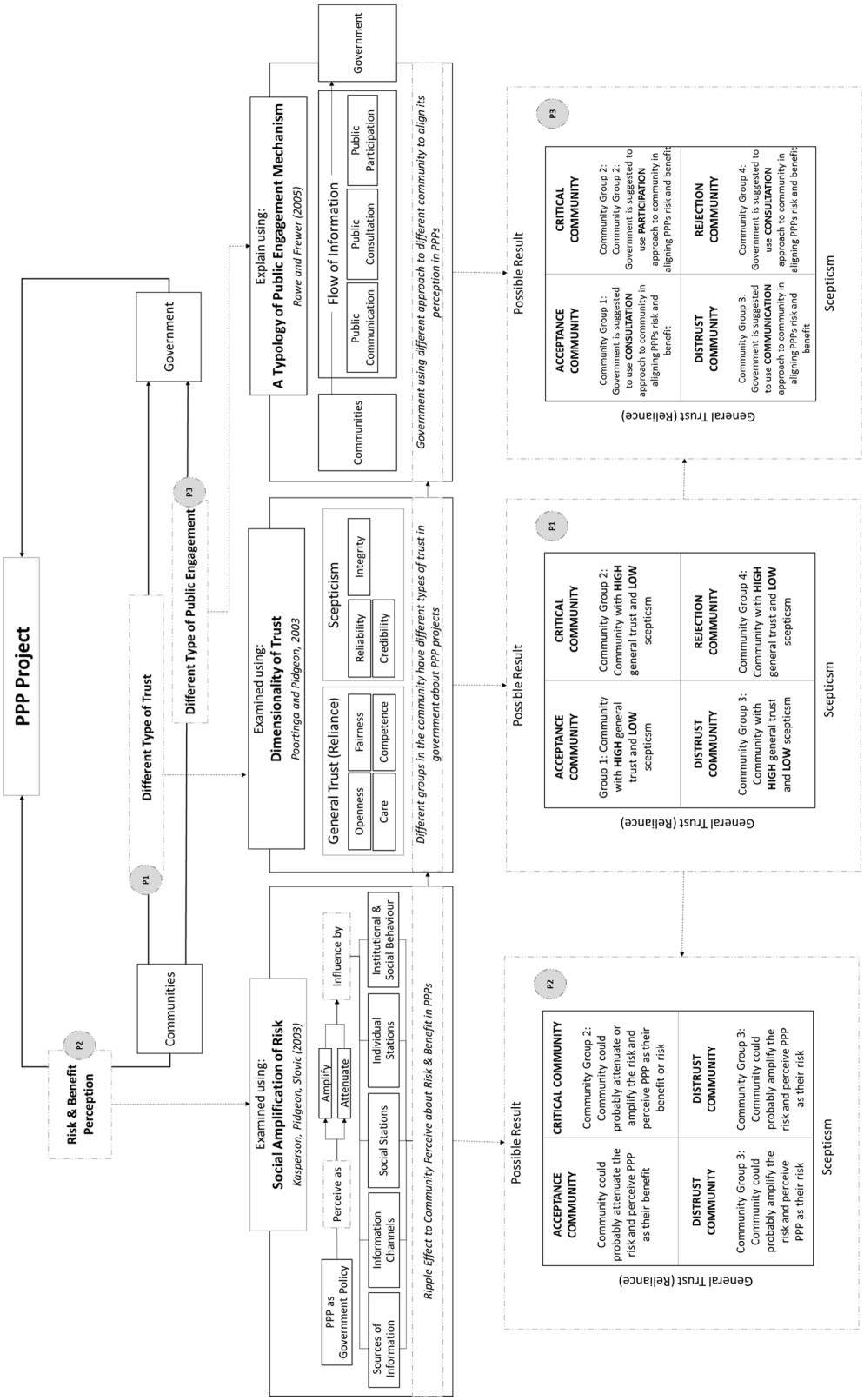

Figure 2 Conceptual model

While valuable in identifying different types of trust associated with different stakeholder groups in the community, Poortinga and Pidgeon's (2003) model does not explain how each type of trust group in the community would perceive the risk and opportunity of a potential PPP project.

This omission is conceptualised in Figure 1, by the (P2) branch which integrates Kasperson *et al.*'s (2003) theory of risk model with Poortinga and Pidgeon's typologies of trust model, representing an important extension of our understanding of community trust in PPPs by linking, for the first time, different types and dimensionalities of trust with different social amplification of risk factors.

Kasperson *et al.*'s (2003) work is particularly valuable in that it explains the factors that might determine the social amplification and attenuation of risk for different community groups identified through Portinger and Pidgeon's model.

Table 1 Dimensionalities of trust variables

Category	Description
1 Openness	Does the government provide all relevant information about a PPP project?
2 Reliability	Does the government change policies around PPP projects without explanation?
3 Integrity	Is the government PPP policy influenced by the private sector?
4 Credibility	Does the government distort facts about PPP projects?
5 Fairness	Are decisions about PPP projects fair?
6 Care	Is the government acting in the public's interests?
	Does the government listen to community concerns?
	Does the government care about what the community thinks?
7 Competence	Is the government doing a good job?
	Does government have the competence to represent community interests?
	Does the government have skilled people to deliver the project effectively?

The value of this model is that it explains how technical assessments of risk by experts can differ significantly from community perceptions of risk due to psychological, social, institutional and cultural processes which can act to attenuate or amplify community responses to a risk or risk event such as a PPP project. The social amplification - attenuation process acts as a corrective mechanism by which communities bring technical assessments of risk by experts into line with their own psychological, social, institutional and cultural perception of the risk posed. According to Kasperson *et al.* (2003) amplification/attenuation occurs at two stages: in the transfer of information about the risk and in the response mechanisms of society. Risk information is acquired in a number of ways from different sources of information and through different information channels through personal experience, direct communication or indirect communication through professional brokers and social networks. Risk signals are processed by both individual and social amplification stations. Individual stations include decoding processes, heuristics and attention filters which social stations include technical experts, government agencies, opinion leaders, media and formal and informal networks. The risk perceptions which result from these processes then spawn different behavioural responses (such as protest, political and social action, attitude changes) which in-turn results in secondary impacts (such as litigation, financial loss, loss of confidence etc.) which cause further changes to community risk perceptions and so on.

By integrating Kasperson *et al.*'s (2003) ideas into Poortinga and Pidgeon's model it is possible to develop a second proposition that:

> *Proposition 2: Different types of community trust in government are associated with different perceptions of risk in PPP projects*

While valuable as a new framework to explain how different community groups might perceive PPP projects based on a typology of trust and risk amplification framework, the limitation of Figure 1 with just the (P1) and (P2) branches is that it does not link different community groups and their unique perceptions of risk with different community engagement strategies. This is important for policy-makers to understand the types of community engagement strategies which are most effective in building 'critical community trust" in their communications about PPPs. To this end, Rowe and Frewer's (2005) typology of public engagement mechanisms is particularly useful. Rowe and Frewer (2005) constructed their model based on a secondary analysis of the extensive literature in the community engagement field and out of frustration with the imprecise key terms in the public participation domain, which they argue has hindered good research. Public engagement is enacted through a wide variety of mechanisms and Row and Frewer (2005) the literature into three main domains which they label: public communication; public consultation; and public participation. In the resultant typology, each of these broad approaches to community engagement comprise different mechanisms differentiated by the nature and low of information between sponsors and participants. In the public communication group there are four sub categories of mechanisms (information broadcast, public hearings, drop in centres and hotlines). In the public consultation group there are six sub categories (opinion poll, consultation documents, electronic consultation, focus groups, study circles and citizen panels). Finally, in the public participation group there are four sub categories (action planning workshop, task force, deliberative planning polls and town meetings).

When Rowe and Frewer's (2005) typology of public engagement mechanisms is used to extend Figure 1, the resultant conceptual model is extended into the (P3) branch which shows that different groups in the community which might have different types of trust in government communications about PPPs and different perceptions of risk associated with these project are likely to be associated with different government approaches to community engagement. Given that critical trust is the ideal type of trust in Poortinga and Pidgeon's (2003), this provides the conceptual basis to explore a third important proposition that:

> *Proposition 3: The development of critical trust in PPP projects requires a particular community engagement strategy*

The next phase of this research is to use the theoretical model and propositions derived and proposed in this paper as a foundation for single case study-based empirical research using the individual community member as the unit of analysis. This approach will be adopted for a range of reasons. First single cased studies allow an intensity of focus which are not afforded by multiple case study research, allowing complex social phenomenon such as community trust to be deeply investigated in a specific context and natural setting (Flyvbjerg 2006). Flyvbjerg (2006) acknowledges that case study research has often been criticized on the grounds that its findings are not generalizable, but he also argues that universal truths are problematic in the study of human affairs and that context-dependent knowledge and explorative insights gained through case study research is arguably more valuable than the explorative search for predictive theories and cause and effect relationships. As Berg (2001) asserts, while the advantage of large samples is breadth, the advantage of a small number of case studies is depth and validity which can be achieved by immersion in the research setting which case studies facilitate. The case will be a controversial PPP project which bring community trust to the surface and enable it to be investigated

rigorously using a mixture of methods including surveys, interviews, observations, and documentary inspection which is normal in case study research. This empirical outcomes of this research will be reported in future papers.

CONCLUSION

The aim of this theoretical paper was to explore the issue of public trust in PPP projects by merging theories of trust, risk perception and community engagement to create a theoretical foundation on which to base future empirical research in this area. The overall objective was to advance theoretical understanding of PPP projects from a community perspective by producing a new conceptual model of factors that shape community trust in PPP projects which will contribute to the advancement of PPP policy and practice by enabling policy makers to better build community trust in PPP projects. By integrating Poortinga and Pidgeon's (2003) theories of community trust in government with Kasperson *et al.*'s (2003) theories of social amplification of risk and Rowe and Frewer (2005) theories on typology of public engagement mechanisms a new conceptual framework and series of proposition has been presented to explore the important but as yet unexplored issue of community trust in PPP projects. The value of this model is in the integration of previously disconnected theories from the fields of risk communication, risk perceptions and community engagement, to better understand the process by which trust is formed in communities about PPP projects. This represents an important new dimension and re-orientation of PPP research which has hithertoo largely focussed on the management of internal risks between SPV members. While this previous work has been important in ensuring that PPP projects operate effectively, a better understanding of how PPPs are perceived by communities is important in ensuring that such projects are granted a social licence to operate by the communities in which they are built. As the discussion above demonstartes, too often PPPs have been imposed on communities without the resolution of widespread and legitimate concerns. These ongoing and unresolved controversies reflect a significant gap in perceptions about the risks and opportunities associated with PPP projects between communities and those who propose them, which lies at the heart of increasing community scepticism about government communications around PPP projects.

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