

Toward a satisfying system of damage compensation and strengthening houses

Lessons to be learned from a dysfunctional approach of damage compensation and strengthening
in the case of induced earthquakes

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1 INTRODUCTION & SCOPE OF WORK

Many inhabitants of the Groningen gas field have been facing damage to their houses. Since 1963, NAM (a joint venture of multinationals Shell and Exxon Mobil) has been mining for gas in the region, acting on a concession of the Ministry of Economic Affairs. The exact agreements between these private and public parties have not been revealed until early 2018, when it became clear that the Dutch government has a crucial role in the decision-making process about (the level of) gas extraction and a major interest and share in the gas proceeds.

Until 2012, damage to houses occurred but didn't attract much attention outside the Groningen region. In August 2012, the biggest earthquake in Groningen history took place in the village of Huizinge (M_w 3.6)¹, and since then damage to houses and other buildings has been manifold. In 2013 Dutch government confirmed the causal relation between gas extraction and earthquakes. Further, on behalf of the Mine Law², the gas extraction company NAM is responsible for damages as a consequence of soil subsidence and earthquakes. Therefore it was decided that should take care of damage intake and settlement. Many people felt fobbed off and treated unfairly by this system because in this way, NAM marked their own paper.

In 2015, a new company for damage settlement was founded: the CVW (translated: Centre for Safe Housing), which was meant to act independently from NAM. Also in 2015, a massive inspection operation was planned, in order to determine whether thousands of houses would be safe enough in case of a severe earthquake. To execute this inspection operation, a new governmental institution was founded: the National Coordinator Groningen (NCG), which acts under the jurisdiction of the Ministry of Economic Affairs. Due to capacity problems, NCG has outsourced a large part of the inspection operation to CVW.

On account of dissatisfaction with damage settlement by CVW (the centre turned out to be closely entangled with NAM), again a new institution was founded in 2018: the TCMG (translated: Temporary Commission Mining damage Groningen), which will eventually be replaced by the future IM (Institution for Mining damage). The TCMG has taken over the damage settlement since approximately June 2018; CVW is still active in carrying out inspections. [verwijzing naar figuur]

¹ In case of natural tectonic earthquakes which take place about 10 km below earth's surface, this is a minor earthquake. In case of the Groningen earthquakes, which are man induced and take place about 3 km below earth's surface and where the upper part of the soil consists of weak clay, the impact of such an earthquake on built structures is much heavier.

² In June 2018, the Mine Law has been revised, but NAM is still held liable for bearing all costs with respect to damage settlements and strengthening measures. The revised Mine Law can be downloaded (in Dutch) from <https://zoek.officielebekendmakingen.nl/kst-34957-14.html>

Until now (November 2018, to be continued) many inhabitants have gone through negative experiences with the practice of damage judgment and repair, and with the inspection route (inspection is followed by engineering, reporting, and eventually strengthening or demolition/new building). Groningen citizens feel dissatisfied with the process of damage settlement, as the judgment of causality seems to be arbitrary, depending on the expert or on the method used by the regulations in force. With regard to the inspection and strengthening operation, a lot has become uncertain since the Minister of Economic Affairs decided to pause the whole operation in April 2018. Reason for this decision is that by reducing gas extraction in the Groningen field, less earthquakes should happen. In the meantime, technical experts are developing new guidelines (NPR, translated: Dutch Practice Guideline) to determine the safety of buildings in specific areas. As a result of the political decision and changes in guidelines, many inhabitants feel uncertain about the safety of their houses, or simply do not trust³ government anymore.

‘Groningen people do not have confidence³ anymore’, is a statement often done by politicians and CEO’s; in newspapers and on television programmes; by researchers and representatives of policy institutions. The institutions CVW and NCG, which are in itself impersonal and abstract organisations, have chosen a personal approach in damage settlement and inspection: each inhabitant/household is assigned a fixed contact person. Via fixed contact persons, relations of trust can be built (cf Lewicki et al. 1998). This might be seen as an attempt to restore inhabitants’ confidence in institutions, although this is not explicitly stated by institution⁴. Our research focuses on questions as to what exactly is meant by the statement ‘Groningen people do not have confidence anymore’, why should confidence be restored, and how can this be actualized. We aim to investigate the relationship (if present) between inhabitants and contact persons of CVW, NCG and TCMG. While writing this paper, interviews with inhabitants had been conducted and analysed. The remainder of this paper extends this first part of the research.

2 METHODOLOGY

Between April – June 2018, 16 interviews have been conducted in nine different Groningen villages. All respondents had experience with damage and a majority also with the aforementioned inspection route, though at the moment of the interview, only two of them had received their inspection report, which proposes measures to strengthen, or to demolish and rebuild the house.

Before the interviews took place, a protocol was developed holding key points on which to elaborate. The interviews were open, in order to explore the inhabitants’ perspectives on the gas problems, their experience with institutions with regard to damage settlement and inspection, with the representatives of these institutions, and their vision on major institutions like the government and multinationals (Shell/Exxon Mobil). With regard to damage settlement and inspection, both CVW and NCG aim to focus on inhabitants (‘put people first’) and have opted for a personal approach of inhabitants, via a representative (‘bewonersbegeleider’, here translated as: case-manager).

The interviews were audiotaped and completely transcribed. To analyze the interviews, all transcripts were uploaded in the research software AtlasTI. All fragments concerning (a) casemanagers, (b) communication with institutions, (c) working methods, (d) trust/confidence were coded and if necessary, subcoded. After coding, reports were produced by AtlasTI clustering all fragments with the same codes. Via repeatedly reading and discussing all fragments with certain codes, an overall impression was obtained about inhabitant’s experiences with case-managers and communication by institutions, and the way inhabitants experience institutions’ working methods and the way major institutions take decisions. In the next stage, case-managers of CVW, NCG and TCMG will be interviewed, in order to learn how they experience their position, their role and the contact and communication with inhabitants. We aim to present the results in June on the conference.

³ The difference between the concepts ‘trust’ and ‘confidence’ is an interesting one: in Dutch, there is no difference. Both concepts are translated with ‘vertrouwen’. An elaboration of the two concepts and practical consequences will be part of a literature study for our research.

⁴ What both CVW and NCG do make explicit, is their starting point to focus attention on inhabitants first. In Dutch: ‘In alles wat je doet, zet je de bewoner centraal’ (website CVW); translation: ‘In everything you do, you focus attention on the inhabitant.’

3 RESEARCH OUTCOMES

Most respondents spontaneously referred to their case-manager when describing experiences with damage / inspection. Some respondents also mentioned contact with technical experts. In general, respondents felt satisfied with their case-manager as a person (statements like ‘an okay person’, ‘a nice guy’, who wanted to help inhabitants were heard), but that (s)he could not add value for inhabitants in the route. Respondents accounted for the difficult/delicate position of these case-managers: although their intentions are good, they lack authority and leeway to do what is important from the inhabitant’s point of view. In addition, the majority of respondents described the institutional communication as insufficient: communication concerning inspection routes lacked clarity or was simply non-existing.

In their descriptions of experiences, respondents voiced their impression of the working methods/procedures that CVW and NCG apply. Respondents experience these working methods as being decided top down, while not addressing inhabitants’ situations, nor considering regional/local issues (like considering the importance of heritage to the townscape and the region’s identity). Respondents explained this top down approach by referring to the major institutions: the Dutch government (in this case, the Ministry of Economic Affairs) and multinationals (in this case, Shell and Exxon Mobil) who make the decisions and formulate the policy for the ‘minor’ institutions CVW and NCG.

Although respondents didn’t have concrete experiences (like personal contacts with representatives) with the major institutions, they have formed notions of these institutions, which seem to be partly based on their experience with institutions (CVW,NCG,NAM) and their representatives. Besides, media reports and gut feelings seem to influence these notions as to how these institutions operate. Where a minority of respondents indicated they did not have a clear image, the majority demonstrated a distinct notion and opinion: the performance of the government (Ministry of Economic Affairs) and multinationals (Shell, Exxon) is seen as a ‘construct’ which operates on financial motives. Therefore, the damage settlements and inspection routes cannot be carried out in favour of inhabitants’ interests an regional/local interests. This notion has a clear effect on respondents’ view of the major institutions: confidence in the government and multinationals is absent or has reached an ‘all time low’.

From the scientific literature on interpersonal trust and institutional confidence, it becomes clear that to gain confidence from inhabitants (*trustors*), institutions (*trustees*) should demonstrate that both their intentions and their results are positive (cf Hawley et al. 2012). In other words, their motives should agree with inhabitants’ interests and the institutions should show themselves competent to handle the damage settlement and inspection/strengthening operation. To judge competence, these routes should be smoothly and fairly executed. To judge intentions, motives should be transparent. However, these criteria are hardly met in the Groningen situation, although there are damage procedures which pass quick and easy. Furthermore, since institutions are of a very impersonal and abstract nature (Bouckaert et al. 2002), getting a clear view of their intentions is very difficult; one could even wonder whether an impersonal entity is able to have intentions at all. In the situation of damage settlement and inspections/strengthening, the intentions of the major institutions are not transparently communicated to the inhabitants, leaving them with suspicious thinking, conclusions they make by virtue of experiences with these institutions and by reports in the media.

In terms of practical assistance, the case-manager might be of value to inhabitants. It might even be possible to create a relation of interpersonal trust with inhabitants. But supposing that this interpersonal trust can be extended to confidence in institutions might be a bridge too far. It is expected that by mid-2019, we will have gained more insight into the role of case-managers and their perspective of the problematic situation, while guiding inhabitants through processes of damage settlement and inspection. Further, we aim to attend actual conversations between inhabitants and case-managers, where sometimes also technical experts are present. It is expected that attending these conversation will provide more in depth observations on what is actually happening in contacts between inhabitants and representatives of institutions.

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