

Building institutional capacity for social value – reflections from the 'Back to the Neighbourhood'-project in the Netherlands

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Abstract

While most studies on institutional capacities for social value in planning practice stem from public perspectives, contemporary European urban transformations often involve both public, private and civic actors. This paper presents a Dutch market-led practitioner's research project of four *ex post* evaluations on social sustainability in newly realized urban neighbourhoods, in which the author actively participated. From a collaborative governance perspective, the paper reflects on the project's contribution to building institutional capacity for social value in urban development practice. Preliminary findings reveal how the market holds specific—perhaps hidden—capacities in terms of mobilization, communication skills, shared knowledge production and development of relational networks, yet tends to hold on to a limited perspective on social sustainability and to make a more incidental than structural impact.

Keywords: institutional capacity, private sector capacity, civic capacity, citizen participation, social sustainability

1. Introduction

As many cities in Europe and beyond face social challenges such as socioeconomic segregation, loneliness or unequal access to services for different social groups, creating social value through urban planning and development is considered increasingly important in theory and practice. Social value is defined by the UK Green Building Council as "created when buildings, places and infrastructure support environmental, economic and social wellbeing, and in doing so improve the quality of life of people" (UKGBC, 2021). By promoting a broader understanding of value than monetary alone, social value closely aligns with the more specific policy ambition for social sustainability, i.e., the ambition to improve people's quality of life, individual and collective well-being, for generations living now but also in the future (Weingaertner & Moberg, 2014)

Moreover, researchers increasingly call for anthropological understandings of social sustainability in the built environment that go beyond its understanding through tangible—'traditional planning'—aspects such as adequate housing or public space, but also through human-oriented aspects such as well-being, agency and capability (Dissart & Ricaurte, 2023; Janssen & Basta, 2022; Woodcraft, 2016). In the same line of thought, the process of involving local communities has become central to debates on social value to understand the impact of decisions on people's lives (Social Value UK, 2023). Similarly, the many varied frameworks that exist in social sustainability literature mention participation and inclusion of local actors as a key indicator of social sustainability in the built environment (see e.g. Dixon & Woodcraft, 2013; Janssen et al., 2023; Kjeldsen & Stender, 2022).

Involving local communities not only leads to a better understanding of local needs and potentially more effective plans, but meaningful citizen-planner dialogues also help to foster trust and to enhance social cohesion (Othengrafen et al., 2024). A common challenge of participatory practices, however, is that they remain incidental and exclusive and fail to make a wider social impact. This challenge can relate to issues of capacity in planning practice—for example, the lack of regulatory frameworks, policy support, and financial or human resources are reasons why creating social value through citizen involvement fails to be embedded in regular governance processes.

While various studies reporting on capacities for social value focus on institutional capacities, thereby referring to public perspectives (e.g., Cuthill & Fien, 2005; Polk, 2011) contemporary European urban transformations often involve both public, private and civic actors. Although market actors are often seen as actors merely incentivized by maximizing profit, regulatory frames such as ESG policy by the European Committee motivate investors and financiers in urban development to create social value or 'to make a social impact'. This shift has led market parties such as property developers and construction companies to develop programs in which they operationalize liveability, resident wellbeing or social equity goals – thereby increasingly experimenting with citizen participation approaches.

This conference paper reflects on a conducted participatory action research project in the Netherlands in which the author participated in a market-led practitioner's project of *ex post* evaluations on social sustainability in newly realized urban neighbourhoods. The paper aims to explore the contribution of this applied research project to institutional capacity building for social value creation in contemporary urban development practice. Meanwhile, the paper tests a preliminary framework to analyse capacities for social value creation in terms of different actors—either public, private, or civic— and different levels—either individual, collective or institutional. Finally, the paper defines questions for the continuation of this research.

2. Towards an analytical framework

2.1 Citizens as a serious actor in collaborative governance for social value

Citizen participation has been widely discussed in planning literature. Often forming part of the collaborative planning discourse (Healey, 1999; Innes & Booher, 2004) research foci range from public participation as an extension of local governance, as cocreation and coproduction as development forms where citizens exercise power and can co-decide on interventions (Rosen & Painter, 2019), or as citizen engagement as the activities that (groups of) citizens initiate and undertake themselves in the sphere of civic society, for example through voluntary, non for profit and cooperative activities (Knaps et al., 2024). While the strive after consensus in the communicative turn in planning has been criticized for its neglect of pluralistic worldviews (Mouffe, 1999; Young, 2015), involving citizens in planning practices remains to be considered an essential approach for various instrumental—i.e., better knowledge of local matters—and intrinsic purposes—i.e., enlarging citizen's voice or enlarging democratic capacity (Uittenbroek et al., 2019).

Normatively, participation is considered a key principle of what 'good governance' is about (OHCHR, 2025). More descriptively, conceptualising citizen participation as an essential part of collaborative governance for social value underscores that places are developed through the activities of not only public but also private and civic actors (Emerson et al., 2012). As such, considering citizens as actors in collaborative governance implies that citizens, next to other actors, are not only representing their self-interests (i.e., NIMBY-ism), but can also be oriented towards a public goal in planning practice— for instance, the transformation of an urban area, the perseverance of a liveable neighbourhood, or more general, creating social value.

2.2 Capacities for collaborative governance in urban development practice

In response to reconfiguring state-economy-civil society relations in governance practices in Europe and beyond in the early 21st century, Healey et al., (2003) developed a relational understanding of institutional capacity that concentrates on the shared responsibilities of actors for public purposes around the locality of a place. According to Healey (1998), institutional capacity includes knowledge resources, relational resources and mobilization capacity. Polk (2011), who applies this framework to sustainable development, defines:

- *knowledge resources* as formal and informal types of expertise and know-how, including formal, tacit and experiential types of knowledge.
- *relational resources* as "individuals gaining greater personal and professional relationships with colleagues within a wide range of organisations and agencies involved in local and regional planning. Some of the potential outcomes of social relations include the establishment of trust, respect and reciprocity between participants". (Polk, 2011, p188)
- *mobilization capacity* as the concrete impact, including less tangible long-term impact, that a governance area has in formal planning processes on the local and regional level.

Although Healey's (2019) sociological-relational understanding of institutions certainly does not limit her interpretation of institutional capacity to a governmental focus alone, recent notions of private sector and civic capacity from other authors can help to specify further what resources and abilities are needed for solving complex societal problems. In recent strands of literature on climate adaptation in public policy for example, the capacity of the private sector to influence policy agendas and to develop sector-specific operating procedures or technologies are mentioned as important pathways to achieve climate mitigation or adaptation goals (Sarzynski, 2015).

In addition, from a more normative perspective, civic capacity distinguishes from a general notion of capacity by including a dimension of agency and freedom of choice: “Civic capacity [...] as the extent to which the sectors that make up a community are (1) *capable* of collective action on public problems (the resource dimension), given the norms and institutional arenas for local action; and (2) *choose* to apply such capabilities (the dimension of effort, will and choice, or “agency”)” (Briggs, 2008, p13). It is thus not only important that civic society possesses resources to be able to undertake action, but also that there is room for choosing to do so— think for example of a political climate in which it is safe as a citizen to decide to participate in urban discussions, or in which a citizen simply has time available to do so.

Adopting a collaborative governance perspective thus implies a broader interpretation of institutional capacity in which institutional is not limited to ‘the public’ but particularly includes private sector and civic capacities. Furthermore, the participatory approaches that urban social sustainability demands give reason to emphasize capacity in planning practice not only as occurring at an institutional, ‘regulatory policy-level’, but also at the individual (e.g., residents or professionals) and collective (e.g., local communities or other forms in which citizens unite themselves) levels where participatory interaction can take place. As such, Table 1 presents a preliminary framework of actors in urban development and their capacities that play a role in collaborative governance for social value creation. In contrast to the individual and collective ones, the structural level does not refer to *actors* in urban development but to long-enduring structures in society that shape and are shaped by those actors— such as rules, cultures, traditions and beliefs (Ostrom, 2009)

Table: Analytical framework (preliminary, by author): institutional capacity for social value creation in urban development practice

	Civic	Private sector	Public sector
Individual	Actors: Residents, users of urban areas Capacities: Personal abilities, skills, knowledge, choice	Actors: Professionals, developers, local entrepreneurs Capacities: Personal abilities, skills, knowledge	Actors: Civil servants, governors, politicians Capacities: Personal abilities, skills, knowledge
Collective - intraorganisational	Actors: Collective citizen groups, cooperatives, political groups, associations Capacities: Mobilization resources, relational resources, knowledge, choice	Actors: Companies, shareholders Capacities: Mobilization resources, relational resources, knowledge	Actors: Local, regional and national governments Capacities: Mobilization resources, relational resources, knowledge
Collective - interorganisational	Actors: Citizen group networks, platforms Capacities: Shared mobilization resources, shared relational resources, shared knowledge, shared choice	Actors: Professional networks and platforms Capacities: Shared mobilization resources, shared relational resources, shared knowledge	Actors: Governmental networks and platforms Capacities: Shared mobilization resources, shared relational resources, shared knowledge
Structural	Structures: Collective values, cultures, traditions Capacities: Collective culture, private law	Structures: Working culture, beliefs and assumptions Capacities: Working culture, private law	Structures: Public values Capacities: Public management culture, public law and policy instruments

3.Method

3.1 Empirical reflections of a participatory action research

This conference paper aims to reflect on the Back to the Neighbourhood-project's (BTTN) contribution to build institutional capacity for social value in urban development practice, and meanwhile, to test the suitability of the preliminary framework in Table 1 to understand such capacity building. The BTTN-project (see 3.2) concerns an applied research project in which four newly developed neighbourhoods in three large cities in the Netherlands (i.e., Amsterdam, Rotterdam, and The Hague) were evaluated in terms of social sustainability. The project was conducted via a cooperation between the Foundation for Knowledge on Area Development at TU Delft and a socially oriented property developer in the Netherlands, while also including various other public and private urban actors such as architects, urban designers, civil servants, and other property developers.

The author of this paper was actively involved in the project as co-developer and co-coordinator, for which this paper can be considered as participatory action research. The choice for this active involvement of the researcher in the practitioner's project served an adjacent objective of the BTTN-project— namely to test the value of a scientifically argued framework to evaluate social sustainability in urban areas based on the Capability Approach in Dutch urban development practice (see outcomes for this objective in Janssen, 2025). This paper does not elaborate further on the function and impact of this evaluative framework but intends to draw reflections that serve a new research agenda on institutional capacity. By actively participating in all the evaluations throughout the entire duration of the BTTN-project, the author was in the position to do many field observations and have abundant informal conversations with the participants of the project. No formal semi-structured interviews were yet conducted. The observations presented in chapter 4 should therefore be seen as preliminary observations that, although based on intensive participation, should be complemented by future interviews or focus groups with the participants.

3.2 The Back to the Neighbourhood Project

Between April 2024 and January 2025, a Dutch property developer initiated a program to perform ex post neighbourhood evaluations in areas that the company had developed in the recent decade. While such urban development projects are, after realization, typically evaluated in terms of costs and construction performance, the BTTN-project aimed to concentrate on how the qualitative goals of such projects— such as increasing people's quality of life, and stimulating social encounters— had come into practice. Whereas the project was thus initiated by a single market actor and focused on the urban development projects of this actor, the BTTN-project formed a collective learning program in which many partner organisations in the field, including municipalities, housing organisations, architects and urban designers, participated.

The setup of the BTTN-project was as follows. Four recent urban development projects that had specific goals regarding social sustainability were selected to be evaluated. Those goals were for example formulated as "this project needs to be a stepping stone for surrounding residents", or "this project needs to become an area where people feel at home, and neighbours meet each other and form a community". Per neighbourhood, a group of between 15-25 professionals were mobilized to perform interviews with residents living in the newly developed areas. The group of practitioners consisted of employees of the property developer itself—with various roles stretching over various development stages, from concept development to project execution— but also of practitioners from other (partner) organisations. As such, the project not only served to draw lessons on the performance regarding social sustainability but also to train practitioners in engaging with residents.

Each neighbourhood evaluation lasted for a period of approximately four weeks. This period started with a 'kick-off'-session in which the practitioners were briefed and had the opportunity to train their interview skills. This was followed by a period of two or three weeks in which the participants went 'back to the neighbourhood' and performed interviews with residents. Residents were approached on the spot, by ringing the doorbell or by being approached on the street or were approached via local social media channels. After this period, the practitioners came together for a feedback session to exchange the findings to which residents were invited as well. The findings were analysed by two researchers participating in the coordination team of the project.

4. Preliminary empirical findings: building capacities through the BTTN-project

This chapter discusses how specific capacities in the BTTN-project were relevant to the creation of social value. It also reflects on whether certain types of capacities were lacking, and on whether the project contributed to building new capacities relevant for social value in the Dutch urban development practice.

4.1 Capacities at individual, collective and structural levels

A first observation in the BTTN-project is that an important type of capacity for social value occurs at the individual level of professionals, namely in the communication skills of the practitioners who took part in the project. As citizen participation was not a daily task for most practitioners, conducting a qualitative semi-structured interview with a resident was a first experience for some. All participants received the same guiding material with the key questions, yet the quality and intensity with which practitioners engaged with citizens varied widely. It became clear how professionals who are in their regular jobs are responsible e.g., floor management, client communication or team leadership, benefitted much from their experience with daily 'social' work activities. Although such an empirical observation may not be surprising, it points out that a potential capacity for social value in the built environment is 'hidden' among professionals—yet would need to be made use of to create actual value in practice.

At the inter-organisational level, capacity building took place through shaping new relational resources among the various public and private urban actors in Dutch planning practice who participated. Although those actors, of course, already interacted in their regular work activities, the BTTN-project provided a platform where they intensively collaborated on a relatively simple assignment in a neutral setting (i.e., without interests or negotiations) and could collectively build trust. Moreover, the experiences that the practitioners gained from participating in the BTTN-project can be seen as contributing to a collective knowledge of social sustainability and citizen involvement among urban actors in the field. It had been an explicit objective of the BTTN-project to conduct the resident interviews with a large group of professionals—instead of a single researcher or consultant taking care of all interviews. This decision proved to be successful: many participating professionals feedbacked that simply 'doing it yourself' had made a true difference in their understanding of what citizen engagement is about and what social impact can mean to residents.

Finally, at the structural level, the project's contribution to capacities was found to take a small step in a transition towards new working cultures needed for social value in planning practice. By making the BTTN-participants enthusiastic about the neighbourhood evaluations, the BTTN-project aimed to normalize discussing social sustainability in urban debates and to normalize the engagement with citizens in urban development practice. Nevertheless, the enduring impact of the BTTN-project for the future can be questioned due to the incidental character of the project. As participation in the project was not formally commissioned nor financially rewarded, it was noticeable how practitioners already struggled with their available time to participate in one of the evaluations, limiting the project to making a more structural impact.

4.2 The specifics of private sector capacity

The fact that the BTTN-project was initiated and co-organised by a private actor seemed to have several advantages for social value. In one of the neighbourhoods, for example, it was observed how a local citizen initiative had grown into an important social infrastructure for the area. This concerned a not-for-profit café that performed social activities in a glasshouse such as urban greening, distributing food leftovers, and organizing workshops and weekly dinners for neighbours. After having engaged with this citizen initiative for some weeks, the property developer learnt that the initiative faced difficulties in receiving municipal budgets to insulate the physical space, which hindered it from performing the activities during the winter period. The market actor quickly responded to this observation by activating a fund and financing the retrofit of the glasshouse, enabling the initiative to widen the social activities in the neighbourhood.

While this situation illustrates how a combination of private actors being able to mobilize financial resources and being able to respond quickly to locally emerging needs can make a concrete impact on people, the private sector also has limitations for social value creation. It became clear during the BTTN-project, for example, that the leading interest of the property developer in social sustainability eventually mainly concerned their own clients, being the private buyers or investors renting out their rental apartments.

How quality of life was experienced by communities living just outside the newly developed housing areas, was less of a concern to the market actor—whereas this would be a main concern from an urban social sustainability perspective.

Moreover, it was noticeable how making enough time available to perform the neighbourhood evaluations was challenging, particularly for those participants working in the private sector. To them, participating in the BTTN-project meant doing something 'extra' on top of regular working priorities, in some cases giving up a free evening or day on the weekends. Although collaboration with local (governmental) actors who are more permanently active in the neighbourhoods was sought after, the BTTN-project failed to collaborate with those actors to ensure that the resident-professional relationships would last for a longer period of time. Beyond the one-off feedback session at the end of each evaluation period, the BTTN-project did not include further follow-ups with residents or other local actors in the neighbourhoods.

Finally, although a key element of the BTTN-project was to engage with residents of the new urban neighbourhoods, civic capacity was used or expanded only to a very limited extent. By choosing interviews as the main method of civic engagement in the BTTN-project, little attention was paid to the developing knowledge of residents or the mobilization of relational resources. Moreover, the specific notions of choice and agency, that are characteristic to civic capacity, played a minor role in the project—residents were mostly offered only one predefined way to participate in the project, at one moment.

5. Discussion: towards enlarging institutional capacity for social value in urban development practice

The overarching aim of this paper was to explore how collaborative governance practices can contribute to institutional capacity building for social value creation in planning practice. This contribution reflected on the Back to the Neighbourhood-project, a market-led project in the Netherlands in which a property developer evaluated four newly developed neighbourhoods together with the author of this paper and other public and private actors in Dutch planning practice.

Preliminary findings from the BTTN-project reveal how the market holds specific —perhaps 'hidden'—capacities that contribute to social value creation in urban areas in terms of mobilization capacity, communication skills, shared knowledge production and development of relational networks. The lack of specific policy frames and regulations on social sustainability benefit the private sector to be able to respond quickly to locally emerging needs once those are observed. Although this reflexive characteristic of the market is certainly an advantage for social value creation, it also risks steering exclusive interventions, for example when certain local needs are heard less than others.

Using an analytical framework to investigate institutional capacity among individual, collective and structural levels and public, private and civic spheres, helps to elucidate what the 'thicker' and the 'thinner' potential contributions of a planning practice to institutional capacity for social value creation are. The empirical findings for example show how private sector capacities in the BTTN-project are limited ('thin') in terms of adopting a comprehensive perspective on social sustainability that considers the wider communities living in cities, and in terms of making their 'best practices' for social impact creation more structural than incidental. It was also observed how the BTTN-project had a limited contribution in terms of building civic and public capacity.

Developing this framework further in future research can help to find out when exactly various capacities complement each other and lead to effective collaborative governance for social value creation. For this, it is needed to further investigate and define when participatory approaches 'create social value' to people living in urban areas and what conditions facilitate those approaches. European studies on for example neighbourhood planning in the UK (Wargent & Parker, 2018), Community-Led Local Development by the EU (Servillo, 2019), or the institutionalised *Gebietsbetreuungen* in Vienna (Janssen, 2024) can be discussed to explore what capacity elements help citizen participation to become more structurally embedded in planning practices.

Concluding, in a planning context where the market plays an increasingly dominant role, it is promising to strive after a collaborative governance for social value in which capacities of public, private and civic actors complement each other. Yet, several questions require further inquiry. What exactly are those specific capacities,

theoretically and empirically? Are they conditional or optional, are they generic or situation-dependent? When exactly are capacities complementary and do they foster successful collaborations among actors in practice? And in what form do those capacities enable true social value creation that aligns with the lived experiences of those whose policies are aimed?

The questions raised here will be addressed in the continuation of this research. The findings presented in this paper are based on the author's initial observations after participating in the Back-to-the-Neighbourhood-project. Although based on intensive participation, the findings should be validated by additional research methods, such as interviews groups with the participants, or by adding one or several comparative cases.

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